

Panel Meeting 40c – Headline Report

27 March 2020
Teleconference

This Headline Report provides a record of the decisions made by the Panel.

1 CPW091: Temporary Change to Vacancy (Authority Timetabled Change Proposal)

The Panel considered the Draft Recommendation Report for the urgent change proposal [CPW091 'Temporary Changes to Vacancy'](#). This change sought to allow Retailers to set the Occupancy Status of premises which have seen a significant reduction in consumption (95% or more) to 'Vacant' in CMOS until 30 June 2020. The Occupancy Status of the premises will be required to revert back after 30 June 2020, unless Retailers can prove that the premises remain vacant.

Following the outbreak of the Covid-19 pandemic, many businesses and non-household customers have either temporarily ceased operations or issued 'working from home' arrangements for their employees from March 2020. As CMOS generally uses a year's worth of meter reads to calculate estimated usage, Panel Members noted a mechanism was required which could suppress or reduce the level of estimated volumes, so Retailers were not being obliged to pay Wholesalers for more water than their customers were likely to use.

This Authority Timetabled Change Proposal was raised by Ofwat to relieve market pressure on Trading Parties.

The Panel:

- **AGREED** to recommend CPW091 to the Authority for approval (8 votes in favour, 2 against, 2 abstentions); and
- **AGREED** to recommend an implementation date of:
 - 30 March 2020.

2 CPW093: Payment deferral interim measures (Authority Timetabled Change Proposal)

The Panel considered the Draft Recommendation Report for the urgent change proposal [CPW093 'Payment deferral interim measures'](#) to permit the deferral of a percentage of payments by Retailers to Wholesalers relating to Settlement in April and May 2020 for a short period of time to be determined by Ofwat. This change proposal also sought to suspend a percentage of payments invoiced but not yet due in March 2020 for two months from the due date.

Retailers will be required to pay at least 50% (or a percentage otherwise determined by Ofwat) of the charges that are due in these months to ensure liquidity in the market.



Following the outbreak of the Covid-19 pandemic, many non-household customers may not pay on time or in full, leading to a cash flow issue for Retailers. This change proposal sought to provide an interim relief for the immediate challenges faced by the market until a medium-term solution to address the issue of late payment for the period of Covid-19 pandemic was in place.

The Panel:

- **AGREED** to recommend CPW093 to the Authority for approval (9 votes in favour, 3 abstentions); and
- **AGREED** to recommend an implementation date of:
 - 30 March 2020.