

Notice of the Commission’s Decision on the Extension of the Wholesale Charges Deferral Scheme and Deferral of Prepayment of Wholesale Charges

September 2020

The Commission published COVID-19 Response and Decision on Measures in Support of Non-household Customers in May 2020. To ensure that customers affected by the COVID-19 pandemic were appropriately protected the Commission noted in its [decision](#) that it would review the scheme and decide whether it would be appropriate to extend the end date of the scheme from September 2020 to December 2020.

In reviewing the scheme, the Commission sought further information from licenced providers on the operation of the scheme and invited market participants to provide their views on the functioning of the scheme. The Commission wrote to stakeholders on 21 August 2020 to consult on its proposed approach to extend the scheme and postpone the introduction of the wholesale prepayment requirement. The Commission received responses from seven Licensed Providers and Citizens Advice Scotland and would like to thank all stakeholders for their comments. All respondents have expressed their support for the Commission’s proposed approach.

The Commission believes that is important to provide certainty to businesses during these challenging times and take appropriate steps to preserve the operation and integrity of the market. In light if this and considering the imminent unwinding of other government support measures to businesses, the Commission has decided to extend the end date of the Wholesale Charges Deferral Scheme from 24 September 2020 to 31 December 2020.

The Commission has also decided to extend the temporary suspension of the prepayment terms of wholesale charges by licensed providers to Scottish Water, which was set out in its decision published in May 2020. This moves the step to prepay one month’s wholesale charges in advance, which was planned to be reintroduced from October 2020, to February 2021 with two months in advance prepayment of wholesale charges being reintroduced from May 2021.

The table below sets out the updated timetable:

15 December 2020	Scottish Water notifies licensed providers that a one-month prepayment will be required from February 2021
31 December 2020	The Scheme ends
February 2021	One-month prepayment of wholesale charges

15 March 2021	Scottish Water notifies licensed providers that a two-month pre-payment will be required from May 2021
May 2021	Two-month pre-payment of wholesale charges
December 2021	All accrued wholesale charges are repaid

This document has been sent to Scottish Government, the Central Market Agency Limited, Scottish Water, Citizens Advice Scotland, all Licensed Providers participating in the Scottish water market, licence applicants and all parties who responded to the consultation. It is also on the Commission's website at: www.watercommission.co.uk