

**Press release, 26 June 2008**

### **CMA issues Termination Notice to Aquavitae**

On Thursday 19<sup>th</sup> June, the CMA issued a Termination Notice to Aquavitae (UK) Limited taking effect from 21<sup>st</sup> June following an announcement that the company has gone into administration. The Notice removes the company's rights to participate in the market.

The Market Code required the CMA to allocate the 'Supply Points' of a 'Defaulting Trading Party' to the remaining Licensed Providers (in this case Business Stream and Satec) on a random basis.

Jeremy Atkinson, chief executive of the CMA Scotland, said: "We have served a Termination Notice on Aquavitae in accordance with the Market Code. Market participants can be reassured that we have the necessary processes in place to administer trading parties effectively."

### **Notes to editors**

The Central Market Agency Limited (CMA) has been established as part of a framework developed under the Water Services etc. (Scotland) Act 2005 ('the 2005 Act').

The CMA is a company limited by guarantee and owned by its members. Scottish Water is the founding member of the CMA; any retailers that enter the market also become members. Brian Saunders is the chairman of the CMA.

Under the 2005 Act, 'licensed providers' (often referred to as 'suppliers') will be able to offer water and wastewater retail services to non-domestic customers in Scotland. There will be a market for water and wastewater retail services similar to those seen in the UK gas and electricity industries. Scottish Water will continue to be responsible for the physical delivery of water to customers' premises and for the removal of wastewater from their premises. However, licensed providers will compete to read meters, produce bills and collect monies, and provide a contact point for non-domestic customers. They will pay Scottish Water a wholesale charge on behalf of their customers.

The Water Industry Commission for Scotland (the 'Commission') is responsible for granting licences to new entrants in accordance with the 2005 Act. Licences have been granted to Business Stream (BS) (the retail subsidiary created by Scottish Water), Satec, and Aquavitae. Business Stream and Satec have become members of the CMA, Aquavitae are in the process of becoming members.

The CMA is the organisation that has responsibility for administering the new market – the duties of the CMA in this regard are set out in the 'Market Code' and the 'Code Subsidiary Documents' (CSDs) published on the CMA website. These documents also set out the duties of Scottish Water and licensed providers in relation to the new market.

The CMA will keep a register of the customers served by each licensed provider and it will record whenever a customer switches licensed provider. The CMA will calculate the monies owed by each

licensed provider, on behalf of their customers, to Scottish Water. It will provide this information to Scottish Water to allow Scottish Water to invoice the licensed providers.

On the 26 September 2007 the CMA became an independent entity capable trading. Responsibility for the development of the Market Code was handed to market participants, to be exercised through the CMA's Technical Panel.

Further information is available at: [www.cmascotland.com](http://www.cmascotland.com)

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