

Wholesale-Retail Contract

Retailer Payment Deferral Scheme

February 2025

Version 2.0



from
**Southern
Water** 

Introduction

This Retailer Payment Deferral Scheme is being introduced for Retailers as an optional temporary measure to assist with Retailer cashflow during the first two months of the 2025-26 financial year. All deferred amounts will be interest free.

1. Applicable Period

This Deferral Scheme will only apply for the first two months of the 2025-26 financial year, namely the months of April and May 2025 (the “Applicable Period”).

2. Availability

This Deferral Scheme is an optional scheme open to all Retailers, without the need to sign any agreements. The Retailer will automatically be considered to have opted into this Deferral Scheme by utilising the Initial Payment values referred to in section 5. This Deferral scheme will operate alongside any Alternative Eligible Credit Support Agreements in place at the time of publication of the P1 during the Applicable Period.

3. Settlement Runs

This Deferral Scheme will apply to the R1 Settlement Run, with the P1 Credit Support Notice for the Applicable Period receiving additional benefit through Southern Water’s suspension of increase in required credit support.

4. Issuing of Invoices

During the Applicable Period, our system will generate all invoices in full as per the CMOS published Settlement data and the invoice will be emailed out according to our published invoice timetable. The payment values and due dates referred to in sections 5 and 6 will be calculated and displayed on each invoice where the Deferral Scheme is available.

5. Initial Payment

During the Applicable Period, where a Retailer receives a separate invoice for the R1 Settlement Run, a minimum payment of 75% of the net value plus 100% of the VAT value must be paid in the usual manner by the original due date stated on the invoice. Upon payment of the 75% of the net value plus 100% of the VAT value, any remaining balance after the original due date of 25% or less of the invoice net value (the “Deferred Balance”) will be classed as a Deferred Payment and subject to section 6, will not be classed as late and will remain interest free.

6. Deferred Payment

During the Applicable Period all outstanding invoice balances relating to section 5 are to be paid in full by the due date of the R2 invoice for the month in which the R1 invoice relates.

7. Late Payment

Any late or reduced payments below the minimum percentages set out in sections 5 and 6 will result in the whole of the outstanding balance being classed as late and will be subject to late payment processes as per the Business Terms and will impact any held Alternative Eligible Credit Agreements by that Retailer.