



Mr K Mason
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Centre City Tower
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Your ref

Our ref

Date
17th January 2013

Contact
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Dear Keith

Consultation on Ofwat's section 13 proposal to modify companies' licences

Thank you for your letter of 21 December 2012 setting out your proposals to modify Conditions B and C of our licence.

We note that we have yet to be provided with a copy of the detailed wording of the specific modification for Southern Water. However, I can confirm that, subject to agreeing the specific wording, we can consent to the making of the modifications proposed.

As I said in my letter of 20 December 2012, we would like some further clarity on how we can positively demonstrate compliance with clause 18.1, which requires us to use all reasonable endeavours to work with you on developing appropriately targeted price controls.

We look forward to a continuation of the positive engagement with you as we develop future reforms.

Yours sincerely

A handwritten signature in black ink that reads "Matthew". The signature is written in a cursive style and is followed by a horizontal line that extends to the right.

Matthew Wright
Chief Executive Officer