

Our Ref: JC/LAT/Ofwat

Your Ref:

13 August 2014



Ruth Gibson
Choice and Trading Arrangements
Ofwat
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Dear Ruth

**Consultation on Section 13 Licence Modification Proposal
Condition R1**

I confirm that Sutton and East Surrey Water are content with the proposed revised approach to providing adequate funding to enable the Open Water programme to help deliver new market arrangements for all non-household customers from 2017. We recognise the revisions made to the proposed new Licence Condition in response to companies' comments and queries on the original draft, and welcome the continued open and constructive engagement on the development of effective market arrangements.

Sutton and East Surrey Water plc will therefore accept the proposed new Licence Condition in the revised form included in your Consultation issued on 14 July 2014 (as updated on 15 July 2014).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'John Chadwick', is written over a large, stylized blue 'O' that serves as a graphic element.

John Chadwick
Finance Director and Company Secretary

