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Dear Ian

**Negotiation of Bulk Supplies – a consultation on Ofwat’s guidance**

**Response from South West Water**

We support the approach taken by Ofwat in the consultation. Publishing guidelines for the terms that should be considered in negotiating bulk supplies will be more useful than preparing a model bulk supply agreement. This is entirely consistent with the need for flexibility and innovation in the way bulk supplies are developed, and the legislative framework which requires parties to attempt to reach agreement before asking Ofwat to determine the terms.

We have no specific comments on the guidance itself, which covers the elements that we expect any bulk supply agreement would need to include.

Please do not hesitate to contact me if you require any further information.

Yours sincerely



Iain McGuffog  
Economic Regulation Manager.