

21 March 2016

Tim Griffiths
Ofwat
Retail Market Opening Programme
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Dear Tim

Modification of the Instrument of Appointment

Please accept this letter as our formal agreement to the proposed modification of condition R of our appointment to remove the prohibition to sell or otherwise make available water or any other assets to a related licensed water supplier.

We accept that the appointment will also be modified, via Section 55 powers, to include a new licence condition on retail market opening. While we still consider that this condition is unnecessary we support the approach you have taken to consult parties and the amendments that you have subsequently made.

Yours sincerely



Anthony Ferrar
Managing Director