

17 March 2016

Tim Griffiths
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Dear Tim

Modification of the Standard Conditions of the Water Supply Licence

Please accept this letter as our formal agreement to the proposed modification of condition 7 of our water supply licence to allow licensees to carry out relevant activities in the area of a related water undertaker.

We accept that the standard conditions of our licence 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



Giuseppe Di Vita
Managing Director