

Severn Trent Plc

Severn Trent Centre
PO Box 5309
Coventry
CV3 9FH

Tel 02477 715000
Fax 02477 715871

08 August 2016

Dear Stakeholder

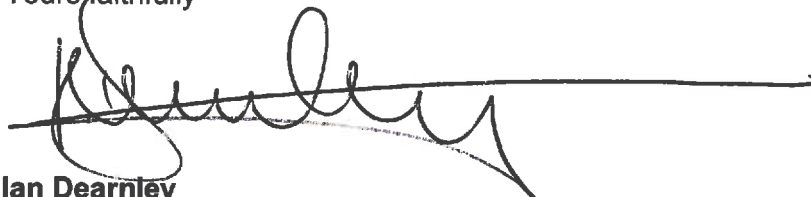
Consultation on Proposals to modify Instruments of Appointment under section 55

We welcome the opportunity to respond to the above consultation.

We have reviewed the proposals and generally support the new conditions and amendments to existing conditions. As regards the specific proposals around Condition A, we have some comments which are set out in Annex 1 to this letter.

We are supportive of the proposal to merge Conditions R & S and look forward to receiving the consultation on the new Condition S.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Dearnley', written over a horizontal line.

Ian Dearnley
Head of Transformation – Competitive World

ANNEX 1: Condition A

We welcome the revised terminology and are generally supportive of the amendments. We accept the following amendments:

“2014 Act” – “Water Act 2014”

“Licensee” – “the holder of a water supply licence and/or a sewerage licence granted by the Water Services Regulation Authority under section 17A and/or under section 17BA of the Water Industry Act 1991”

“Retail market opening date” – means the date determined by the Authority as the date when the retail water and sewerage market for Eligible Premises opens

“Wholesale-Retail Code”- the code issued by the Water Services Regulation Authority pursuant to sections 66DA and 117F of the Water Industry Act 1991.

However, as acknowledged by Ofwat, it remains our preference for the drafting to refer to definitions in the loA rather than the WRC. For example:

“Eligible premises” – shall have the meaning given in the Wholesale-Retail Code

Although, we understand the perceived benefits of linking the definitions to the WRC rather than the loA (ease of future amendments) we would welcome reassurance that such an approach does not seek to circumvent a full and robust consultation process to any future amendments.