



Andrew Walker
Markets & Economics Director
Ofwat
Centre City Tower
7 Hill Street
Birmingham
B5 4UA

Your Ref:

Our Ref: MW/KW/EC

Date: 21 October 2016

Contact: 01903 272393

Dear Andrew,

Business retail price review 2016: draft determination

We note that for Southern Water you have based your draft determination on our proposals for revised default tariff caps for under 5Ml customers, and that you have developed the approach set out in your statement of method for uniform gross margin bands for larger customers.

You have asked for responses to your draft determination by 28th October 2016. On the understanding that you will not be revisiting your draft determination for our company prior to publication of your final determination, we have no representations to make.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Matthew Wright".

Matthew Wright
Chief Executive Officer