



16 December 2016

Dear Stakeholder

**Final determination of business retail price controls – Supplementary Cap**

The determination of Price Controls for Business Retail Activities by the Water Services Regulation Authority (“Ofwat”) published on 15 December 2016 indicated that we intended to further consult on the detailed formula for calculating the supplementary cap.

The determination set out that the supplementary cap is to be set out in, and must be calculated in accordance with, the Supplementary Cap worksheet.

Accordingly, we are now providing all companies with the Supplementary Cap worksheet for a short consultation. This will allow us to conclude this calendar year to assist companies with setting charges for 2017/18.

If you wish to comment please could you provide responses by 12 noon on 20 December to [NHHRetailPriceReview@ofwat.gsi.gov.uk](mailto:NHHRetailPriceReview@ofwat.gsi.gov.uk).

Yours sincerely,

**Tim Griffiths**