



7 December 2016

Severn Trent Water Limited

Mr Stephen St Pier
Ofwat, Centre City Tower
7 Hill Street Birmingham
B5 4UA

Severn Trent Centre
PO Box 5309
Coventry
CV3 9FH

Tel: 02477 715000
Direct: 07786 027525
Email:
shane.anderson@severntrent.co.uk

www.severntrent.com
www.stwater.co.uk

Dear Stephen

Consultation under section 13 of the Water Industry Act 1991 on proposed modifications to the licence conditions

The section 13 consultation proposed a number of licence modifications to give effect to four features of Ofwat's Water 2020 Framework that was published in May. These four changes relate to:

- indexation of price controls by CPI or CPIH (instead of RPI);
- new separate Water Resources, Network Plus Water, Bioresources and Network Plus Wastewater price controls;
- market information databases in relation to water resources and bioresources; and
- in-period adjustments to price controls to reflect performance against performance commitments (in-period outcome delivery incentives).

We have discussed these licence changes with our Board and confirm that we consent to the proposed modifications relating to the above 4 policies.

Kind regards,

Shane Anderson
Head of Regulation
Severn Trent