



Severn Trent Plc

By email only

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23 March 2016

Consultation on Ofwat's section 55 proposal to modify Instruments of Appointment and Water Supply Licences – market readiness

Severn Trent is supportive of the introduction of non-household competition. We understand the importance of all stakeholders in the market having confidence that each affected party is making the arrangements necessary for a successful market opening.

We have previously expressed concerns about the principle of introducing a readiness condition to incumbent licences. This is on the basis that the conditions appear an unnecessary duplication of existing incentives and sanctions within the regulatory framework and the hierarchy of assurance letters.

Notwithstanding the above, the Boards of Severn Trent Water Ltd and Severn Trent Plc are committed to Severn Trent Water, Severn Trent Connect and Severn Trent Select respectively being ready in time for the go live date, and as such, accept the proposed changes to their respective Instruments of Appointment and Water Supply Licence.

Please do not hesitate to contact me should you require any further information.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Tony Ballance", with a long horizontal flourish extending to the right.

Dr Tony Ballance
Director, Strategy and Regulation