

2 December 2008

Stella Creasy
Scouts Association
Gilwell Park
Chingford
London
E4 7QW

Severn Trent Water

SEVERN TRENT WATER Ltd
2297 Coventry Road
Birmingham
B26 3PU

Tel 0121 722 4000
Fax 0121 722 4800

Direct Line

Contact Lorraine Wisedale
Your Ref
Our Ref

Dear Stella

It was good to meet with you last week and to discuss your concerns over the introduction of charges for surface water services to premises occupied by members of the Scouts Association.

As you are aware under our current Scheme of Charges we have a "special cases" category for Surface Water charges for a limited group of customers including your association, whereby we have capped the charges at a maximum equivalent to our 100 to 199m² rate (a charge of £93.96 in the current year). Severn Trent has been content to have this category of charges in our scheme for a number of years and to the best of my knowledge this has never been the subject of adverse comments from our customers. We were not seeking to make changes to this charging arrangement.

However, Ofwat have advised us that they do not wish to see "special cases" within our charging scheme and we have been asked to ensure all properties are charged at the appropriate rate for surface water drainage. In their letter OFWAT accepted the impact this would have and have advised that phasing in is anticipated with a 10 year period being suggested. We will be looking at our options to impliment this change and will ensure we give our customers the maximum time possible to make any adjustments to their surface drainage facilities to mitigate the rise in bills this change will bring.

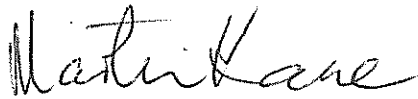
A member of the Severn Trent Group



CONTINUATION

I appreciate that in the case of Scout facilities you have to cater for large numbers of visitors and the provision of adequate hard surfaced car parking is the norm. This will lead to substantial increases for your association unless mitigating action is taken.

Yours sincerely

A handwritten signature in cursive script that reads "Martin Kane". The signature is written in black ink and is positioned above the typed name.

Martin Kane
Customer Relations Director