

Date: 26 September 2007  
Our Ref: 070926 AS GD Satec B1 B2 directions  
Your Ref:

Gareth Davies  
Chairman and Managing Director  
Satec Limited  
The Street  
Englefield  
Reading  
Berkshire RG7 5ES

Dear Mr Davies

**Amended standard licence conditions — directions bringing into effect standard conditions B1 and B2 in licences granted to Satec Limited**

I refer to the water and sewerage services licences granted to Satec Limited on 1 August 2007 and the directions issued today modifying the standard licence conditions to take account of the specialist and self-supply licence policy and other matters.

As a result of the modifications to the standard licence conditions, there are certain consequential matters to deal with in relation to the licences held by Satec.

Switch on of SLCs B1 and B2

In light of the modification of the standard conditions, Part A of the standard conditions (standard conditions applying to all licences) is already in effect in your licences. However, it is also necessary to bring Part B of the standard conditions (standard conditions applying to general licences) into effect in your licence.

Part B of the standard licence conditions contains two conditions: B1 (Duty to provide default services) and B2 (Further obligations on charges and related matters).

Condition B1 contains the same obligations as old standard condition A4 (Duty to provide default services) and condition B2 imposes substantially similar obligations to paragraphs 1 to 3<sup>1</sup> of old standard condition A9 (Charges and related matters).

The Commission therefore directs that from today's date standard conditions B1 (Duty to provide default services) and B2 (Further obligations on charges and related matters) shall have effect in your licences until such time as the Commission directs otherwise.

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<sup>1</sup> New standard condition A8 (Charges and related matters), which applies to all licences imposes the remaining obligations detailed in old standard condition A9.

Operational code directions

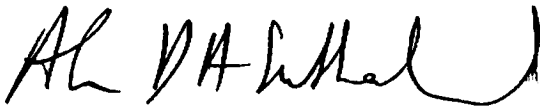
The Commission previously issued directions to Satec Limited (contained in a letter dated 2 August 2007) relieving it of its obligations under paragraph 1 of standard condition A6 (Compliance with operational code).

As a result of the modification referred to above, a number of standard licence conditions have been renumbered, including standard condition A6 (which has been renumbered A5).

We therefore need to update the directions issued to you in order to take into account this renumbering. They shall therefore be treated for all purposes as directions relieving you of your obligations under paragraph 1 of standard under A5 (Compliance with operational code) to be party to and comply with the operational code designated as such for the purposes of the standard conditions until such time as the Commission directs otherwise.

The Commission will publish a copy of this letter on its website.

Yours sincerely



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