

Date: 1 June 2012
Our Ref: 120601 SLC B2
Your Ref:

Jeremy Hobbis
Director and General Manager
Severn Trent Select Limited
2308 Coventry Road
Birmingham
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Dear Jeremy

Standard Licence Condition B2 - consent to early exit charges

The purpose of this letter is to provide consent, in terms of paragraph (2) of Standard Licence Condition B2, to the imposition of charges which would otherwise amount to a penalty under that provision. Expressions used in this letter have the same meaning as in the Standard Licence Conditions.

Notwithstanding Standard Licence Condition B2(2) the Commission consents to Licensed Providers recovering sums in addition to the permitted termination charges in the following circumstances:

1. the customer has entered a fixed term contract with the Licensed Provider under which early termination is permitted by giving 20 business days notice;
2. the customer has benefited from a discount to the licensed provider's standard charges in consideration for agreeing to the fixed term; and
3. the customer has terminated the contract prior to the expiry of the fixed term.

In such circumstances, the Licensed Provider shall be entitled to levy a charge equal to the discount received by the customer from the commencement of the contract to the date of termination.

The above consent shall remain in effect unless and until varied or revoked by the Commission.

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I will also publish this letter on the Commission's website.

Yours sincerely,

David Walters
Analyst