

From the Chief Operating Officer

Ms S Creasy
The Scout Association
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**Anglian Water
Services Ltd**

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Our ref. **PS/KR/900 629 131**

16 January 2009

Your ref.

Dear Ms Creasy

Thank you for your letter dated 5 January 2009.

I appreciate your concerns regarding proposals to charge community groups for surface water drainage and I welcome this opportunity to clarify the current position.

A number of companies in recent years have changed their basis of charging for surface water drainage. However Anglian Water has no plans to make any substantive change.

We can establish relatively easily the costs of surface water drainage. The issue is how these costs are allocated to customers.

At one extreme we could charge all customers the same. At the other we could install meters that measure the amount of water draining from all impermeable areas on each customer's property, thereby allowing for differential rainfall patterns as well as areas drained.

Our approach has been to strike a balance between precision in charging and optimising transaction costs. In short we allocate surface water drainage costs to customer classes pro rata to the average surface water area of each class.

In other words all customers within a given class are charged the same irrespective of the surface area drained. This approach applies to all customers including community groups and sports halls.

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Registered in England
No. 2366656

an AWG Company

Our charge methodology was introduced in 2000. In recent years Ofwat and the Consumer Council for Water have been lobbying for charging for surface water drainage on the basis of individual customers impermeable area drained.

I can confirm that we have no plans to make any change and therefore, decline your kind offer to arrange a meeting with The Scout Association in this area.

However, hypothetically speaking, if we were to make the change the charge would apply to all non households including community groups. This is because the purpose of the change in tariff structure would be to relate the charges to the costs incurred on an individual customer basis. There would therefore be no alternative but to apply the change to all customers.

I trust I have clarified our position.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Simpson', written in a cursive style.

Peter Simpson