

# 1.0 Purpose of the document

The purpose of this statement is to describe how we have complied with the relevant statutory and regulatory obligations as set out in our Licence of Appointment, while considering the potential impact on our customers while developing our charges schemes.

This statement and the associated assurance activities undertaken have been reviewed by our Board during the development of the 2019/20 final charges.

## 2.0 Board considerations

In approving the 2019/20 ST Connect charges, our Board has considered:

- Papers outlining the Company's procedure for the production and assurance of the tariffs and charges scheme;
- The defined accountabilities and responsibilities including formal sign-off by data owners;
- Confirmation of the degree of assurance undertaken on the source information used in tariff calculations;
- Confirmation there are no material issues outstanding from the assurance work undertaken; and
- Confirmation that the wholesale and household tariffs have been calculated in a manner compliant with our Licence of Appointment and Ofwat's charging principles.

## 3.0 Board statement

Having considered the above, the Board confirms that in our opinion:

- The tariffs and charges schemes have been compiled in a manner with appropriate accountabilities and responsibilities and are consistent with the overall system of governance of the company.
- The Executive and Non-Executive Board members have approved the final submission.
- The 2019/20 charges schemes in all respects comply with the company's Licence Conditions.

Furthermore our Board specifically confirms that:

- That ST Connect has sufficient internal controls to ensure that the information contained within the scheme of charges is sufficiently accurate to meet its obligations.
- The levels of service are at least comparable to the previous appointee's charges scheme.
- Prices do not exceed those in the previous appointee's charges scheme for similar services.
- There are no tariff rises above the 5% threshold that would require a further impact assessment.
- Stakeholders were consulted in a timely and effective manner.

Accordingly, we believe that the 2019/20 schemes of charges comply with ST Connect's statutory and regulatory obligations,

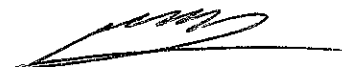
Signed by, and on behalf of our Board:



Neil Corrigan  
Director  
Severn Trent Services (Water and  
Sewerage) Limited



Richard Eadie  
Director  
Severn Trent Services (Water and  
Sewerage) Limited



Martin Lloyd  
Non-Executive Director  
Severn Trent Services (Water and  
Sewerage) Limited