

DATED 13 Nov 2019

NORTHUMBRIAN WATER LIMITED

as Contracting Wholesaler

and

Sutton and East Surrey Water Services Limited

as Contracting Retailer

**AGREEMENT FOR ALTERNATIVE ELIGIBLE CREDIT SUPPORT
UNDER SCHEDULE 3 OF THE WHOLESALE CONTRACT
(the 'Agreement')**

Credit Assessment Score	Discount Value
10 & 9	£70,000
8,7,6 & 5	£45,000
4,3,2 & 1	£25,000
0	£10,000

5. Nothing in this Agreement shall affect the Credit Support Requirement as calculated under the Contract. The Discounted Credit Support Requirement and the Discount taken together shall at all times equal or exceed the relevant **Credit Support Requirement** for that month.
6. Subject to clause 5, if in any month the Primary Charges falling to be paid by the Contracting Retailer are less than the Discount then the Contracting Wholesaler shall treat the Credit Support Requirement for that month as zero.
7. Nothing in this Agreement affects:
 - (a) any Unsecured Credit Allowance to which the Contracting Retailer is entitled; or
 - (b) any choice the Contracting Retailer has of the manner in which it meets the Credit Support Requirement.
8. The Contracting Wholesaler shall show the Discount as a separate column in the relevant Credit Support Notice.
9. If as a result of this Agreement the Contracting Retailer's Credit Support Amount for any month falls to below the Discount then:
 - (a) the Contracting Wholesaler agrees that the Contracting Retailer may withdraw any existing credit support with immediate effect; and
 - (b) where requested the Contracting Wholesaler will return any cash posted as part of any cash deposit agreement between the parties within 14 working days of this Agreement being signed.
10. This Agreement will automatically terminate on the termination for any reason of the Contract.
11. This Agreement may be terminated:
 - (a) by the Contracting Retailer on written notice to the Contracting Wholesaler;
 - (b) by the Contracting Wholesaler on 60 days written notice to the Contracting Retailer; or
 - (c) by the Contracting Wholesaler on written notice in accordance with clause 13(b) in the event of any payment of any sums due under the Contract being two days late or more.
12. On expiry or earlier termination of this Agreement the arrangements set out herein shall end and the provision of credit support by the Contracting Retailer shall be governed exclusively by the Contract and the parties agree to co-operate with each other to the extent necessary to ensure compliance with the Contract.
13. The Contracting Retailer acknowledges and agrees:
 - (a) that it is entering into this Agreement as a means of obtaining Alternative Eligible Credit Support within the meaning of Schedule 3 of the Contract;

Execution Page

Signed by

for and on behalf of
Northumbrian Water Limited:

Title Head of Wholesale Services

Duly authorised person

In the presence of:
Witness signature:

Print name:

Address:

Date:

Signed by Max Langford
for and on behalf of
Sutton and East Surrey
Water Services Limited:

Title: Commercial Director

Duly authorised person

In the presence of:
Witness signature:

Print name:

Address:

Date: