

Summary of 2007-08 corporate activity

We have a duty to make sure that efficient companies can continue to finance their functions. As part of our monitoring work we examine companies' financial performance. Where there is a change in the ownership or capital structure of a company we seek to ensure that its customers are not exposed to undue risk. We do this by amending a company's licence where necessary. These amendments are subject to appeal by the company to the Competition Commission in the event of disagreement.

Company	Date	Details	Licence modifications
Thames Water	August 2007	Whole business securitisation with an initial target of increasing the level of debt finance to 75% of the regulatory capital value	Cash lock-up provision already introduced following the acquisition by Kemble Water Ltd in December 2006.
Southern Water	October 2007	Acquisition by Greensands Investments Limited	We are seeking modifications to bring conditions F and P to the current standard including the cash lock-up provision and conditions relating to adequate systems of planning and internal control.
South Staffordshire Water	October 2007	Acquisition by the Alinda Infrastructure Fund	Modifications sought to bring conditions F and P to the current standard including the cash lock-up provision and conditions relating to adequate systems of planning and internal control. The modifications became effective as of 17 June 2008.
United Utilities Water	November 2007	In November 2007, the company announced that it would increase the level of debt finance as a percentage of regulatory capital value to the upper end of the range assumed at the last price review	We are discussing with United Utilities Water a number of changes to its appointment.
Yorkshire Water	February 2008	Saltaire Water Limited	Modifications sought to bring conditions F and P to the current standard including the cash lock-up provision and conditions relating to adequate systems of planning and internal control.