

UNITED UTILITIES WATER PLC

UNDERTAKING FOR THE PURPOSES OF SECTION 94 OF THE WATER INDUSTRY ACT 1991 (as amended)

This Undertaking is given by United Utilities Water PLC ("the Company") pursuant to section 19(1)(b) of the Water Industry Act 1991 (as amended) ("the Act") on the 1 October 2009.

WHEREAS:

- (i) The Company has been appointed by the Secretary of State for the Environment as a water and sewerage undertaker pursuant to the Act.
- (ii) Section 94(1) of the Act requires every sewerage undertaker to provide, improve and extend a system of public sewers and
 - to cleanse and maintain those sewers as to ensure that that area is and continues to be effectually drained; and
 - to make provision for the emptying of those sewers and such further provision (whether inside its area or elsewhere) as is necessary from time to time for effectually dealing, by means of sewage disposal works or otherwise, with the contents of those sewers.
- (iii) Under section 18(1) of the Act, the Water Service Regulatory Authority ("Ofwat") is satisfied that the company is or is likely to contravene its duty under section 94(1).
- (iv) The Company has undertaken a thorough investigation of its sewer flooding records to understand the causes and full extent of flooding from its sewerage network.
- (v) The Company has agreed to take the steps set out below which appear to Ofwat and to the Company to be appropriate for the purpose of securing or facilitating compliance with Section 94(1).

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THE COMPANY HEREBY UNDERTAKES TO:

SEWER FLOODING MITIGATION IMPROVEMENTS

1. Assess, (subject to customer agreement) 1,600¹ properties for the potential to be mitigated, and any additional properties identified as requiring or benefiting from mitigation as a result of the investigative work in respect of the 1,600.
2. Offer and provide (subject to customer agreement and feasibility) mitigation to those properties identified in step 1 above.
3. Carry out this work over a period of not greater than three years from the 21 September 2009.
4. Set out a programme for offering mitigation by 21 September 2009 for Ofwat's agreement, and report on progress against the programme at a frequency agreed with Ofwat, with the first progress report due on 21 December 2009.

REVIEW OF SYSTEMS AND PROCESSES

5. Agree with OFWAT the terms of reference for a third party, independent review of the Company's now current systems and processes for managing and reporting on sewer flooding.
6. Appoint jointly with OFWAT, and subject to OFWAT's agreement, a suitably qualified third party to carry out the review.
7. Bear the costs of the review.
8. Implement any changes or improvements to the Company's processes and/or systems required by Ofwat as a result of the review.
9. Comply with the timetable, to be agreed with Ofwat, for implementing the required changes or improvements.

¹ 1,600 = JR09 UuW Internal Flooding Register Properties (1,943) less properties already mitigated in prior years as reported in JR09 (192), less properties already mitigated or subject to a capital scheme to resolve internal flooding in 2009/10 (151)

IN WITNESS whereof the Company has caused this undertaking to be executed
the day and year first before written

SIGNED on behalf of the company by:



Director

Director



DATE:

2/10/09