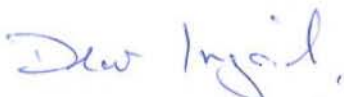


18 January 2013

Mrs Ingrid Olsen
Head of Regulatory Compliance
Ofwat
Centre City Tower
7 Hill Street
Birmingham
B5 4UA



Notice issued on 21st December 2012 under Section 13 of the Water Industry Act 1991

I am pleased to confirm that, having given careful consideration to Ofwat's s13 notice published on 21st December 2012, the U UW Board has decided to accept the proposed licence modification. On behalf of the Board, I can therefore confirm that U UW consents to the licence being changed in line with the published proposals.

This decision is predicated on our understanding, as discussed with Ofwat, that Regulatory Accounting Guideline 4.04 - referenced in the proposals - will have been published in final form by the time actual changes to the licence are made, and that the definitions of those activities listed in 8.9 (a) of the Notice will not have been subject to material change from the definitions set out in the draft Guideline published on 31 July 2012. In the event that the changes to the licence are made before final publication of Regulatory Accounting Guideline 4.04, then we would expect the wording would instead refer to the published Regulatory Accounting Guideline 4.03.

Yours sincerely



Steve Mogford
Chief Executive
Copied to: Keith Mason