

Centre City Tower, 7 Hill Street, Birmingham B5 4UA  
21 Bloomsbury Street, London WC1B 3HF

By email

31 May 2016

Freedom of Information- Request For Information

Reference: FOI 76052016

Dear 

Thank you for your email in which you request information concerning unregulated company activity identified and addressed by Ofwat.

The Greater Manchester area is served by United Utilities Water. There is nothing within legislation (for example the Water Industry Act 1991) or within the terms of United Utilities Water licence which prevents it from engaging in any unregulated activities (that is activities which are not regulated by Ofwat). The company's licence sets out how it must act in relation to Ofwat and its customers and is legally enforceable.

We have a secondary duty that is a duty which we must exercise subject to our primary duties which are listed on our website, which you note in your email, and is set out in section 2 of the Water Industry Act 1991, to ensure that consumers' interests are protected in relation to any unregulated activities of companies.

We carry out this duty through imposing requirements in companies' licences to ensure that there is no cross-subsidy (that is unwarranted payments or similar) between the regulated and unregulated activities which companies carry out. Companies are also required by their licences to carry out their regulated businesses as if this was substantially the only activity which they carry out (that is the regulated

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business should be conducted by focussing on this business alone and by not being distracted by other (unregulated) activities which the company is carrying out.

Subject to these requirements in its licence, United Utilities Water is free to carry out any unregulated activities which it wishes. We do not, therefore, have the power to fine or otherwise take action against the company for carrying out unregulated activities subject to it meeting the licence requirements set out above.

Companies, including United Utilities Water are, however, required to annually report their unregulated activities separately from their regulated activities although this is at a whole company level rather than broken down by the different areas which United Utilities Water serves. If you are interested in the scale of the unregulated activities which United Utilities Water has carried out across its entire operating area and which is considerably larger than Greater Manchester (the area it covers can be found here: <http://www.unitedutilities.com/our-supply-area.aspx>), you can locate that information set out each year by the company in its annual report. The most recent report relates to the year ended 31 March 2015 (the report for the year ended 31 March 2016 will be published by 15 July).

This report can be found here: <http://corporate.unitedutilities.com/documents/united-utilities-water-limited-report-and-financial-statements-31-March-2015.pdf>. For your information Page 123 sets out the turnover, profit and other financial figures for the unregulated activities which the company carried out during 2014-15 (to note that these regulated and unregulated activities are referred to by the alternative name of 'Appointed' (regulated) and 'Non-Appointed' (unregulated) in these accounts.

You can find reports for previous years here:  
<http://corporate.unitedutilities.com/company-reports.aspx>.

If you have any queries or concerns with regard to the content of this email please do contact me, quoting the reference number.

If you are unhappy with the service you have received in relation to your request and wish to make a complaint or request a review of the decision, please contact:

Programme and Project Management Office  
Ofwat

Freedom of Information/EIR Provide the Information

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[mailbox@ofwat.gsi.gov.uk](mailto:mailbox@ofwat.gsi.gov.uk)

If you are not happy with the outcome of that review you can ask the Information Commissioner's Office to consider your complaint. Generally, the ICO will not make a decision unless you have exhausted Ofwat's complaints procedure. The ICO can be contacted at:

<https://ico.org.uk/>

or

The Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow

Yours sincerely,

Christine Manise  
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Programme and Project Management  
Ofwat  
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