

To: Smarta Water Limited

Morton House, Fencehouses, Houghton Le Spring, Durham, England, DH4 6QA

DIRECTION ISSUED BY THE WATER SERVICES REGULATION AUTHORITY PURSUANT TO CONDITION A2 OF THE SEWERAGE LICENCE ISSUED UNDER SECTION 17BA OF THE WATER INDUSTRY ACT 1991

Whereas:

1. A decision has been taken to grant a sewerage licence (the "Licence") to the company to whom this Direction is addressed (the "Licensee"), under section 17BA of the Water Industry Act 1991 (the "Act").
2. The Licence will be subject to the standard conditions for water supply and sewerage licences determined by the Secretary of State.
3. The Water Services Regulation Authority ("Ofwat") has the power pursuant to paragraph (1) of standard condition A2 to direct that any of the conditions in Part A other than conditions 1, 2, 10 and 11, and any condition in any other Part, shall have effect from such date as Ofwat may specify.

Now therefore:

4. Ofwat hereby directs that the conditions set out below shall have effect in the Licence of the Licensee.

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| A3 Conduct of Licensee |
| A4 Certificate of Adequacy |
| A5 Emergencies and Unplanned Events |
| A6 Provision of Information to Relevant Undertakers |
| A7 Arm's Length Transactions |
| A8 Provision of Information to the Authority |
| A9 Licence Fees |
| B1 Market Arrangements Code |
| B2 Customer Protection Code of Practice |

5. This direction shall take effect on the date that the Licence comes into effect and will remain in effect until such time as Ofwat directs otherwise or revokes the Licence of the Licensee.

Signed for and on behalf of the Water Services Regulation Authority



**Emma Kelso
Senior Director, Customers and Casework**

18 May 2018