

WATER SERVICES REGULATION AUTHORITY

Direct Procurement for Customers Procurement Consent Issued to United Utilities Water Limited on 29 April 2022

The Water Services Regulation Authority (Ofwat) hereby consents to United Utilities Water Limited (the "Appointee") commencing the procurement of a designated DPC Delivered Project. This consent is given under paragraph U4 of the Appointee's Instrument of Appointment ("Appointment").

Whereas:

A. The Appointee identified to Ofwat an infrastructure project, namely the Haweswater Aqueduct Resilience Programme ("Project"), as being suitable to be designated as a "DPC Delivered Project" pursuant to Condition U of its Appointment, and such designation was made on 20 December 2021.

B. Pursuant to sub-paragraph U4.1 of Condition U of the Appointment the Appointee may only commence a procurement of a DPC Delivered Project with the consent of Ofwat, the intended result of which is the award of one or more contracts to a Competitively Appointed Provider ("CAP")

C. Having considered the Appointee's proposed competitive procurement procedure by which a CAP would be chosen, the intended form of the Agreement between the Appointee and the CAP (the CAP Agreement), and the potential benefits for the Appointee's customers from carrying out the Project following a "DPC Procurement Process", Ofwat has determined that it should consent to the Appointee procuring the Project through a DPC Procurement Process.

D. In accordance with section 195A of the Water Industry Act 1991, the reasons for this decision will be published as soon as reasonably practicable after the issuing of this consent.

1 Interpretation

1.1 In this Direction:

'CAP' has the meaning given to it in the Appointment.

'CAP Agreement' has the meaning given to it in the Appointment.

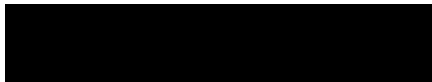
"DPC Procurement Process" has the meaning given to it in the Appointment.

'Project' means the Haweswater Aqueduct Resilience Programme as described in the designation notice made on 20 December 2021.

2. Consent

- 2.1 Ofwat is of the opinion that the Project delivered following a DPC Procurement Process can reasonably be expected to deliver value for money for customers;
- 2.2 Accordingly, Ofwat hereby provides its consent for the Appointee to commence a DPC Procurement Process in respect of the Project.

Signed

A solid black rectangular box used to redact the signature of the Senior Director of Ofwat.

Name: Keith Mason

Designation: Senior Director Ofwat

Date: 29 April 2022