

United Utilities Group PLC  
23 November 2012

## **UNITED UTILITIES RESPONDS TO OFWAT'S LICENCE PROPOSALS**

United Utilities Group PLC today announces that, after careful consideration, the Board of United Utilities Water PLC (U UW) has concluded that it is unable to accept Ofwat's 'Section 13' licence modification proposals because it believes that, in their current form, they are not in the best interests of customers, investors and wider stakeholders. To aid further constructive dialogue, U UW has submitted alternative proposals to Ofwat for its consideration.

U UW's principal concern is that the extent of flexibility in Ofwat's current licence proposals would create unnecessary and prolonged uncertainty for investors, with the potential for this uncertainty to impact customer bills.

U UW is committed to continued positive engagement with Ofwat to support the progressive evolution of regulation in the water industry. The company's proposals include the licence changes necessary to facilitate the forthcoming price review in 2014 and the development of retail competition for business customers. U UW also recognises that additional licence amendments may be required to accommodate specific changes to the regulatory regime in preparation for 2020 and beyond and will actively engage in helping to ensure that the benefits of such developments are fully evaluated and understood.

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