

Date: 9 October 2012 Our Ref: 121009 Grant letter Your Ref:

Ian Whatton Competition Manager Thirlmere House Lingley Mere Business Park, Great Sankey, Warrington, Cheshire, WA5 3LP

Dear Ian

United Utilities Water Sales Ltd's Application for Water Services and Sewerage Services Licences

Following your completion of the Training Process (including self-certifying your readiness to participate in the market) in accordance with Market Code Subsidiary Document 0001 (Market Training and Assurance Strategy for the Water Market in Scotland), the Commission is pleased to confirm that a decision has been made to grant you a water services licence and a sewerage services licence as of today.

Please find attached copies of your licences. Please pay particular attention to the standard conditions of each of your licences. It is imperative that you comply with the terms and conditions of your licences as any failure to do so will be subject to the enforcement mechanisms set out in Schedule 2 of the Water Services etc (Scotland) Act 2005.

In accordance with section 7(6) of the Water Services etc (Scotland) Act 2005 we are copying this letter and the licences to Scottish Water.

Yours sincerely

AL PA Suthal

Alan DA Sutherland Chief Executive Officer

cc. Scottish Water

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Chairman Professor Gordon Hughes

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