

Affinity Water Finance (2004) PLC

5.7/8% Guaranteed Notes Due 13/07/2026

Ofwat's proposals to modify water company licences

23 November 2012

On 26 October 2012 Ofwat issued a notice under section 13 of the Water Industry Act 1991 (the "Section 13 Notice"), proposing modifications to water company licences which, if implemented, would allow for changes to be made by Ofwat to the way in which price controls are set.

Affinity Water Limited today responded to the Section 13 Notice, stating that it rejected the proposals made but was willing to accept modifications to its licence which would allow Ofwat to set separate retail and wholesale price controls from 1 April 2015, and conveyed its willingness to engage in further discussions with Ofwat.

Under section 14 of the Water Industry Act 1991, Ofwat has the ability to refer the matter to the Competition Commission, who would determine whether modifications to the licence should be made and, if so, in what form.

For further information, please contact:

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