

Date: 17 March 2008

Our Ref: 080317 AS MS A5 direction

Your Ref:

Michael Samorzewski Managing Director Aquavitae (UK) Limited Royal Albert House Sheet Street Windsor Berkshire SL4 1BE

Dear Mr Samorzewski

Reinstatement of obligations under standard licence condition A5 (Compliance with operational code)

On 15 October 2007 I wrote to you relieving you of your obligation to be a party to and comply with the Operational Code, until such time as the Commission directs otherwise. This was because, in the period before the market opened, you would not be required to participate in activities that are regulated by the Operational Code.

Given that we are now approaching the opening of the market, it is appropriate to reinstate these obligations. Accordingly, the Commission hereby directs that, from the date of this letter, standard licence condition A5 (Compliance with the operational code) will have full force in the water and sewerage services licences held by Aquavitae (UK) Limited.

Yours sincerely

Alan Sutherland Chief Executive

Al DA hither !

Water Industry Commission for Scotland Ochil House Springkerse Business Park Stirling FK7 7XE

Chairman Sir Ian Byatt