

AFFINITY FOR BUSINESS (RETAIL) LIMITED

STATEMENT OF INTERIM SUPPLY CAPACITY

This statement has been prepared to meet the requirements of section 4.2 of the Interim Supply Code issued by the Water Services Regulation Authority pursuant to sections 63AF and 1100 of the Water Industry Act 1991 effective on 1 April 2017 (the “Code”).

DEFINITIONS

The following definitions are used in this statement and are taken from the Code:

1991 Act	the Water Industry Act 1991
Area	any area for which an instrument of appointment has been granted to a relevant undertaker
Authority	the Water Services Regulation Authority, also known as Ofwat, established by section 1A of the 1991 Act
Defaulting Trading Party	has the meaning given in the Wholesale-Retail Code
Eligibility Guidance	has the meaning given in the Wholesale Retail Code
Eligible Credit Support	has the meaning given in the Wholesale-Retail Code
Eligible Licensee	a Licensee with a retail authorisation or a restricted retail authorisation who has elected to be an eligible licensee in accordance with the Code for the purposes of section 63AC and/or section 110L of the 1991 Act.
Eligible Premises	has the meaning given in the Wholesale Retail Code
Interim Supply	the continuation of the supply of Water Retail Services and/or Sewerage Retail Services to Eligible Premises by an Eligible Licensee or a relevant undertaker following a Relevant Cessation of Supply to the Eligible Premises

Licence	a water supply licence or a sewerage licence issued under section 17A or 17BA of the 1991 Act as applicable
Licensee	the holder of a Licence
Non-Household Customer	a person who may be identified as the customer of a Licensee for any Eligible Premises in accordance with the relevant Eligibility Guidance
Previous Licensee	the Licensee or former holder of a Licence which has ceased or which shall cease (as applicable) to supply Eligible Premises with Water Retail Services and/or Sewerage Retail Services for the purposes of section 63AC and/or section 100L of the 1991 Act
Relevant Cessation of Supply	<p>a cessation of supply of Water Retail Services and/or Sewerage Retail Services to Eligible Premises by a Previous Licensee for the purpose of section 63AC and/or section 110L of the 1991 Act as a result of:</p> <ul style="list-style-type: none"> (a) revocation of the Previous Licensee's Licence in circumstances other than where the Licensee has consented to the revocation; or (b) termination of a Wholesale Contract as a consequence of the Previous Licensee being a Defaulting Trading Party in accordance with the provisions of the Wholesale-Retail Code; or (c) the relevant undertaker not being obliged to continue the supply of water in the circumstances set out in section 63AD(1) of the 1991 Act
Sewerage Retail Services	those activities authorised by a sewerage licence with a retail authorisation
Supply Point	has the meaning given in the Wholesale-Retail Code
Water Retail Services	the activities authorised by a water supply licence with a retail authorisation and/or a restricted retail authorisation
Wholesale Charges	has the meaning given in the Wholesale-Retail Code
Wholesale Contract	has the meaning given in the Wholesale-Retail Code

Wholesale-Retail Code the code of that name issued by the Authority under sections 66DA and 117F of the 1991 Act as amended from time to time

STATEMENT

(A) Area or Areas in which we have capacity to provide Interim Supply of Water Retail and/or Sewerage Services to Affected Customers

We have capacity within our business to provide Interim Supply of Water Retail Services to Affected Customers in the event that we are directed to do so by the Authority in accordance with section 63AC(3) of the 1991 Act within the Area of Affinity Water Limited.

(B) Maximum number of additional supply points for each Area

We have capacity to provide Interim Supply of Water Retail Services to a maximum of 3,000 additional Supply Points within the Area of Affinity Water Limited.

(C) Maximum total number of additional supply points

We have capacity to provide Interim Supply of Water Retail Services to a maximum of 3,000 additional Supply Points across all Areas.

(D) Financing

We confirm that we would be able to finance any additional costs to our business associated with the provision of Interim Supply to 3,000 additional Supply Points including (but not limited to) the

costs of Wholesale Charges and Eligible Credit Support for which we would be liable under the terms of the Wholesale-Retail Code.

(E) No material effect

We confirm that we would be able to provide Interim Supply to 3,000 additional Supply Points without materially affecting our supply of Water Retail Services and/or Sewerage Retail Services to our existing Non-Household Customers.

(F) Reasons for limitation on number of additional Supply Points

We are unable to supply additional Supply Points because we are constrained to the Area of Affinity Water Limited.

(G) Material increase or decrease in capacity to provide Interim Supply

We do not expect any material increase or decrease in our capacity to provide Interim Supply.

(H) Provision of Information to Affected Customers

We confirm that we have suitable arrangements in place that would enable us to provide Affected Customers with the information set out in Section 9 of the Code in a full and timely manner.

(I) Provision of timely and accurate bills to Affected Customers

We confirm that we have suitable arrangements in place that would enable us to provide Affected Customers with timely and accurate bills.