

CHFP025

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Declaration in relation to assistance for the acquisition of shares

155(6)a

Pursuant to section 155(6) of the Companies Act 1985

Please complete legibly, preferably in black type, or bold block lettering

Note
Please read the notes
on page 3 before
completing this form

* insert full name
of company

Ø insert name(s) and address(es) of all the directors

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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Company number

02366949

Name of company

* UNITED UTILITIES ELECTRICITY LIMITED

XWe o Martin Geoffrey Beesley of 3 Fernyhalgh Court, Preston PR2 9NJ, Michael John Boxall of Hillside House, Gallantry Bank, Bickerton, Malpas, Cheshire SY14 8AX, Andrew Cowan of 46 Grange Road, Bowdon, Cheshire WA14 3EY, Eoin Joseph Cooke of 7 Higher Downs, Altrincham, Cheshire WA14 2QL, Charles Cornish of 2 Scott Road, Prestbury, Macclesfield, Cheshire SK10 4DN and Timothy Peter Weller of 9 Spencer Road, East Molesey, Surrey KT8 0SP

† delete as appropriate

§ delete whichever
is inappropriate

~~The undersigned~~ [all the directors] † of the above company do solemnly and sincerely declare that

The business of the company is

[illegible]

(c) something other than the above §

The company is proposing to give financial assistance in connection with the acquisition of shares in the [company] ~~XXXXXXXXXXXXXXXXXX~~

The assistance is for the purpose of [that acquisition] XXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX †

The number and class of the shares acquired or to be acquired is 4 A Ordinary Shares of 50 pence each and 476,821,341 Ordinary Shares of 50 pence each.

Presentor's name address and
reference (if any)

(PWHB/RAWS) Slaughter and May
One Bunhill Row
London EC1Y 8YY
020 7600 1200

RAWS G155(6)(a)UUU

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General Section

Post room



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LD2 28/09/2007 371
COMPANIES HOUSE

The assistance is to be given to (note 2) The purchaser of the Company
An auction process has commenced but the ultimate purchaser is yet to be selected

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legibly, preferably
in black type, or
bold block
lettering

The assistance will take the form of

- (A) a commitment of the Company to procure letters of credit on the terms and in the circumstances set out in the draft New UUE Group Agreement (as amended, novated or supplemented from time to time) (such terms and circumstance set out in Annex 1) to be entered into between the Company and the United Utilities (ESPS) Pensions Trustee Limited as trustee of the United Utilities Group of the Electricity Supply Pension Scheme (the "Trustee") (the "Financial Assistance Document"), and
- (B) any other financial assistance contemplated by the Financial Assistance Document and/or the transactions contemplated thereby, and the exercise by the Company of its rights and performance of its obligations thereunder, which shall include, without limitation, any condition, undertaking, representation, warranty, guarantee, indemnity, loan, waiver, gift, security, agreement, novation, assignment or any other thing done or to be done in connection with the Financial Assistance Document which would constitute financial assistance

The financial assistance is being given in connection with the establishment of a new group of the Electricity Supply Pension Scheme (the "New UUE Group") The Trustee holds the benefit of the Financial Assistance Document for itself and on trust for the new trustee of the New UUE Group

The person who ~~XXXXXXXXXX~~ [will acquire] † the shares is

† delete as
appropriate

Purchaser has not yet been selected However an auction process has commenced

The principal terms on which the assistance will be given are

See Annex 1

The amount of cash to be transferred to the person assisted is £ N/A

The value of any asset to be transferred to the person assisted is £ N/A

The date on which the assistance is to be given is Within 8 weeks of 21st September, 2007

* delete either (a) or (b) as appropriate

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ANNEX 1

The principal terms on which the assistance will be given are

- (A) no later than the date on which the Company ceases to be a subsidiary of United Utilities PLC (or if earlier the occurrence of a 65 per cent RAV Trigger Event), the Company will put in place a letter of credit for the benefit of the New Trustee provided by a bank, insurance company or other financial institution in an aggregate amount equal to £15,000,000 (multiplied by the Effective Date Index Ratio) (the "**Completion Date Letter of Credit**"),
- (B) the Company will put in place additional letters of credit by reference to the regulatory asset values of the Company ("**RAV**") in the following circumstances and in the following amounts
- (i) a further £10 million letter of credit on the occurrence of a 65 per cent RAV Trigger Event (the "**65% RAV Letter of Credit**"),
 - (ii) a further £65 million letter of credit on the occurrence of a 70 per cent RAV Trigger Event, and
 - (iii) a further £10 million letter of credit on the occurrence of a 75 per cent RAV Trigger Event,
- together the "**Additional Letters of Credit**" (together with the Completion Date Letter of Credit, the "**Letters of Credit**"),
- (C) the Letters of Credit will be on demand provided that under the New UUE Group Agreement the New Trustee is not able to require payment without certification that a payment event as specified in the New UUE Group Agreement has validly arisen,
- (D) the Company will not be obliged to provide letters of credit in excess of an aggregate principal amount of £100,000,000 as increased by way of indexation,
- (E) the Letters of Credit are to be indexed in line with UK Retail Price Index on 31 March each year,
- (F) the Letters of Credit will become immediately due and payable by written notice to the issuer in certain specified circumstances including on the insolvency of the Company, the winding up of the New UUE Group, the transfer by the Company of all or substantially all of its assets to a third party or the termination of the Company's distribution licence, and
- (G) the Completion Date Letter of Credit and 65% RAV Letter of Credit would also become due and payable by written notice to the issuer where a 70 per cent RAV Trigger Event has occurred and the value of the New UUE Group liabilities exceed or have exceeded the value of the New UUE Group assets by more than 10 per cent,

(where the terms "New Trustee", "65 per cent RAV Trigger Event", "70 per cent RAV Trigger Event", "75 per cent RAV Trigger Event", "Effective Date Index Ratio" and "New UUE Group" have the meanings given to them in the New UUE Group Agreement)

The Company and the Trustee have agreed that the Company will make cash contributions to the New UUE Group on the basis of the funding valuation of the New UUE Group under Part 3 of the Pensions Act 2004 carried out as at 31 March

The New UUE Group Agreement provides that the Company shall be liable for any contribution to the New UUE Group which is due and payable by United Utilities Electricity Services Limited to the New Trustee under the terms of the clauses and rules of the New UUE Group or under Part 3 of the Pensions Act 2004 but which United Utilities Electricity Services Limited has failed to pay

Signatures of Declarants



Declared before me on 21-9-2007



SALLY ROLTON



**REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTORS OF
UNITED UTILITIES ELECTRICITY LIMITED ("THE COMPANY")
PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

We report on the attached statutory declaration of the directors dated 21 September 2007 prepared pursuant to the Companies Act 1985, in connection with the proposal that the Company should give financial assistance for the purpose of reducing or discharging a liability incurred in connection with the purchase of the Company's ordinary shares.

This report is made solely to the directors of the Company for the purpose of section 156(4) of the Companies Act 1985. Our work has been undertaken so that we might state to the directors of the Company those matters that we are required to state to them in an auditors' report under that section and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work for this report or for the opinions that we have formed.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their statutory declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester
England