

**DEE VALLEY WATER PLC
BOARD STATEMENT OF ASSURANCE
01 FEBRUARY 2016**

The Board of Dee Valley Water plc ('the Company') confirms that the Company has complied with its legal obligations relating to the charges scheme for 2016-17.

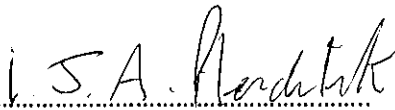
Specifically the Board confirms:

1. The Company complies with its legal obligations (including competition law) relating to the charges set out in its charges schemes;
2. The Board has assessed the effects the new charges have on customers' bills for a range of different customer types, and approves the impact assessments and handling strategies developed where bill increases for particular customer types exceed 5%;
3. The Company has appropriate systems and processes in place to make sure that the data and information contained in the charges scheme, and additional information is accurate; and
4. The Company has consulted the Consumer Council for Water (CCWater) in a timely and effective manner on its charges schemes.
5. Ofwat has been informed of any new special agreements entered into since 14 July 2014.

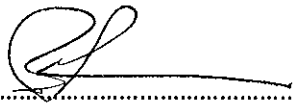
The Board can confirm that in making this statement we have satisfied ourselves through a combination of the following:

- The use of a robust Tariff Model for 2016-17 in conjunction with a reputable and experienced economic consultancy firm;
- Segregation of specific tasks and responsibilities between relevant specialists within the Company;
- Detailed internal review and assurance processes; and
- External assurance over each area of the Board representations

For and on behalf of Dee Valley Water plc


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Chief Executive: I J A Plenderleith


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Finance Director: A A Bickerton


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Date