

KENTUCKY-AMERICAN WATER COMPANY  
THAMES WATER AQUA HOLDINGS GMBH  
RWE AKTIENGESELLSCHAFT  
THAMES WATER AQUA US HOLDINGS, INC.  
APOLLO ACQUISITION COMPANY  
AMERICAN WATER WORKS COMPANY, INC.

CASE NO. 2002-00317

**RESPONSES TO COMMISSION STAFF'S FIRST SET OF INTERROGATORIES  
AND REQUESTS FOR PRODUCTION OF DOCUMENTS  
DATED SEPTEMBER 23, 2002**

ITEM NO. 1

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**Witnesses: James McGivern, Daniel Kelleher and Roy W. Mundy II**

1. Refer to KAWC and Thames Holdings' Responses to Interrogatories and Requests for Production of Documents that Commission Staff and all parties served upon KAWC and Thames Holdings in Case No. 2002-00018.
  - a. If presented with the same interrogatories and requests in this proceeding, would the Joint Applicants' response be the same response as in Case No. 2002-00018?
  - b. For each interrogatory or response to which the Joint Applicants' current response would differ from that given in Case No. 2002-00018, state how their response would differ.

**RESPONSE:**

1.
  - a. Yes, except as set forth in the response to AG-32.
  - b. See AG-32.

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ITEM NO. 2

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**Witness: James McGivern**

2. Refer to KAWC and Thames Holdings' Response to the Attorney General's ("AG") Initial Requests For Information, Item 174(a) in Case No. 2002-00018.
  - a. Provide RWE's most recent estimates of these future liabilities in both Euros and dollars. Include all workpapers, calculations, and assumptions used in estimating the future liabilities.
  - b.
    - (1) State whether the liabilities associated with the future decommissioning of nuclear power plants that RWE owns and operates are included in the estimated liability for nuclear waste disposal.
    - (2)
      - (a) If yes, provide a separate breakdown for these liabilities in both Euros and dollars. Include in this response all workpapers, calculations, and assumptions used to calculate the separation of the future nuclear liability.
      - (b) If no, state the most recent estimate for the liability associated with the future decommissioning of nuclear power plants in both Euros and dollars. Include in this response all workpapers, calculations, and assumptions used to calculate the future liability of nuclear power plant decommissioning.

**RESPONSE:**

- (a) At December 31, 2001, RWE had the following provisions on its balance sheet:
  - Provisions for pensions and similar obligations: EUR 13.915 billion (\$12.314 billion\*);

- Provisions for nuclear waste management (less prepayments): EUR 10.604 billion (\$ 9.384 billion\*);
- Provisions for mining damage including reclamation: EUR 2.290 billion (\$ 2.027 billion\*)

(\*When converting the amounts from Euro into US Dollars, the exchange rate of the balance-sheet date December 31, 2001 was applied (1 \$ = 1.13 Euro).)

The principles according to which these provisions were made are as follows:

Provisions for pensions and similar obligations.

Provisions are made to cover obligations to pay post-employment benefits and short-term employee benefits to current and former entitled employees and their surviving dependants. In particular, the obligations refer to retirement pensions in the form of both basic and supplementary benefits. Individual commitments are based on the differing industry and country-specific benefit arrangements. They are generally calculated according to the employees' length of service and salary. In view of their benefit status, the obligations of US Group enterprises in respect of their employees' medical expenses after retirement are also disclosed under pension provisions.

The company pension arrangement consists of defined contribution and defined benefit plans. In the case of defined contribution plans, the enterprise's obligation is limited to the amount it contributes to the funds. Expenses are disclosed under staff costs. In the case of defined benefit plans, the enterprise's obligation is to provide agreed benefits to current and former employees. Provisions for defined benefit plans are valued according to the projected unit credit method. The provision is reduced by the amount of fund assets put up to cover the pension commitment. The service cost is disclosed under staff costs, the interest cost under financial results.

The amount of the provision is calculated according to actuarial methods. In the annual report for the truncated financial year 2001, a discount rate of 6.0% (previous year: 6.0%) was used as a basis. Salaries are assumed to increase annually by 3.0% (previous year: 3.0%) and pensions by 2.0% (previous year: 2.0%). These assumptions refer to employees in Germany for whom the greater part of the pension obligation exists. For employees abroad, different country-specific assumptions are applied.

Provisions for nuclear waste management.

Waste management provisions in the nuclear energy sector are based on obligations under public law and restrictions included in operating licenses.

Provisions for the disposal of spent nuclear fuel assemblies accrue according to consumption (energy component) and/or over 19 years on a pro-rata temporis basis according to their service lives (capacity component). They cover anticipated costs, which primarily include reprocessing costs on the basis of contractual agreements and direct final storage. The associated cost of transporting, treating and taking back waste, including the cost of final storage and associated pre-financing costs calculated based on data from the German Federal Office for Radiation Protection, are included accordingly.

Provisions for the decommissioning of nuclear power station facilities accrue by equal installments over 25 years. The calculation of anticipated costs is based on outside expert opinions and assumes that the facilities concerned are dismantled completely. Costs incurred during the interim period preceding the decommissioning of operations are also included.

Furthermore, provisions were made for other waste management measures (management of radioactive operational waste). Waste management provisions in the nuclear energy sector are stated as long-term provisions, and their settlement value is discounted to the balance-sheet date. In the annual report for the truncated financial year 2001, an interest rate of 6.0% (previous year: 6.0%) was taken as the discount rate. Increases to the provisions are carried at their present value.

Provisions for mining damage including reclamation.

These provisions are formed for risks and obligations to redress, including those arising from mining damage that has already occurred or been caused. Such risks and obligations are those that exist at the balance-sheet date and are identifiable when the Balance Sheet is being prepared. They have to be created because of obligations under public law that are based on the German Federal Mining Act and formulated, above all, in operation schedules and water law permits. They are assessed at full anticipated cost or according to estimated compensation payments. Insofar as the obligation is caused by commercial coal extraction, the settlement value is accrued in installments.

Provisions for mining damage are long-term provisions which are recognized at their settlement value and discounted to the balance-sheet date. In the annual report for the truncated financial year 2001, an interest rate of 6.0% (previous year: 6.0%) was taken as the discount rate.

- (b) (1) The provisions which RWE makes for nuclear waste management include provisions for the decommissioning of the nuclear power plants. Such provisions accrue by equal installments over 25 years. The calculation of anticipated costs is based on outside expert opinions and assumes that the facilities concerned are dismantled completely. Costs incurred during the interim period preceding the decommissioning of operations are also

included. Furthermore, provisions were made for other waste management measures (management of radioactive operational waste).

- (b) (2) (a) The provisions for nuclear waste management include provisions for the future decommissioning of nuclear power plants.

Provisions for nuclear waste management (in € million) 10,604

- thereof provisions for decommissioning (in € million) 4,129

(Truncated financial year July – December 2001)

- (b) (2) (b) Not applicable.

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ITEM NO. 3

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**Witness: James McGivern**

3. Refer to KAWC and Thames Holdings' Response to the AG's Initial Requests For Information, Item 174(b) in Case No. 2002-00018.
  - a. Describe RWE's legal or constructive obligation to create a future liability for the reclamation of its coal mines.
  - b. Describe RWE's legal or constructive obligation to create a future liability for the disposal of the nuclear waste.
  - c. Describe RWE's legal or constructive obligation to create a future liability for the decommissioning of its nuclear power plants.

**RESPONSE:**

3. Please see the Response to Item 2(a) above.

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ITEM NO. 4

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**Witness: James McGivern**

4. Refer to KAWC and Thames Holdings' Response to the AG's Initial Requests For Information, Item 174(c), in Case No. 2002-00018.
  - a. State whether RWE is currently setting aside funds (cash) to pay its future liabilities for the coal mining reclamation, nuclear waste disposal, or plant decommissioning of its nuclear power plants. If yes, provide a detailed description of RWE's set aside plans.
  - b. For each nuclear power plant for which RWE has estimated a future liability for nuclear waste disposal, provide a schedule containing the name of the nuclear power plant, its location, the date of its scheduled decommissioning, the estimated cost of decommissioning, and its estimated portion of the future liability set forth in the Joint Applicants' Response to Interrogatory 2(a) of this set of Interrogatories and Requests for Production of Documents.

**RESPONSE:**

4.
  - a. In line with commonly accepted corporate practice in Europe, RWE does not set aside separate funds to pay its future liabilities. RWE provides for these obligations out of current cash flow, and it has the ability, if it should ever become necessary, to also draw on the strength of its balance sheet. RWE's annual report for the truncated financial year 2001 (six months) shows that for nuclear obligations it utilized 79 million Euros and for mining obligations it utilized 56 million Euros, while its cash flow for the same period was 2,364 million Euros or about seventeen times the aggregate of these obligations.
  - b. All operators of nuclear power plants in Germany have signed an agreement with the federal government which limits the maximum amount of electricity to be generated from nuclear power plants in the future. Each operating nuclear power plant is subject to a particular plant-specific limit for future electricity generation.

When this limit is reached the plant has to be shut down and subsequently decommissioned.

Taking into account this agreement, the plant-specific limits and the average electricity generation in the past the shut-down dates for the nuclear power plants operated by RWE Power are as follows:

<u>Nuclear Power Plant</u>	<u>Expected Shut-Off Date</u>
Lingen	Already shut down
Gundremmingen A	Already shut down
Mülheim-Kärlich	Already shut down
Biblis A	2008
Biblis B	2012
Gundremmingen B	2020
Gundremmingen C	2021
Emsland	2024

Estimated costs of nuclear plant provisions are shown on page 143 of the 2000/2001 RWE Annual Report, with associated explanation on page 144.

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ITEM NO. 5

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**Witness: James McGivern**

5. Refer to KAWC and Thames Holdings' Response to the AG's Initial Requests For Information, Item 174(d), in Case No. 2002-00018. Given that RWE does not have an infinite amount of capital available, what assurances can RWE give the Commission that when the time comes to fund the liabilities associated with its mining and nuclear divisions that there will be adequate capital remaining to fund AWWC and KAWC's construction needs? Include a detailed explanation for this response.

**RESPONSE:**

5. No corporation has an infinite amount of capital to operate its business. However, prudent, effective management of the resources available to the corporation will ensure that funds are available to meet its responsibilities. As for the specific issue of funding the mining and nuclear liabilities, this was addressed in response to the Attorney General's Item 174 dated February 22, 2002. That response is provided:

174. a. ***Provisions for nuclear, mining and pension liabilities:***

At September 30, 2001, RWE group had the following future liabilities for

- Pensions: 13.770 billion EUR
- Nuclear Waste disposal: 10.531 billion EUR
- Mining related liabilities: 2.262 billion EUR

b. ***Reflection of these provisions in balance sheet:***

Provisions for pensions and similar obligations are calculated according to the projected unit credit method. This benefit/years of service method does not only take into account those retirement benefits and benefit entitlements known at the balance sheet date, but also increases in salaries and retirement benefits to be expected in the future. Actuarial gains and losses falling outside the limits of a 10% range of total benefit obligations

are distributed over the average remaining length of service. The service costs are disclosed under staff costs; the proportion of interest in the transfer to provisions is shown under financial result.

Provisions for nuclear waste disposal and mining damages are long-term provisions and therefore recognized at their settlement values discounted to the balance sheet date. The settlement value also includes the cost increases to be taken into account at the balance sheet date. These provisions are only created when based on a legal or constructive obligation to third parties.

c. ***Time to incur these liabilities/financial resource:***

RWE does not foresee any external funding requirement for the mining and nuclear liabilities for several decades. Our policy is to fund these long-term liabilities as financial instruments become available that match the expected due date of these liabilities.

Regarding the pension obligations we estimate that these obligations may lead to net cash outflows in a shorter time than the nuclear/mining liabilities. Moody's agreed that RWE has established reasonable scenarios in order to settle these liabilities.

d. ***Measures to insulate American Water Works from these future liabilities:***

Nuclear and mining provisions are carried by the respective RWE divisions. Funding of these provisions also takes place within the respective divisions, therefore insulating the Water Division.

Pension obligations occur in every division of RWE group. Therefore the funding takes place through the whole group, proportionate to the obligations.

e. Yes. With regard to pension liabilities all current obligations are fully funded. All future obligations – pension, mining and nuclear are prudently funded on an ongoing basis.

Additionally, there is a detailed discussion of these liabilities in the RWE Annual Report 2000/2001, page 144, which can be found at [www.RWE.com](http://www.RWE.com). That information was relied on by Moody's Investors Service in its published report dated December 14, 2001 in establishing RWE's Bond Rating of Aa3. Copy attached.

Based on the Notes to the Financial Statements of the Annual Report and the recognition by the investment community that these liabilities are of minimal impact on the Company's long term financial condition, the Commission should be confident that RWE will be able to manage its commitments to adequately fund the operations of AWW and

KAWC and that those companies are adequately protected from any potential future financial responsibility for those matters.

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ITEM NO. 6

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**Witness: James McGivern**

6. Refer to Thames US's Certificate of Incorporation, Article VII, Indemnification.
  - a. Explain why the members of the Board of Directors should not have any fiduciary responsibility to the corporation and its stockholders.
  - b. Describe the Joint Applicants' position to the Commission's conditioning its approval of the proposed transaction upon the elimination of this article from Thames USA's Articles of Incorporation.

**RESPONSE:**

6. a. Paragraph (a) of Article VII of the Articles of Incorporation of Thames US does not, as the question suggests, eliminate the fiduciary responsibilities of the members of the Board of Directors to the corporation or its shareholders. Rather, it provides only that in the event a member of the Board of Directors has, in his or her capacity as a director, been found liable to the corporation or its shareholders for money damages, such liability will be limited/indemnified for to the extent permitted by the General Corporation Law of the State of Delaware (the "DGCL"). Provisions of this sort are standard for Delaware corporations and have the effect of ensuring that the limitations a corporation places on its directors' liability to it and its shareholders conform precisely to the statutory standard. Although the DGCL permits a corporation to limit/indemnify for its directors' liability to it and its shareholders in certain circumstances, it places significant substantive restrictions on such limitations of liability. The most important general restriction is found in Section 145 (a) and (b) of the DGCL, which provide in part that when a director is liable for actions taken in his or her capacity as a director, such director shall be entitled to such indemnification only if such director (i) "acted in good faith" and (ii) acted in a fashion such director "reasonably believed to be in or not opposed to the best interests of the corporation."

- b. Applicants do not believe that deleting this provision is necessary or advisable because the provision (i) is standard for Delaware corporations and (ii) provides protections that potential directors expect to receive. It will be very difficult for Thames US to induce qualified individuals to serve on its Board of Directors if this standard provision is deleted.

Kentucky has adopted the Model Business Corporation Act, based substantially upon Delaware corporate law. KRS 271B.2-020(d) allows for the elimination or limiting of the personal liability of a director subject to four exceptions. KRS 271B.8-510 provides for director indemnification in a manner similar to Sections 145(a) and (b) of the DGCL.

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ITEM NO. 7

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**Witness: Stephen Smith**

7. Refer to the Direct Testimony of Stephen Smith at 2.
- a. Explain why, given that German tax laws changed in December 2001 and that KAWC and Thames Holdings filed their initial application for approval of a proposed transfer of control on January 30, 2002, KAWC and Thames Holdings did not set forth the creation of Thames USA in their first application to the Commission.
  - b. Explain why, given that German tax laws changed in December 2001 and that KAWC and Thames Holdings filed their initial application for approval of a proposed transfer of control on January 30, 2002, KAWC and Thames Holdings did not modify their initial application while it was still pending before the Commission.
  - c. State when Thames Holdings began considering the creation of a U.S.-based holding company to hold the stock of the survivor of the Apollo-AWWC merger.

**RESPONSE:**

7. a. At the time the original application was filed, while we knew of the change in the German Tax Law, we had not settled on how best to set up the corporate structure. We believed that the possibility of inserting an intermediate holding company into the chain of ownership would be treated as corporate housekeeping and not as a substantive development. As a result, we only called out the possibility of an entity like TWUS, in the prayer for relief, and in the footnotes to Exhibit 5, of the application.
- b. As noted in the answer to "a" above, we continued to consider that the insertion of an entity controlled, directly or indirectly, by Thames Water Aqua Holdings, GmbH, and managed by Thames Water Plc, would be treated as corporate housekeeping that would not require specific commission approval.

- c. The possibility of a change in the German tax law has been known to us since before December 2001, when that law was actually changed. Accordingly, while the specifics with respect to TWUS were not fully formulated, the possibility of some consideration of a U.S.-based holding company probably dates back at least to the last quarter of 2001.

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ITEM NO. 8

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**Witness: James McGivern**

8. List and describe each violation of state or federal water or wastewater environmental law that Thames Aqua or a Thames Aqua affiliate has been adjudged since 1998.

**RESPONSE:**

8. New Jersey Department of Environmental Protection has found the following violations against the following RWE/Thames affiliates.

Applied Water Management Inc., and Applied Wastewater Management, Inc.  
List of Fines 1/98 - Present

<u>Agency</u>	<u>Date of Violation</u>	<u>Facility</u>	<u>Fine</u>	<u>Violation</u>
New Jersey DEP	Feb-98	Fawn Run	\$1,000	Total nitrogen exceedence
	Oct-98	518 Business Park	\$1,000	Failure to sample
	Jan-99	Oakwood Village	\$3,000	Spill
	Jun-00	Borough of Roosevelt	\$3,027	Failure to sample
	Nov-00	Aramis	\$1,000	Failure to sample
	March, 01	Aramis	\$1,000	Failure to sample
	Feb, 02	Homestead	\$12,625	Total suspended solids exceedence
	May, 02	Homestead	\$3,000	Failure to sample

**Elizabethtown Water**

<b><u>Agency</u></b>	<b><u>Date of Violation</u></b>	<b><u>Facility</u></b>	<b><u>Fine</u></b>	<b><u>Violation</u></b>
New Jersey DEP	Jan-99	Raritan-Mallston Water Treatment Plant	None	Exceeded total suspended solids
	Sept.-01	Raritan-Mallston Water Treatment Plant	\$2,500	Late filing of test

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ITEM NO. 9

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**Witness: James McGivern**

9. List and describe each violation of a United Kingdom water or wastewater environmental law that Thames Aqua or a Thames Aqua affiliate has been adjudged since 1990.

**RESPONSE:**

9. Thames fully recognizes the impact that our activities can have on the environment, and as a result, we take our environmental responsibility extremely seriously wherever we are working. In the UK we have an excellent record of compliance with stringent water and effluent standards.

Although Thames' operations compare very favorably with the rest of the UK water and wastewater industry, regrettably, our UK operations have been subject to environmental proceedings. Attached is a list of those proceedings which relate, for the most part, to Thames Water Utilities Limited, the subsidiary that provides water and wastewater services to the River Thames catchment including the City of London and its environs ("London Utility")

To put the attachment in context, it should be noted that the London Utility's water and wastewater systems were privatized in the late 1980's; the original systems date back over three hundred years. Since these systems were privatized, our London Utility has invested over \$7 billion in system improvements. As a result, the percentage of rivers in the top two quality categories has improved by 29% across the catchment in the last decade. The Thames is now recognized as one of the cleanest metropolitan rivers in the world, with 115 species of fish recorded and the successful return of the Atlantic Salmon.

The London Utility's water system supplies over seven million people with potable water. The potable water system consists of: over 19,000 miles of water main, 96 water treatment plants, 191 pumping stations and 60 billion gallons of storage; the systems deliver 0.6 billion gallons of potable water per day. Pursuant to agreements with the Drinking Water Inspectorate, the London Utility has invested over \$550 million installing granular activated carbon and ozone at our water treatment works.

The London Utility's wastewater system collects and treats wastewater for approximately twelve million people. The combined (both sanitary and storm flows) sewer system consists of: over 48,000 miles of sewer line, 354 wastewater treatment plants, and 2500 lift stations; it treats approximately one billion gallons of wastewater per day.

In reviewing the attached, it should be noted that the standards for environmental enforcement in the UK are much more stringent than those in the US. Fines for environmental problems in the US normally involve situations where the activity was wither intentional or grossly negligent. By contrast the Environmental Agency, which is responsible for water abstractions and wastewater consents, applies a strict liability, zero tolerance standard for enforcement. Thus, any spill even those caused by a pipe burst, vandalism or power failure on the wastewater side of the operation will subject the London Utility to a fine. The Drinking Water Inspectorate, which, as noted above is responsible for potable water standards, also applies rigorous standards and its requirements are far tougher than those applied in the US (N.B., the two potable water violations listed on the attached and the fines assessed, related to water discoloration, or aesthetic concerns, and not to contamination that might be harmful to health). In view of the fact that what would usually be regarded in the US as acceptable performance (i.e., well within the standards applicable to a reasonably prudent water and wastewater treatment company, assuming appropriate engineering safeguards) can result in significant fines in the UK, the attached list of all environmental investigations or proceedings with respect to the large London Utility, over a ten plus year period, is not as long as might be expected.

The London Utility's large wastewater fine, of 2/21/2000, requires a specific explanation. In this situation, there was the extraordinary combination of pumping station failure, industrial waste and human error. These events resulted in waste backup into the homes of eight customers. There was no serious personal injury. We have attempted to support those affected in this highly regrettable and unusual incident, in every way possible. We have spent approximately \$2.5 million in compensation, including the cost of acquiring and refurbishing the affected homes. In addition, we are spending an addition \$4 million to upgrade the local sewer system. Nevertheless, we were subject to a significant fine. Despite this unfortunate incident, the London Utility has, and will continue to achieve an excellent record of compliance with strict UK water and effluent standards.

## VIOLATION HISTORY – THAMES WATER UTILITIES LIMITED

<p><b>30/07/90</b>  <b>Ongar Sewerage System</b>      <b>Epping Mag. Court</b>      <b>31/05/91</b></p> <p><b>Fine 1,000 pounds. Costs 250 pounds.</b></p> <p>Blockage led to discharge via storm water overflow.</p>
<p><b>16/05/90</b>  <b>Fortis Green WPS</b>    <b>Muswell Hill Highgate Mag. Court</b>      <b>24/05/91</b></p> <p><b>Fine 1,000 pounds. Costs 200 pounds.</b></p> <p>Defective gauges spillage of oil from supply tank which escaped from bund.</p>
<p><b>13/11/90</b>  <b>Marlborough SPS</b>      <b>Marlborough Mag. Court</b>      <b>23/05/91</b></p> <p><b>Fine 1,000 pounds. Costs 225 pounds.</b></p> <p>Overflow of oil from generator day tank. Magistrates commented that they set the fine at 1,000 pounds in order to reflect the tremendous efforts made by Thames to clear up the pollution.</p>
<p><b>07/06/90</b>  <b>Crawley STW</b>      <b>Crawley Mag. Court</b>      <b>25/03/91</b></p> <p><b>Fine 400 pounds. Costs 250 pounds.</b></p> <p>Breach of upper tier condition of Discharge Consent because of RAS pump failure.</p>
<p><b>08/03/90 12/03/90</b>  <b>Basingstoke STW</b>      <b>Basingstoke Mag. Court</b>      <b>07/03/91</b></p> <p><b>Fine (1) 500 pounds. Fine (2) 500 pounds. Costs 300 pounds.</b></p> <p>Breach of storm discharge Consent as to location of discharges only. Excessive rainfall during previous three months taken into consideration by the Magistrates.</p>
<p><b>30/01/91 06/02/91</b>  <b>Barnet SS</b>      <b>Brent Mag.Court</b>      <b>26/11/91</b></p> <p><b>Fine (1) 3,000 pounds. (2) 3,000 pounds. Costs 300 pounds.</b></p> <p>Sewage pollution of Mitchell Brook.  Blocked sewer led to sewage discharges to the Mitchell Brook over a period of two weeks.</p>

<b>02/07/91</b> <b>Wheatley STW</b>	<b>Thame Mag. Court</b>	<b>10/3/92</b>
<b>Fine 5000 pounds. Costs 270 pounds</b>		
Blockage of inlet sewer to the works led to unconsented discharge to the Wheatley Ditch 02/7/91		
<b>30/09/90 1/10/91 15/2/91</b> <b>Crawley STW</b>	<b>Crawley Mag.Court</b>	<b>25/11/92</b>
<b>(1) Withdrawn. (2) Fine 1000 pounds: Costs 400 pounds</b>		
(1) Breach of Look-Up Table Consent Condition 30/9/90-1/10/91 (2) Breach of Upper Tier Consent Condition 15/2/91		
<b>27/04/92 05/07/92</b> <b>Minster Lovell</b>	<b>Witney Mag.Court</b>	<b>09/09/92</b>
<b>Fine 4000 pounds and 5000 pounds respectively. Costs 495 pounds.</b>		
Pollution of Controlled Waters. Prosecution by NRA		
<b>13/02/92</b> <b>Bishops Green WPS.</b>	<b>Newbury Mag.Court</b>	<b>18/01/93</b>
<b>Fine 7,500 pounds. Costs 320 pounds</b>		
Escape of oil from Pumping Station		
<b>30/04/92 01/05/93</b> <b>Chinnor STW (No.2 Outlet)</b>	<b>Thame Mag.Court</b>	<b>18/05/93</b>
<b>Fine 1,500 pounds (maximum 20,000 pounds) Costs 470 pounds</b>		
Breach of look-up Table Consent Condition 30/4/92 – 1/5/92		
<b>06/05/93</b> <b>Henley STW</b>	<b>Henley Mag.Court</b>	<b>07/10/93</b>
<b>Fine 2000 pounds. Costs 420 pounds.</b>		
Pollution of the Fawley Ditch: escape of sludge from Henley STW		
<b>04/05/93</b> <b>Fleet STW</b>	<b>Aldershot Mag. Court</b>	<b>22/11/93</b>
<b>Fine 2500 pounds Costs 430 pounds</b>		
<b>Pollution of the Fleet Brook: escape of sludge from Fleet STW</b>		

<b>05/07/93 08/07/93</b>	<b>Barnet Sewerage System</b>	<b>Wood Green Crown Ct</b>	<b>18/02/94</b> <b>05/07/93 –</b>
<b>Fine 10,000 pounds. Costs 530 pounds.</b>			
Pollution of the Pymmes Brook, Southgate: escape of sewage from blocked sewer in L.B. of Barnet			
<b>21/06/93</b>	<b>Welwyn Garden City SS</b>	<b>Hatfield Mag.Court</b>	<b>14/01/94</b>
<b>Fine 5,000 pounds. Costs 450 pounds</b>			
Pollution of Hatfield Hyde Brook Escape of sewage from Beehive Sewage Pumping Station at Welwyn Garden City			
<b>03/11/93</b>	<b>Brentwood STW</b>	<b>Romford Mag.Court</b>	<b>11/04/94</b>
<b>Fine 7,500 pounds. Costs 440 pounds</b>			
Pollution of the Ingrebourne River: escape of sludge from Brentwood STW			
<b>15/08/94</b>	<b>Park Farm Pumping Station</b>	<b>Havering Magistrates Court</b>	<b>20/02/95</b>
<b>Fine £8,000 Costs £440</b>			
Pollution of tributary to R Ingrebourne: escape of sewage from Park Farm PS			
<b>24/07/94</b>	<b>Moor Ditch</b>	<b>Newbury Magistrates Court</b>	<b>22/05/95</b>
<b>Fine £12,000 Costs £680</b>			
Prosecution by the NRA relating to a discharge to Moor Ditch from Newbury STW			
<b>13/2/95 + 2/5/95</b>	<b>Tanhouse Stream Colnbrook</b>	<b>Slough Magistrates Court</b>	<b>03/10/95</b>
<b>Fines (1) £1,000 (2) £1,000 Costs £600</b>			
Prosecution by the NRA in respect of the escape of sewage from a burst rising main at Colnbrook			
<b>5/8/99</b>	<b>River Cherwell at Banbury</b>	<b>Banbury MC</b>	<b>15/1/96</b>
<b>Result: Fine £2,000 Costs £420</b>			
Charge of causing sewage effluent to be discharged into River Cherwell at Banbury contrary to Section 85(3)(a) of the Water Resources Act 1991.			

<b>20-21/7/95</b>		<b>05/02/96</b>
<b>Pollution of River Wey</b>	<b>Guildford Mags Court</b>	
<b>Fine £9,000 Costs £420</b>		
Haslemere STW Escape of sewage Prosecution by NRA at Guildford. Guilty Plea entered on 5/2/96.		
		<b>16/04/96</b>
<b>Barkham Brook pollution from Arborfield</b>	<b>Bracknell Magistrates Court</b>	
<b>Result: Fine £8,000 Costs £480</b>		
<b>22/11/95</b>		<b>01/05/96</b>
<b>Mitchell Brook pollution by escape of oil</b>	<b>Brent Magistrates Court</b>	
<b>Result: Fine £15,000 Costs £460</b>		
<b>26/10/94</b>		<b>31/7/96</b>
<b>South West London</b>	<b>Kingston Crown Court</b>	
<b>Result: fine £80,000 Costs £9,810</b>		
4 counts of supplying water unfit contrary to Section 70 of the Water Industry Act 1991.		
<b>11/06/96</b>		<b>02/10/96</b>
<b>River Stort</b>	<b>Bishops Stortford Magistrates Court</b>	
<b>Result Fine £7,500 Costs £420</b>		
Prosecution by Environment Agency in respect of escape of sewage from Hallingbury Road Pumping Station Bishops Stortford		
<b>18/12/96</b>		<b>02/06/97</b>
<b>Tributary of Stamford Brook Surrey</b>	<b>Guildford Mags Ct</b>	
<b>Result: Fine £4000 Costs £500</b>		
Prosecution by the Environment Agency in respect of escape of sewage from public sewer upstream of Hockford STW		
<b>17/12/96</b>		<b>14/8/97</b>
<b>Cuffley Brook Enfield</b>	<b>Enfield Mags Ct</b>	
<b>Result: Fine £5000 Costs £500</b>		
Prosecution by Environment Agency in respect of escape of sewage from collapsed trunk main adjacent to Cuffley Brook.		

<b>27/5/97</b> <b>Pymmes Brook, Enfield</b>	<b>09/10/97</b> <b>Enfield Mags Ct</b>
<b>Result: Fine £12,000 Costs £600</b>	
Prosecution by Environment Agency in respect of escape of sewage from blocked syphon/overflow on foul sewer escaping under Chequers Lane Bridge into Pymmes Brook.	
<b>07/07/97</b> <b>River Blackwater, Camberley</b>	<b>12/01/98</b> <b>Woking Mags Ct</b>
<b>Result: Fine: £8,000 Costs £500</b>	
Prosecution by Environment Agency in respect of escape of sewage from storm tanks/land due to failure of electronic valve control unit.	
<b>16/11/97</b> <b>Shonks Brook, Hastingwood</b>	<b>23/9/98</b> <b>Epping Mags Ct</b>
<b>Result: Fine £6,000 Costs £700</b>	
Prosecution by Environment Agency in respect of escape of sewage from Wynters Brook Pumping Station due to failure of high level alarm float and failure to switch on pumps after maintenance visit.	
<b>31/8/98-13/9/98</b> <b>Amwell Hill, Ware</b>	<b>22/1/99</b> <b>Hertford Mags Ct</b>
<b>Result: Fine £5,000 Costs £700</b>	
Prosecution by Environment Agency for over abstraction of water in breach of license conditions.	
<b>1/8/98</b> <b>Barkham Brook, Arborfield</b>	<b>16/2/99</b> <b>Bracknell Mags</b>
<b>Result: Fine £6,000 Costs: £700</b>	
Prosecution by Environment Agency for escape of sewage from storm tanks.	
<b>29/10/98</b> <b>River Kennet, Axford</b>	<b>4/3/99</b> <b>Devizes Mags</b>
<b>Result: Fine £11,000 Costs: £700</b>	
Prosecution by Environment Agency for causing sodium bisulphate to be discharged to the river in breach of S.85(1) and 85(6) WIA.	

<b>1/1/93-24/2/99</b>	<b>16/7/99</b>
<b>Duke of Northumberland River, Mogden STW</b>	<b>Brentford Mags Ct</b>
<b>Result: Fine £5000 Costs: £700</b>	
Prosecution by Environment Agency for abstracting water without a licence in breach of S24(1)(a) and S24(4)(a) of the Water Resources Act 1991.	
<b>10/2/99</b>	<b>23/9/99</b>
<b>Danson Park Lake</b>	<b>Bexley Mags Ct</b>
<b>Result: Fine £12,000 Costs: £660</b>	
Causing sewage effluent to discharge to a feeder stream - sewer blockage / collapse contrary to S.85 (1 ) of the Water Resources Act 1991.	
<b>29/3/99</b>	<b>25/10/99</b>
<b>Gatwick Stream</b>	<b>Crawley Mags Ct</b>
<b>Result: Fine £6,000 Costs: £700</b>	
Causing sewage effluent to discharge to the stream - contrary to S.85 (1 ) of the Water Resources Act 1991.	
<b>28/9/98</b>	<b>10/12/99</b>
<b>River Cray</b>	<b>Croydon Crown Ct</b>
<b>Result: Fine £25,000 Costs: £15,703 Compensation: £3,232</b>	
Knowingly permitting sewage effluent to discharge to the River Cray - penstocks damaged by vandals - contrary to S.85 (3) of the Water Resources Act 1991.	
<b>2/2/99</b>	<b>20/12/99</b>
<b>River Lee</b>	<b>St Albans Mags Ct</b>
<b>Result: Fine £9,000 Costs: £700</b>	
Causing sewage effluent to discharge to the river - contrary to S.85 (1 ) of the Water Resources Act 1991.	
	<b>26/1/00</b>
<b>Ewhurst Village, Surrey.</b>	
<b>Result: Fine £12,000 (£3000 x 4) Costs £3900</b>	
Prosecution under S70 WIA 1991 of 4 charges of supplying unfit water.	
<b>8/11/99</b>	<b>3/2/2000</b>
<b>River Thames, North Woolwich</b>	<b>Stratford Mags Ct</b>
<b>Result: Fine £5,000 Costs: £700</b>	
Causing sewage effluent to discharge to the river - contrary to S.85 (1 ) of the Water Resources Act 1991.	

<b>6/1/99</b>	<b>9/2/2000</b>
<b>Whitton Brook</b>	<b>Richmond Mags Ct</b>
<b>Result: Fine £7,000 costs: £700</b>	
Causing sewage effluent to discharge to the brook - blockage on public sewer caused surcharge which escaped to surface sewer via illegal cross connection - contrary to S. 85(1) of the Water Resources Act 1991.	
<b>20 - 30/11/98</b>	<b>21/2/2000</b>
<b>Sandcliff Road, Erith</b>	<b>Croydon Crown Ct</b>
<b>Result: Fine £250,000 costs: £12,780.67</b>	
Causing sewage effluent to discharge to the River Thames contrary to S. 85(1) and (6) of the Water Resources Act 1991 and disposing of controlled waste on Sandcliff Road in a manner likely to cause harm to human health contrary to S.33(1)(c) of the Environmental Protection Act 1990.	
<b>11/3/99</b>	<b>18/5/2000</b>
<b>River Ray, Charlton-on-Otmoor</b>	<b>Bicester Magistrates Ct</b>
<b>Result: Fine £14,000 costs: £700</b>	
Causing sewage effluent to discharge to the River Thames contrary to S. 85(3) and (6) of the Water Resources Act.	
<b>13/9/99</b>	<b>8/12/2000</b>
<b>Holmwood Stream / Leigh Brook, Newdigate</b>	<b>Guildford Crown Ct</b>
<b>Result: Fine £12,000 costs: £2563.26</b>	
Causing sewage effluent to discharge to the Holmwood Stream / Leigh Brook contrary to S. 85(3) and (6) of the Water Resources Act.	
<b>14/6/00</b>	<b>3/1/01</b>
<b>The Cut, Winkfield</b>	<b>Maidenhead Magistrates</b>
<b>Result: Fine £10,000 costs: £700</b>	
Causing sewage effluent to be discharged into The Cut, contrary to S 85 (3) & s85(6) of the Water Resources Act 1991.	
<b>8/8/00 &amp; 6/10/00</b>	<b>1/8/2001</b>
<b>Lower Wharf, Wallingford</b>	<b>Wantage Mags Ct</b>
<b>Result: Fine 2 x £13,300 (Total: £26,600) costs £3,493.23.</b>	
2 charges of discharging polluting matter to controlled waters contrary to S.85(3)(a) and Section 85(6) of the Water Resources Act 1991.	

<p><b>9<sup>th</sup> March 2001</b> <b>Holybourne Stream</b></p> <p><b>Result: Fine £15,000, costs £1220</b></p> <p>1 charge of discharging polluting matter to controlled waters contrary to S 85(3)(a) and Section 85(6) of WRA 1991. A further charge of breach of consent under S85(6) removed.</p>	<p><b>4<sup>th</sup> December 2001</b> <b>Aldershot MC</b></p>
<p><b>8 May 2001</b> <b>Honeypot Stream Sevenoaks</b></p> <p><b>Result: Fine £5000 Costs £1,100</b></p> <p>1 charge under s85 WRA 1991 (subject not specified but EA say s85(1)) Mags took into account F&amp;M restrictions at the time &amp; nature of stream &amp; where it drained.</p>	<p><b>8 March 2002</b></p>
<p><b>19-24 Feb 2001</b> <b>Abbotswood stream, Guildford</b></p> <p>Result: Fine £9000 Costs £1378</p> <p>s85(3)(a) and 85(6) causing sewage effluent to be discharged – foul sewer blockage.</p>	<p><b>26 April 2002</b> <b>Guildford Mags</b></p>
<p><b>24 August 2001</b> <b>Moor Ditch Didcot</b></p> <p><b>Result: Fine £20,000 Costs £1564</b></p> <p>Spillage of chorine under 85(1) causing polluting matter to enter ditch.</p>	<p><b>8 May 2002</b> <b>Wantage Mags</b></p>
<p><b>Various</b> <b>Nags Head Pumping Station, Surrey</b></p> <p><b>Result: Fine £65,000 (£10,000 x 2 offences and £15,000 by three offences.</b> <b>Costs of £2467.53.</b></p> <p>Charge was river pollution contrary to Section 85 of the Water Resources Act 1991 and Land Pollution contrary to S 33 of the Environmental Protection Act 1990.</p>	<p><b>1<sup>st</sup> July 2002</b> <b>Dorking Magistrates Court</b></p>
<p><b>11/11/00-14/11/00</b> <b>River Wey, Passfield</b></p> <p><b>Result: Fine £19,000 Costs £1050.42</b></p> <p>Charge of polluting watercourse contrary to Section 85 of Water Resources Act 1991.</p>	<p><b>20/8/02</b> <b>Aldershot Magistrates Court</b></p>

## **TOTAL PIPELINE SOLUTIONS**

**February, 1998  
Bromley Magistrates Court**

**Fine £7,500 Costs £700**

Escape of sewage into the Chaffinch Brook due to failure of temporary pumping system.

## **SUBTERRA**

**22 July 1999  
Banbury Magistrates Court**

**Fine £15,000 Costs £3,000**

Pollution of Son Brook and Riber Bure with silt from trench dewatering.

## **STIRLING WATER SEAFIELD LTD.**

**3 August 2001  
Linlithgow Sheriff Court**

**Fine £5,000**

Sewage effluent exceeding BOD limits entered River Almond.