

PRESS RELEASE

PORTSMOUTH WATER ANNOUNCES PARTNERSHIP WITH CASTLE WATER TO PROVIDE RETAIL SERVICES TO BUSINESS CUSTOMERS.

In preparation for the introduction in 2017 of competition in water retail services for business customers in England, Portsmouth Water has selected Castle Water (www.castlewater.co.uk) as its partner to provide billing and associated services for its business customers.

From 1st April 2016 Castle Water, a specialist business retailer, will bill, handle calls and undertake other retail activities for business customers, initially on behalf of Portsmouth Water, but in their own right from April 2017¹ when the competitive market is expected to open. At that point Portsmouth Water intends to exit the business customer retail market.

This change only impacts water retail services for business customers.

Portsmouth Water will continue to provide retail services to household customers (which represent 95% of its customer base). It will also continue to supply water to all of its existing customers, and will remain responsible for water abstraction, treatment and maintaining its network of pipes. There will be no changes to the cost of services as a result of this change or to the quality and reliability of the water supply.

Neville Smith, Managing Director of Portsmouth Water said: *"From April 2017 business customers in our region and elsewhere will be able to choose their water retailer. We have considered whether to set up a separate business to compete in this national market or to pass our customers to a specialist provider. We decided that working with a specialist provider represents the most sensible and cost effective solution for a company of Portsmouth Water's size and for our customers. This will enable us to focus on our core activity of the reliable supply of high quality water."*

Castle Water stands out as a company that, like Portsmouth Water, prides itself on offering high levels of service at a low price and is therefore ideally placed to satisfy the retail needs of our business customers".

John Reynolds, CEO of Castle Water, said "Castle Water was founded to participate in both the English and Scottish markets for business water supplies. We have become one of the leading independent suppliers to business water customers in Scotland, and we are excited about the opportunity to work with Portsmouth Water going forwards."

Business customers' are being notified directly of the change, although in the vast majority of cases they will not be required to take further action.

Ends

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Notes to Editors

1. Portsmouth Water will consult customers on this transaction. This transaction is conditional on the Government's proposed reforms being enacted and will require the permission of the Secretary of State.

About Portsmouth Water

Website: www.portsmouthwater.co.uk
Twitter: @portsmouthwater

Portsmouth Water is one of the oldest water companies in the country, having been incorporated in 1857. We are proud sponsors of Portsmouth in Bloom, EBP Schools Science Fair, Staunton Country Park and Water Aid.

Our Water Sources

Our water, of high quality, is derived from the chalk of the South Downs and is abstracted from wells, boreholes, springs and the River Itchen. The Springs at Havant and Bedhampton are thought to be the largest group of springs used for public supplies in Europe.

Statistics

We serve 304,000 homes and businesses in an area covering 868 square kilometres (335 square miles) from the River Meon in Hampshire to the River Arun in West Sussex.

Portsmouth Water has approximately 16,500 non-household customers and 280,000 household customers.

Every day we supply around 180 million litres (40 million gallons) of water to a population of over 660,000 people at the lowest cost in England and Wales.

Our Distribution Network

Water is supplied to our customers through a network of over 3,200 kilometres (1,990 miles) of underground water mains and more than 300,000 individual service connections, all of which are continuously maintained by our distribution staff.