

**REFERENCE RELATING TO THE COMPLETED ACQUISITION
BY PENNON GROUP PLC OF BOURNEMOUTH WATER
INVESTMENTS LIMITED**

**Notice of provisional findings made under Rule 11.3 of the
Competition and Markets Authority Rules of Procedure for Merger,
Market and Special Reference Groups¹**

1. On 8 June 2015, the Competition and Markets Authority (CMA), in exercise of its duty under section 32(b) of the Water Industry Act 1991 (the Act) made a reference to its chair for the constitution of a group (the inquiry group) under Schedule 4 of the Enterprise and Regulatory Reform Act 2013 in order that the inquiry group may investigate and report on the completed acquisition by Pennon Group Plc of Bournemouth Water Investments Limited and report within a period ending on 22 November 2015.

Provisional findings

2. The inquiry group appointed to consider this reference has made the following provisional findings on the statutory questions it has to decide pursuant to section 35(1) of the Enterprise Act 2002² and paragraph 3(2) of Schedule 4ZA to the Act:³
 - (a) a water merger has taken place; and
 - (b) the creation of that merger has not prejudiced, and may not be expected to prejudice, the ability of the Water Services Regulation Authority (Ofwat) in carrying out its functions by virtue of the Act, to make comparisons between different water enterprises.
3. The inquiry group's reasons are set out in full in the provisional findings report, which is attached to this notice, and are summarised in the summary of the provisional findings report (see note below).

¹ [CMA17](#).

² As modified and applied to water mergers by The Water Mergers (Modification of Enactments) Regulations 2004 (as amended).

³ As given effect to by The Water Mergers (Modification of Enactments) Regulations 2004 (as amended).

The next steps

4. Anyone wishing to comment on the provisional findings is now invited to provide the inquiry group with their reasons in writing as to why these provisional findings should not become final (or, as the case may be, should be varied).
5. These reasons should be received by the Project Manager on behalf of the inquiry group by no later than 5pm on 21 October 2015.
6. The inquiry group will have regard to any such reasons in making its final decisions on the statutory questions and actions.

(signed) SIMON POLITO

Group Chair

30 September 2015

Note: A copy of this notice, the summary of the provisional findings report and the provisional findings will be placed on the [CMA webpages](#) on 30 September 2015. The published version of the provisional findings report will not contain any information which the inquiry group considers should be excluded from the report, having regard to the three considerations set out in section 244 of the Enterprise Act. These omissions are indicated by [✂].

Comments should be made by email to pennon.bournemouthwater@cma.gsi.gov.uk or in writing to:

Project Manager
Pennon/Bournemouth Water merger
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