

**North West Electricity  
Networks Limited**

Dalton House  
104 Dalton Avenue  
Birchwood Park  
Birchwood  
Warrington  
WA3 6YF  
Telephone: 01925 534550

To: The Law Debenture Trust Corporation plc (as "Security Trustee"),  
Barclays Bank plc (as "Authorised Credit Facility Provider"),  
HSBC Bank plc (as "Authorised Credit Facility Provider"),  
The Royal Bank of Scotland plc (as "Authorised Credit Facility Provider"),  
ENW Capital Finance plc (as "Authorised Credit Facility Provider"),  
ENW Finance plc (as "Authorised Credit Facility Provider"),

cc: Standard & Poor's Ratings Services (as "Rating Agency")  
Fitch Ratings Limited (as "Rating Agency")

From: North West Electricity Networks Limited

25 November 2009

Dear Sirs

**Common Terms Agreement dated 17 July 2009 between, among others, the Issuer, NWEN,  
ENW and the Security Trustee (the "Common Terms Agreement")**

Capitalised terms not defined in this certificate have the meaning given to them in the Master Definitions Agreement dated 17 July 2009 between the parties to the Common Terms Agreement.

1 We refer to the Common Terms Agreement. This is a Compliance Certificate.

2 We confirm that:

the ratios are as detailed in the table below in respect of the Covenant Calculation Date falling on the last day of this financial half year:

<b>Ratio</b>	<b>Historic (1 Oct 08 to 30 Sept 09)</b>
Adjusted ICR	1.92:1
Net Debt to RAV Ratio	0.78
ENW Net Debt to RAV Ratio	0.56

(together the "**Ratios**").

- 3 We confirm that each of the above Ratios has been calculated in respect of the relevant period for which it is required to be calculated under the Common Terms Agreement and has not breached the Trigger Event Ratio Levels and has not caused paragraph 15 (Ratios) of Schedule 6 (Events of Default) to be breached.
- 4 We set out in Appendix 1 the computation of the ratios set out in the table in paragraph 2 above for your information.
- 5 We also confirm that:
- (a) this Compliance Certificate is accurate in all material respects;
  - (b) no Trigger Event, Potential Trigger Event, Event of Default or Potential Event of Default has occurred and is continuing; and
  - (c) no ENW Event of Default or ENW Potential Event of Default has occurred and is continuing.

Yours faithfully,

For and on behalf of  
**NORTH WEST ELECTRICITY  
NETWORKS LIMITED**

}

[Officer/Authorised Signatory]



[Officer/Authorised Signatory]



**North West Electricity Networks Ltd**  
**Backward relevant period to 30 September 2009**  
**Covenant ratios**

**Appendix 1**

**Net Debt to RAV - CTA**

	<u>£'000</u>	<u>Default</u>	<u>Lock-up</u>	<u>Result</u>
Net Debt	1,015,079			
RAV	<u>1,298,700</u>			
<b>Net Debt to RAV</b>	<b><u>0.78</u></b>	<b>&gt; <u>0.92</u></b>	<b>&gt; <u>0.85</u></b>	<b><u>PASS</u></b>

**Adjusted interest cover ratio - CTA**

	<u>£'000</u>	<u>Default</u>	<u>Lock-up</u>	<u>Result</u>
Net Interest Service	54,711			
Net Cash Flow less Regulatory Depreciation	211,078			
	<u>(105,860)</u>			
	<u>105,218</u>			
<b>Adjusted interest cover ratio</b>	<b><u>1.92</u></b>	<b>&lt; <u>1.00</u></b>	<b>&lt; <u>1.10</u></b>	<b><u>PASS</u></b>

**ENW Net Debt to RAV - CTA**

	<u>£'000</u>	<u>Default</u>	<u>Lock-up</u>	<u>Result</u>
Net Debt	725,798			
RAV	<u>1,298,700</u>			
<b>ENW Net Debt to RAV</b>	<b><u>0.56</u></b>	<b>&gt; <u>n/a</u></b>	<b>&gt; <u>0.65</u></b>	<b><u>PASS</u></b>

**North West Electricity Networks (Group) Ltd**  
**Backward relevant period to 30 September 2009**  
**Net Debt**

**Appendix 1**

**Memorandum**

	NWEN Group					
	<u>NWEN Group</u> <u>£'000</u>	<u>NWEN</u> <u>£'000</u>	<u>ENW</u> <u>Cap Fin</u> <u>£'000</u>	<u>Sub Total</u> <u>£'000</u>	<u>ENW Group</u> <u>Finance</u> <u>£'000</u>	<u>ENW</u> <u>£'000</u>
<u>Net Debt</u>						
Bank overdrafts	-	-	-	-	-	-
Bank loans	-	-	-	-	-	-
Capex Facility	102,000	102,000	-	109,086	109,086	109,086
Index Linked Bonds	109,086	-	-	250,000	250,000	250,000
Bonds 2026 8.875% - MTM	250,000	-	-	200,000	200,000	200,000
Bonds 2026 8.875% - amortised cost	200,000	-	-	-	-	-
2015 Bonds 6.175%	300,000	0	300,000	200,000	200,000	70,000
2021 Bonds 6.125%	200,000	(70,000)	-	70,000	200,000	3,187
Interco loan	-	-	-	-	-	-
Accretion portion of Swap	3,187	-	-	3,187	-	-
	<u>1,164,273</u>	<u>32,000</u>	<u>300,000</u>	<u>832,273</u>	<u>200,000</u>	<u>632,273</u>
Less:						
Cash at bank	(149,194)	(42,706)	(13)	(106,476)	(13)	(106,463)
DUoS Billing Adjustment of NWEN Financing Group	0	0	0	0	0	0
	<u>1,015,079</u>	<u>(10,706)</u>	<u>299,988</u>	<u>725,798</u>	<u>199,988</u>	<u>525,810</u>





**North West Electricity Networks (Holdings) Ltd Senior Holdco Consolidated Group**

**Appendix 1**

**Backward relevant period to 30 September 2009**

**Maintenance capital expenditure**

	<u>£'000</u>	<u>30/09/2009</u>	<u>31/03/2009</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Depreciation value for 2007/08 per OFGEM price control calculations for United Utilities based on 2002/03 prices			
Up lifted to 2008/09 by RPI factors	2002/03	177,517	
	2008/09	213,349	
Actual RPI		88,081	90,866
		<u>105,860</u>	

The RPI factors from the above calculation have been sourced from the Bank Base Case Model