

Martin Fitzpatrick
Head of Estate Management
Northern Ireland Water
3 Frederick Street
Belfast
BT1 2NR

Your Ref:

Our Ref: W/031/CO'H/244

Date: 11th February 2009

Dear Martin

RE: Submission of NI Water's Estate Management Plan (EMP)

At a meeting on 15th December 2008, NI Water enquired as to NIAUR's interpretation and proposed position on Condition K 5.1(i) of the Licence, which states that:

5.1 The Appointee prepare and not later than 1st April 2009 furnish to the Authority an Estate Management Plan:

- (i) Identifying land which the Appointee considers likely to be surplus to its operational requirements within a 10 year period comprising the next two following Periodic Review periods.....***

Given the change of timing around PC10 and PC13 there now exists some ambiguity around the wording of this particular provision of the licence, and NI Water enquired as to which quantifying statement in relation to the scope of the EMP now stands, i.e. should the document cover a "**10 year period**", or the "**following two Price Control periods**"?

Please note that it is our intention to move for a licence modification to clarify and future proof this provision of NI Water's Instrument of Appointment.

In the mean time, I can confirm that our interpretation of the licence is that the wording "**the next two following Price Control periods**" should take precedence over the wording "**10 year period**" and that we are therefore content that NI Water submit an Estate Management Plan covering PC10 and PC13, i.e. an eight year period.

Please be aware that this interim decision is considered by us to be exceptional and in no way fetters our discretion on this matter, or matters of this nature, for future years.

Furthermore, NI Water should take no indication about, nor hold any expectations on future NIAUR decisions, based on this exchange.

We will be progressing this issue as outlined above, and will be in contact to arrange a further meeting in the near future.

Should you have any queries in the meantime please do not hesitate to contact myself or any member of the water team.

Yours sincerely



Jo Aston
Director of Water Regulation

CC Caspar Swales
Conor O'Hare
Mary Timlin