

Ronan Larkin
Director of Finance and Regulation
Northern Ireland Water
Westland House
40 Old Westland Road
Belfast BT14 6TE

19 Feb 2020

Ref: NET/W/TH/190

Dear Ronan,

**The Water and Sewerage Services (Northern Ireland) Order 2006 Article 201 (7)
NI Water Scheme of Charges 2020-21 – Regulatory Approval**

Further to receipt of NI Water's proposed Scheme of Charges for 2020-21 received on 31st January 2020, we confirm the Utility Regulator approval, under Article 201(7) of NI Water and Sewerage Services Order 2006.

The Utility Regulator approves charges included within price limits (Condition B of the licence and infrastructure charges, Condition C of the licence) and note these have been included within the overall NI Water Scheme of Charges document. A number of other charges such as connections are also included within the document. These charges are not subject to approval under the Order, but can be determinable on a case by case basis.

The Utility Regulator also monitors tariffs in accordance with Condition E of the licence to ensure there is no undue discrimination and undue preference in charging. To date a practical approach has been applied to differentials to avoid large shifts in tariffs or bills and is an area we should meet to discuss actions during the PC21 period.

We note that the 2020-21 charges are £1.9m less than would otherwise be the case if full price limits had been utilised. We also note that charges are significantly more than the re-indexed PC15 Final Determination. As per the Determination on use of a Revenue Cap issued on 25 Jan 2019 we will need to consider how accumulated over recoveries are to be returned to consumers and are pleased to see a proposal has been included with the PC21 Business Plan submission.

Should you have any specific queries in relation to our approval as outlined in this letter or any associated issues, please do not hesitate to contact me.

Yours sincerely,



Tanya Hedley
Director of Networks

Cc Sara Venning (NI Water), Linda MacHugh (DFI), Graham Smith (CCNI)