

Northern Ireland Water
Westland House
40 Old Westland Road
Belfast, BT14 6TE



Elena Ardines
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

20 February 2014

Dear Elena

Draft Corporate Strategy 2014-19 and draft Forward Work Plan 2014/15

Thank you for providing us with the opportunity to comment on the Utility Regulator's draft Corporate Strategy 2014-19 and draft Forward Work Plan for 2014/15.

I enjoyed participating in the workshop in June 2013 when the Utility Regulator was beginning the process of developing its draft strategy and more recently in the briefing on 14 February at which Jenny Pyper provided an overview of the draft strategy and forward work programme and sought feedback on the day.

We note PC15 as one of the flagships projects in your draft corporate strategy in relation to the objective of 'Promoting Effective and Efficient Monopolies'. We look forward to engaging with the Utility Regulator and other stakeholders in further developing PC15 taking account of our local circumstances.

One of the areas that we will be keen to progress with the Utility Regulator is that of meaningful local targets. You will be aware of work being taken forward by the Consumer Engagement Oversight Group (CEOG) to develop measures which better capture NI Water's ambitions for improved customer experience which are not currently captured by the out-dated DG targets.

Equally we have some concern with the Utility Regulator's continuing focus on the Overall Performance Assessment (OPA) target in PC15; while we have made significant improvements in recent years, there are issues of comparability with England and Wales which will make continual improvement in closing the apparent gap more difficult. We will continue to work with you to develop measures which are meaningful to our customers.

In relation to the draft Forward Work Plan for 2014/15, we note your plans to

1. Develop process for a mid-term review of the PC15 Price Control
2. Complete PC15 price control review

3. Develop new approaches to operational and capital efficiencies for the regulated companies
4. Develop new information requirements for Annual Information Returns (AIR)
5. Review NI Water Codes of Practice
6. Develop new customer measures and a Customer Satisfaction Survey of NI Water's consumers

We look forward to engaging with the Utility Regulator on all of the above in the coming year.

I trust that you find these comments helpful. Should you have any queries, please do not hesitate to contact me.

Yours sincerely



Ronan Larkin
Director of Finance and Regulation

CC Caroline McGale, NIW
Garth Stewart, NIW
Jo Aston, Utility Regulator