

21st March 2013

To Chief Executive of NIW

WRL 22: Regulatory Accounts 2012-13

This letter sets out the reporting requirements for NI Water's regulatory accounts for the 31 March 2013 year-end.

Condition F of your licence requires you to submit the regulatory accounts and the associated documents to the Regulator by the **15th July**.

1. General Requirements

You should submit **four** copies of:

- regulatory accounts;
- confidential information (if not included in regulatory accounts);
- statutory accounts (if not bound with regulatory accounts);

You should publish your regulatory accounts on your website on the date they are submitted to us. Please include the web path in a covering letter. Should this not be possible, NI Water should document when it expects to publish regulatory accounts in the covering letter and its website.

2. Regulatory Accounting Guidelines (RAG)

You should draw up your regulatory accounts for 2012-13 on the basis of the following regulatory accounting guidelines issued by Ofwat.

RAG 1.04 – Guideline for accounting for capital maintenance charges and current costs

RAG 2.03 – Guideline for classification of expenditure

RAG 3.06 – Guideline for the contents of regulatory accounts

RAG 4.03 – Guideline for the analysis of operating costs and assets

RAG 5.04 – Guideline for transfer pricing in the water industry

Please note these are not the revised guidelines referred to by Ofwat in Information Notice IN13/01.

All UK accounting standards extant at 31 March 2013 should be complied with unless detailed otherwise within the guidelines.

3. Annual Information Return

We expect information in the annual information return and regulatory accounts to be consistent. If there are any differences they should be detailed and explained in a covering letter with the regulatory accounts.

If you have any questions about this letter or any of our requirements, please contact Alan Craig (Regulatory Finance Manager).

Yours sincerely



J Aston
Director of Water Regulation