

26th March 2010

To Chief Executive of NI Water

WR11: Annual Information Return

Annual Information Return 2009-10 (AIR10)

This letter sets out the UR's timetable for completion of the Annual Information Return for the 2009-10 financial year. Tables and guidance will be issued to the Company by the 31st March 2010. The Regulator formally requests NI Water submit an Annual Information Return (AIR10) by Friday 16th July 2010. The Auditor's report and the Reporter's report will be required no later than 2 weeks after the 16th July submission (30th July).

The UR has developed the information return requirements from the NIAUR AIR09 template with which NI Water is familiar.

Some elements are not relevant this year but have been included to indicate the likely future reporting requirements to facilitate the Company in developing its reporting systems and processes. We have highlighted in the tables and commentaries where information does not need to be provided for this reporting year.

Role of the Reporter and Auditor

The roles of the reporter and auditor are a vital part of the scrutiny we require to provide quality assurance for your data submissions. NI Water should therefore fully disclose any concerns over data quality and provide full access to primary data sources to both the Reporter and the Auditor.

NI Water Query Process

As in previous years, the Company will have the opportunity to ask the Regulator for clarification of any reporting requirements through the standard query process and template. The Comparative Efficiency and Performance Team will be taking the lead role in relation to the AIR10 guidance and any contact in relation to the return requirements should be directed to them.

Query Process following NI Water Submission

The Utility Regulator will apply a query process similar to that applied to previous AIRs for addressing its queries to NI Water for AIR10. NI Water's regulatory finance team are familiar with this process which requires a response within 10 working days of queries being issued by the UR to NI Water with a reciprocal 10 day turnaround being applied by the UR for any follow up queries on the same issue.

I would ask you to note that the chairman/interim chairman and one non-executive director of the company should sign the Overview confirming that the board of the company has endorsed it.

I require 8 paper copies and 1 electronic version of the full AIR10 submission and 2 'stand alone' copies of year end nominal ledger statements to be delivered to the Regulator at the UR office by 16th July 2010.

Yours sincerely



 **Jo Aston**
Director of Water