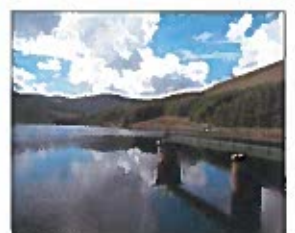


Proposed modifications to NI Water's Instrument of Appointment

16th March 2016



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs; Electricity; Gas; Retail and Social; and Water. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

Our Mission

Value and sustainability in energy and water.

Our Vision

We will make a difference for consumers by listening, innovating and leading.

Our Values

Be a best practice regulator: transparent, consistent, proportional, accountable, and targeted.

Be a united team.

Be collaborative and co-operative.

Be professional.

Listen and explain.

Make a difference.

Act with integrity.

Abstract

NI Water has been operating as a regulated company since April 2007 and the regulatory regime has continued to develop since then. NI Water's Instrument of Appointment should be amended to reflect the current regulatory regime and update the nature and form of regulatory submissions. The Utility Regulator is committed to a programme of 'better regulation.' An examination of the current licence has identified modifications to the regulatory submissions defined in Conditions B, F1 and J. These modifications relate to the Principal Statement, Procurement activities and Levels of Service. The modifications are designed to ensure maximum value of regulatory submissions with an emphasis of reducing regulatory burden and associated costs.

Audience

Water industry, consumers, statutory bodies, consumer groups and other wider stakeholders.

Consumer impact

The proposed licence amendments would reduce regulatory burden and associated costs on the company, regulator and other relevant parties while maximising the value of regulatory returns.

Contents

NOTICE UNDER ARTICLE 20(2) OF THE WATER AND SEWERAGE SERVICES
(NORTHERN IRELAND) ORDER 2006 **Error! Bookmark not defined.**

NOTICE UNDER ARTICLE 20(2)
OF THE WATER AND SEWERAGE SERVICES (NORTHERN IRELAND)
ORDER 2006

Pursuant to its powers under Article 20(1) of the Water and Sewerage Services (Northern Ireland) Order 2006 (hereafter referred to as the “**Order**”), the Northern Ireland Authority for Utility Regulation (hereafter referred to as the “**Authority**”), having obtained the consent of Northern Ireland Water Limited (the “**Licensee**”), hereby gives notice as follows:

- 1 It proposes to make modifications to the Instrument of Appointment granted to Northern Ireland Water Limited by the Department for Regional Development on 23rd March 2007 (the “**Licence**”) under its powers extant under Article 20 (1) of the Order
- 2 The proposed modifications are to:
 - (i) Condition B, Clause 7.2 (Principal Statement);
 - (ii) Condition F1 Clauses 9-12 (Procurement Activity Report);
 - (iii) Condition J Part III Clause 7 (Levels of Service).
- 3 The effects of the proposed modifications will be to:
 - (i) Remove the requirement for an Auditor Report on the Principal Statement due to improved reporting mechanisms introduced for Principal Statements.
 - (ii) Remove the requirement for a Procurement Activity Report unless specifically requested by the Authority.
 - (iii) Remove the requirement for a Reporter Report on Levels of Service due to improved company reporting mechanisms.
- 4 The reasons for the proposed modifications are to:
 - (i) As the regulatory regime has developed, it has become apparent that certain regulatory submissions are no longer required or require amendment to become fit for purpose.

- (ii) To reduce the regulatory burden on company, Reporter, Auditor and Reporter and other relevant parties.
- (iii) To reduce associated regulatory costs.
- (iv) To ensure regulatory effort is focused on those areas which yield maximum value.

5 A copy of the proposed modifications can be viewed during normal office hours, and can be obtained (free of charge) from:

Deirdre Matheson
The Utility Regulator
Queens House
14 Queen Street
Belfast BT1 6ED
Tel: 028 9031 1575
Fax: 028 9031 1740
Email: Deirdre.matheson@uregni.gov.uk

Or

Jody O'Boyle
The Utility Regulator
Queens House
14 Queen Street
Belfast BT1 6ED
Tel: 028 9031 1575
Fax: 028 9031 1740
Email: Jody.oboyle@uregni.gov.uk

Alternatively, these modifications can be downloaded from our website:
<http://www.uregni.gov.uk/>

- 6 Representations or objections with respect to any or all of the individually proposed modifications may be made on or before 29 April 2016 to the same address. In the interests of transparency and in accordance with standard Utility Regulator practice for consultations, we propose to publish all consultation responses.
- 7 The Authority has, pursuant to Article 20(3) (b) of the Order, served a copy of this notice on the Licensee and the Department for Regional Development.

Dated this 16 day of March 2016



Tanya Hedley
Director of Compliance and Network Operations
For and on behalf of the Utility Regulator