

Ronan Larkin  
Director of Finance, Regulation and Commercial

Our Ref: NET/W/EC/1007

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

01 August 2024

Dear Ronan,

**Re: Procurement Plan – Reporting Requirements Derogation Request**

I refer to your correspondence of 14 September 2023 in which you requested a derogation from NI Water's obligation under Condition F1 5(1) of its Licence, to submit a revised and updated Procurement Plan no less than every 18 months. I apologise for the delay in reverting.

Your correspondence provided assurance that NI Water was not aware of any procurement issues or irregularities that needed to be brought to the attention of the Utility Regulator at the time and listed a number of audit, accreditation and assurance processes in support of this statement. In light of this NI water proposed a derogation for a period of 3 years (or longer) from the date of the last submission. As a result of the period of time which has lapsed from your September 2023 assurance, I would be grateful if you could confirm by return that this is still the position.

As you are aware, we are progressing a licence condition modification (Condition F1, Paragraph 5(1)) which requires NI Water to submit the Procurement Plan as part of its business plan submission for each price control period. We hope to have this completed by the end of calendar year. In light of the above information, we are content to provide NI water with a derogation from obligation under Condition F1 5(1) of its Licence, to submit a revised and updated Procurement Plan no less than every 18 months, effective immediately and until the revised licence condition modification comes into effect.

Notwithstanding the decision above, we expect NI Water to continue to proactively and transparently report any concerns, issues, irregularities or significant changes in approach with regard to procurement to the UR in a timely manner in the future. This would include any significant change in the scale of outsourcing. NI Water should also note that under Condition F1 9, the Authority may request a written report on NI Water's procurement activities and may consequently require NI Water to submit a revised Procurement Plan under Condition F1 5(2).

Please feel free to contact me if you have any queries in relation to any of the above.

This decision will be published on our website, and we have copied the Department into this correspondence so that it is also aware of our decisions on this matter.

Yours sincerely,

*Elaine Cassidy*

**Elaine Cassidy**  
**Director of Price Control (Interim)**

Cc M Mulholland (NIW)  
G Stewart (NIW)  
A Clydesdale (Dfl)  
D Curran (Dfl)  
P Russell (UR)  
C MacCann (UR)  
P Stewart (UR)