

Our reference: 09/30

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2 February 2010

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Mr David Harris
Commissioner, NSW Office of Water
Department of Environment, Climate Change & Water
GPO Box 3889
SYDNEY NSW 2001

Contact Amanda Chadwick
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Dear Mr Harriss,

IPART'S 2010 PRICE REVIEW

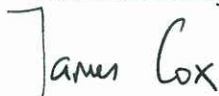
Thank you for your letter received 2 February 2010, which provides some additional information for stakeholders on the NSW Office of Water's (NOW) pricing proposal. I also acknowledge receipt of your compliance report for 2008/09 and your revised reports for 2006/07 and 2007/08, which were also received on 2 February 2010.

As advised in my 20 January 2010 letter to you, IPART has decided to 'stop the clock' on this price review until it deems that adequate information is in the public domain. In my letter, I indicated that IPART may make a decision to 'reset the clock' on receipt and publication of further information from the Office of Water or the draft expenditure consultancy currently being carried out by PwC/Halcrow.

To avoid stakeholder confusion and potential further adjustments to the review timetable, IPART has decided to review its decision to stop the clock once it has received PwC/Halcrow's draft report (which is expected to occur by late February). In particular, we expect PwC/Halcrow's report to add to the information the Office of Water has made publicly available by providing further explanation/examination of the Office's expenditure forecasts, including the drivers behind these forecasts. We are hopeful that the additional information you have provided together with the forthcoming PwC/Halcrow draft report will provide sufficient information for stakeholders to effectively participate in the price review, and therefore for IPART to 're-set the clock' and confirm a revised review timetable.

If you have any questions about these matters please do not hesitate to contact Amanda Chadwick (Program Manger) on 02 9290 8453.

Yours sincerely



James Cox
CEO and Acting Chair
cc Mr Andrew Gregson, NSW Irrigators' Council and Council Members