

23 March 2012

Dear Members,

Draft Network Service Plan

Over the last six months, I have made mentioned in a variety of shareholder meetings of the development of a five-year network service plan and of you having the opportunity to comment on that plan once it was developed. Attached is the **draft** network service plan. Should you wish to comment on the draft plan, you have until 23rd May 2012 to do so and the ways in which you can comment are identified on page 4 of the draft. I emphasize that you need not wait until the 23rd to comment; indeed I would encourage you to comment sooner rather than later.

Any comments provided by members will be considered by CICAL before it finalises the plan and we will identify any changes that we make as a result of your feedback to you at the time we provide you with a copy of the final plan.

There are no new major works contemplated over the next five years other than the ones you have already agreed should occur under the PIIOP. However, if circumstances subsequently dictate that we do need to undertake major works, you will be consulted on the need for such work in advance of the work occurring. It is also important that you understand that the financial estimates in the report are just that, estimates, and CICAL reserves the right to continue to set its water access charges on a year-by-year basis. Were any significant changes contemplated to our fee structure or pricing, you would receive advance notice of the changes and an explanation as to why they are necessary.

If you have any questions of the draft plan, please direct them through Terry Inglis in the first instance.

I look forward to your comments in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Culleton', with a long horizontal flourish extending to the right.

John Culleton
Chief Executive