



مكتب التنظيم و الرقابة
Regulation & Supervision Bureau

Consent to Al Ain Distribution Company for the Supply and Sale of Brackish Ground Water to Approved Customers

Consent

ED/L03/102

29 April 2013

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water, wastewater and electricity sector of the Emirate of Abu Dhabi

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EW	ED/L03/102	0	29 April 2013	NSC

Al Ain Distribution Company
PO Box 1065
Al Ain
United Arab Emirates

Consent for Supply and Sale of Brackish Ground Water to Approved Customers

1. Introduction

- 1.1 AADC has applied to the Bureau for a Consent pursuant to Paragraph 2 of Condition 2 of Part 2 of its Licence to supply and sell up to 650,000 gallons a day of Brackish Ground Water to Approved Customers to be used as Non-Potable Water.

2. Definitions

- 2.1 Terms used in this Consent shall, unless defined herein or the context otherwise admits, have the same meanings as ascribed to them in the Law or the Licence.

“**AADC**” means the Al Ain Distribution Company.

“**ADWEC**” means the Abu Dhabi Water and Electricity Company.

“**Approved Customers**” means persons and/or properties that AADC has appropriately notified the Bureau of with respect to the supply of Brackish Ground Water under this Consent.

“**Brackish Ground Water**” means naturally occurring water extracted from the ground and supplied in an untreated state, with a typical salinity level of between 1,000 – 10,000 milligrams per litre (mg/L) of total dissolved solids or higher in the case of brackish water.

“**Bureau**” means the Regulation and Supervision Bureau for the Water, Wastewater and Electricity Sector in the Emirate of Abu Dhabi.

“**Consent**” means this consent granted by the Bureau to AADC for the supply and sale of Brackish Ground Water to Approved Customers, including any amendments made from time to time.

“**Effective Date**” means the date specified in Paragraph 5.1 of this Consent.

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“Financial Materiality” in relation to this Consent, is deemed to be AED 5 million (five million UAE Dirhams).

“Law” means Law No (2) of 1998 concerning the Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi, as amended and Law No (17) of 2005 concerning the Regulation of the Wastewater Sector, as amended.

“Licence” means the Water and Electricity Distribution and Supply Licence (Ref: ED/L01/007) issued by the Bureau to AADC on 1 January 2010, as amended from time to time.

“Licensed Activities” means the activities permitted to be carried out by AADC pursuant to the terms of its Licence.

“Non-Potable Water” means water that does not satisfy the quality standards within the Water Quality Regulations and is therefore not fit for human consumption.

“Potable Water” means water for drinking, cooking or food production produced from desalination which satisfies the quality standards within the Water Quality Regulations.

“Water Quality Regulations” means the Water Quality Regulations, Issue 1, Rev (2), 1 January 2004 issued by the Bureau, as amended.

3. Consent

- 3.1 The Bureau, having duly considered the application from AADC, hereby grants its Consent to AADC pursuant to Paragraph 2 of Condition 2 of Part 2 of AADC’s Licence for the supply and sale by AADC of Brackish Ground Water up to a maximum of 650,000 gallons a day to Approved Customers.

4. Conditions

- 4.1 This Consent is subject to the following conditions:
- (a) Consent is only given in respect of the sale and supply of Brackish Ground Water to Approved Customers up to a maximum cumulative volume of 650,000 gallons per day.
 - (b) AADC will continue to comply with all the requirements of the Law and the Licence in respect of its Licensed Activities.

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- (c) AADC shall ensure that the activities covered by this Consent do not adversely affect AADC's ability to perform its obligations to ADWEC under the Law and its Licence.
- (d) AADC shall ensure that the activities associated with the supply and sale of Brackish Ground Water to Approved Customers will not adversely affect the operations and costs of the Licensed Activities. AADC shall ensure the financial separation and ring fencing between activities covered by this Consent and its Licensed Activities and shall ensure that there is no cross subsidy.
- (e) If income in relation to the activities covered by this Consent in any financial year exceeds Financial Materiality, then AADC will in that year comply with all of the requirements of Condition 9 of its Licence as if the activities covered by this Consent were a Separate Business as defined in the Licence.
- (f) AADC will meet any health, safety and environment related requirements imposed by the Bureau or any other authority having jurisdiction over AADC's activities.
- (g) The supply and sale of Brackish Ground Water from AADC to the Approved Customers shall not compromise the supply of Potable Water to any customer of AADC.
- (h) AADC will supply the Bureau with a copy of the supply contract as between AADC and the Approved Customers.
- (i) AADC shall apply cost reflective charges for the activities covered by this Consent, as agreed under commercial contracts with third parties. The charges for the activities that are subject to this Consent shall be prepared on a comparable basis to any costs borne by AADC in carrying out its Licensed Activities.
- (j) AADC will clearly identify all health and safety risks associated with the consumption, use and/or handling of Brackish Ground Water and any health and safety procedures applied by AADC shall be immediately notified to the Approved Customers.
- (k) AADC shall provide written notification (and provide the Bureau with a copy thereof) to the Approved Customers that the Brackish Ground Water is completely untreated, not intended for household applications and its consumption or use may be dangerous to humans, machinery, livestock and/or, agriculture.

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- (l) AADC shall not undertake the activities under this Consent unless it has obtained and kept as current any necessary consent, permit and/or licence or other form of authorisation required from organisations (other than the Bureau) having jurisdiction over such activities and shall comply fully with all applicable legislation relating to such activities.

5. Effective Date

- 5.1 This Consent is effective from 1 January 2011 onwards.

6. Term of Consent

- 6.1 This Consent shall remain in force and effect till 31 December 2016.
- 6.2 If AADC wishes to continue the supply and sale of Brackish Ground Water to Approved Customers after the expiry of this Consent, it must apply to the Bureau for renewal of this Consent not less than ten days prior to its expiry.
- 6.3 Within 30 days from the date of issuance of this Consent, AADC shall furnish the Bureau with confirmation of the customers (including, billing name, billing location, etc.) to whom it is presently supplying Brackish Ground Water.
- 6.4 AADC shall advise the Bureau at least 10 days in advance of commencing a new supply agreement or terminating an existing supply agreement with any Approved Customer as described in this Consent.

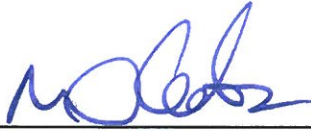
7. Modification and Revocation

- 7.1 This Consent is subject to modification or revocation by the Bureau at any time by written notice to AADC.

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GRANTED for and on behalf of the Bureau by:



Nick Carter
Director General



Dated this 29 day of April 2013

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