



11 September 2009

Gillian Ensor
Environment Canterbury
PO Box 345
Christchurch

Dear Gillian

Application by Lilybank Station Holdings Ltd


- 1 We write to you to outline the basis of Meridian Energy Limited (*Meridian*) providing its derogation approval of the applications numbered CRC071786 by Lilybank Station Holdings Ltd. We refer to the letter to ECan from Chapman Tripp dated the 26th of June 2008 setting out Meridian's position on derogation approvals generally.
- 2 Meridian has read and considered the applications CRC071786 by Lilybank Station Holdings Ltd and provides derogation approval on the following basis:
 - 2.1 Lilybank Station Holdings Ltd shall only be entitled to take and use water from Station Stream (between map reference NZMS 260 136:132-215 and 136:133-219) at a maximum rate of 100 litres per second for the spray irrigation of 172 hectares identified in the application;
 - 2.2 The maximum daily volume shall not exceed 8,640 cubic metres per day and the annual volume shall not exceed 1,032,000 cubic metres per annum and this shall be allocated as an agricultural and horticultural activity upstream of Lake Tekapo outlet under Rule 6, Table 5 of the Waitaki Catchment Water Allocation Regional Plan;
 - 2.3 the annual volume provided for in Clause 2.2 shall be time tranced in accordance with the following table:

Table A – Maximum Rates & Volumes for CRC071786

Year	Maximum rate of abstraction (litres/second)	Maximum Daily Volume (cubic metres/day)	Maximum Annual Volume (cubic meters/year)
1 September 2009 to 30 April 2010	100 l/s	8,640 m ³ /day	1,032,000 m ³ /annum
1 September 2010 to 30 April 2011	100 l/s	8,640 m ³ /day	1,032,000 m ³ /annum
1 September 2011 to 30 April 2012	100 l/s	8,640 m ³ /day	1,032,000 m ³ /annum
1 September 2012 to 30 April 2013	100 l/s	8,640 m ³ /day	1,032,000 m ³ /annum
1 September 2013 to 30 April 2014 and every year thereafter	100 l/s	8,640 m ³ /day	1,032,000 m ³ /annum

- 3 Any amendment or modification to the above will require further written derogation approval from Meridian. On the same basis any subsequent variation, transfer or replacement application that is relevant to the volume or location of the take may also require further approval.
- 4 This letter is not an affected party approval to the consent application under section 94 of the Resource Management Act. Meridian may choose to submit in support or oppose the application on grounds which do not relate to the derogation of its rights, or not to submit at all.
- 5 This letter does however record (subject to the above) that Meridian will not oppose the granting of the Lilybank Station Holdings Ltd application on the ground that it will reduce the quantity of water available under Meridian's existing consents.
- 6 Please advise if any basis for Meridian's approval outlined in paragraph 2 will not be met by the resource consent.

Yours sincerely



Mike Roan
Markets and Production Director