



**Drinking Water Quality
Regulator for Scotland**

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14 MAY 2009

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Our Ref: B2907253
Your Ref: IT-CM 15-4-09

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Dear Ian

Strategic Review of Charges 2009 – Investment Programme

I refer to your letter of 15 April seeking confirmation that Scottish Water's investment proposals, as outlined in its Second Draft Business Plan, fully meet Scottish Ministers' water quality objectives in the draft Ministerial Statement of 27 February 2009.

I am content that the "essential" projects in Version 6.1b of the Technical Expression that accompanies Scottish Water's Second Draft Business Plan, will deliver Ministers' essential objectives set out in Schedule 1 of the draft Ministerial Statement and that those projects identified as "desirable" will deliver the Ministers' desirable objectives set out in Schedule 2 of the draft Statement.

I am concerned that Table 2.7 of Scottish Water's Second Draft Business Plan indicates that for some drinking water quality outputs, the planned acceptance date is after the end of the regulatory period. I appreciate that this may be required to deliver stable affordable investment but it is not in-line with the latest beneficial use dates given in Version 6.1b of the Technical Expression. It is essential therefore that the default dates in Version 6.1b are revised and replaced with agreed actual dates. It is also essential that any revision to the Technical Expression includes details of how Scottish Water plans to deliver the outputs on a project by project basis. Provision of this information in Quality and Standards 3A was a major step forward and this must be repeated for Quality and Standards 3B.

Subject to the revision outlined above of the Technical Expression accompanying Scottish Water's Second Draft Business Plan, I can confirm that Scottish Water's investment proposals fully meet Scottish Ministers' water quality objectives as set out in the draft Ministerial Statement of 27 February 2009 and that in my view they do not exceed the Ministerial Guidance.

Yours sincerely

A handwritten signature in blue ink that reads 'Colin McLaren'. The signature is written in a cursive style with a large 'C' and 'M'.

Colin McLaren