

**Minute of the sixty-second meeting of the Water Industry Commission for
Scotland**

Held on 7 December in Stirling

Present: Sir Ian Byatt (Chairman)
Professor David Simpson (Deputy Chairman) *
Professor John Banyard*
Dr Michael Brooker*
Mr Charles Coulthard*
Mr Alan Sutherland (Chief Executive)*

In attendance: Mrs Katherine Russell (Director of Corporate Affairs)
Mr Ian Tait (Director of Investment)
Mr John Simpson (Director of Analysis)*
Mr Colin McNaughton (Analyst)

*Attended via conference call

Chairman's opening remarks

The Chairman welcomed everyone to the meeting.

1. Apologies for absence

None

2. Minute of previous meeting and review of action points

2.1 Declaration of conflicts of interest in relation to the Agenda

None

2.2 Minutes of last meeting (08/10)

The Commission agreed the minute was an accurate record of the meeting.

2.3 Summary of action points (AP08/10)

The Commission discussed the summary of action points. The Commission agreed that the action on the ready reckoner should be brought forward from June 2011 to March 2011.

The Commission agreed that a paper setting out the potential impact on Scottish Water carbon pricing should be brought forward from June 2011 to the January meeting.

3. Information papers 1 – Standing items

3.1 Update from the CMA

The Commission noted the update from the CMA. The Commission welcomed the breakdown of different Supply Point Identification numbers (SPIDS) by month.

3.2 Update on current issues (CP97/10)

The Commission noted CP97/10, an update on the work of stakeholders and other external events.

3.3 Finance and contracts paper (CP98/10)

The Commission noted the finance and contracts paper.

3.4 Update on investment (CP99/10)

The Commission noted the update on investment.

3.5 Re-forecasting update paper (CP100/10)

The Commission noted the re-forecasting update paper.

4. Information papers 2- Any other issues

4.1 Update on communication (CP101/10)

The Commission noted the update on communication.

4.2 Update on proposed Scottish Government White Paper (CP102/10)

The Commission noted the update on the proposed Scottish Government White Paper. The Commission members agreed to provide observations on the proposed consultation before, or over, the Christmas period. This should allow the office to draft an initial response for discussion at the January Commission meeting.

4.3 Update on competition (CP103/10)

The Commission noted the update on competition.

4.4 Update on metering trials (CP104/10)

The Commission noted the update on metering trials. The Commission asked the office to provide a further update on the metering trials at the January Commission meeting.

4.5 Issues arising from stakeholder meeting on I³ (CP105/10)

The Commission noted the issues arising from the stakeholder meeting on I³. The Chief Executive provided an oral update on the meetings with stakeholders, which are proving informative and useful. The Commission noted this update and would welcome a similar update on progress at the January Commission meeting.

4.6 Update on Schedule 3 (CP106/10)

The Commission noted the update on Schedule 3 agreements.

5. Decision papers

5.1 Charges scheme (CP107/10)

The Commission approved this paper.

6 Discussion papers

6.1 An overview of strategic issues (CP108/10)

The Commission discussed the overview of strategic issues. The Commission would welcome a paper on financial strength prior to April 2011.

6.2 Retail workshops update (CP109/10)

The Commission discussed the retail workshops. These workshops cover the proposed transfer of activities from Scottish Water's wholesale business to the licensed retailers. The Commission noted the current status of each of the workshops. Firstly, good progress has been made on metering services. Furthermore, useful discussions continue to take place with regards to trade-effluent sampling and consent monitoring.

6.3 Communications strategy (initial thoughts) (CP110/10)

The Commission agreed to return to the communications strategy at the January meeting. In the meantime, the Commission members agreed to set out their initial thoughts on the proposed communication strategy before, or over, the Christmas break. In light of these thoughts, the office will prepare an updated communications strategy for discussion at the January meeting.
