

Minister for Transport, Infrastructure and Climate Change

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Sir Ian Byatt
Water Industry Commission
Ochil House
Springkerse Business Park
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4 August 2009

Dear Sir Ian

I write with regards to the length of the next regulatory period for the water industry.

The commissioning letter in December 2006 for the strategic review of charges post 2010 set out that the length of the regulatory period would be four years. We have previously discussed that there may be advantages in lengthening this period to five years, and I wrote to you in May endorsing your suggestion that the Draft Determination provide a four and a five year view.

Following the publication of the Draft Determination I wrote to Scottish Water, the Scottish Environment Protection Agency, Waterwatch and the Drinking Water Quality Regulator inviting their views on this matter.

I have now received responses and there is universal support for extending the next regulatory period to 5 years.

Consequently I have decided that the Water Industry Commission for Scotland should undertake a strategic review of charges for a five year period from 2010 to 2015. The determination should continue to be published by the end of November this year.

Thank you for your helpful advice on this matter.

Best wishes

STEWART STEVENSON