

Alan Dingwall Chief Financial Officer Scottish Water The Bridge Buchanan Gate Business Park Cumbernauld Road, Stepps Glasgow G33 6FB 24 January 2025

Your Ref: 2025-26 Charges Scheme Approval

Dear Alan,

Charges Scheme for 2025-26: Approval

On 9 January 2025, Scottish Water submitted the complete documentation of the proposed Charges Scheme to WICS. The Charges Scheme covers the period 1 April 2025 to 31 March 2026 and contains the proposed retail charges from Scottish Water to household customers and wholesale charges from Scottish Water to Licensed Providers. The proposed Charges Scheme sets out a 9.9% nominal increase for household and wholesale primary charges.

I am writing to inform you that the WICS Board has approved Scottish Water's proposed Charges Scheme for the financial year 2025-26 with no amendments. For primary charges, WICS notes that the Charges Scheme is within the cap set out in the Final Determination for the Strategic Review of Charges 2021-27. WICS also notes that the changes to non-primary charges ensure that these remain cost reflective.

Best regards,

David Satti Interim Chief Executive Officer

CC Rosemary Greenhill (Scottish Government), Alice Mitchell (Scottish Government) and Jeremy Atkinson (Central Market Agency Scotland)