

Date: 22 February 2008  
Our Ref: 080222 AS MP OLC 7 consent  
Your Ref:

Mark Powles  
Managing Director  
Business Stream  
55 Buckstone Terrace  
Edinburgh  
EH10 6XH

Dear Mark

**Ordinary condition 7 (Constraints on unlicensed activities)**

Thank you for your letter of 12 February 2008 about the transfer of Scottish Water Business Solutions ("Business Solutions") into Business Stream.

You raised a concern that the activities that Business Solutions is currently undertaking might not constitute "licensed services", as the term is defined in your water and sewerage services licences. I have listed those activities in the annex to this letter. These appear to support your provision of licensed services to your customers. Because these activities appear consistent with your licensed services, the Commission does not object at this time to Business Stream undertaking them.

The Commission's view on the activities of Business Solutions does not affect Business Stream's other obligations under its licences. In particular, where Business Stream is required to interact with Scottish Water in pursuit of these new activities, it must remain at arms' length and deal on normal commercial terms. Any favourable treatment of Business Solutions by Scottish Water, whether in comparison to other licensed or unlicensed competitors of Business Stream, would be unacceptable. I expect the compliance officers of each company to pay particular attention to the activities of Business Solutions when monitoring and reporting on compliance issues.

To this end, I am copying this letter to Scottish Water and I will publish it on the Commission's website.

Yours sincerely



Alan Sutherland  
Chief Executive

Water Industry Commission for Scotland  
Ochil House  
Springkerse Business Park  
Stirling FK7 7XE

Chairman Sir Ian Byatt

Telephone 01786 430 200  
Facsimile 01786 462 018  
Email [enquiries@watercommission.co.uk](mailto:enquiries@watercommission.co.uk)  
Web [www.watercommission.co.uk](http://www.watercommission.co.uk)

## Annex

Activities that Business Stream may undertake through Business Solutions:

- Leak detection and repair.
- Water and waste water sampling.
- On-site effluent/water management support.
- Regulatory consultancy.
- Compliance and treatment advice.
- Provision of alternative water and waste water/effluent supply and treatment.
- Waste water treatment review.
- Waste and sludge optimisation.
- Specialist water and waste water training.
- Smart metering and data logging.