
STATUTORY INSTRUMENTS

2006 No. 3336

The Water and Sewerage Services
(Northern Ireland) Order 2006

PART IV
WATER SUPPLY
CHAPTER II
SUPPLY DUTIES

Major supplies

Variation and termination of bulk supply agreements

- 75.—(1) This Article applies where, on the application of any party to a bulk supply agreement—
- (a) it appears to the Authority that it is necessary or expedient for the purpose of securing the efficient use of water resources, or the efficient supply of water, to vary the agreement or to terminate it; and
 - (b) the Authority is satisfied that that cannot be achieved by agreement between the parties to the agreement.
- (2) The Authority may by order—
- (a) vary the agreement by—
 - (i) varying the period for which the supply of water is to be given; or
 - (ii) varying any of the terms or conditions on which that supply is to be given; or
 - (b) terminate the agreement.
- (3) Before making any order under this Article the Authority shall consult the Department.
- (4) Where an order is made under this Article the agreement concerned shall have effect subject to the provision made by the order or (as the case may be) shall cease to have effect.
- (5) An order under this Article may require the payment of compensation by any party to the agreement to any other party.
- (6) The obligations of a water undertaker under paragraph (5) shall be enforceable under Article 30 by the Authority.
- (7) In exercising its functions under this Article, the Authority shall have regard to the expenses incurred by the supplier in complying with its obligations under the bulk supply agreement and to the desirability of—
- (a) facilitating effective competition within the water supply industry;
 - (b) the supplier's recovering the expenses of complying with its obligations by virtue of this Article and securing a reasonable return on its capital;

- (c) the supplier's being able to meet its existing obligations, and likely future obligations, to supply water without having to incur unreasonable expenditure in carrying out works;
- (d) not putting at risk the ability of the supplier to meet its existing obligations, or likely future obligations, to supply water.

(8) In this Article—

“bulk supply agreement” means an agreement between one or more water undertakers for the supply of water in bulk and includes—

- (a) an order under Article 74 which is deemed to be an agreement by virtue of paragraph (4) of that Article; and
- (b) any agreement which has been varied by order under this Article; and

“supplier”, in relation to a bulk supply agreement, means any water undertaker which is required by the agreement to provide a bulk supply of water.