

WATER AND SEWERAGE SERVICES (NORTHERN IRELAND) ORDER 2006

S.I. 2006 3336

EXPLANATORY MEMORANDUM

BACKGROUND AND POLICY OBJECTIVES

3. The proposed reform of the water industry in Northern Ireland will involve transferring responsibility for delivery of water and sewerage services on 1 April 2007 from the Department to a government owned company ("GoCo"). This will be appointed as (initially the sole) water undertaker and sewerage undertaker for the whole of Northern Ireland and will be run on a commercial basis subject to utility regulation. It is the Government's intention to introduce domestic charging for water and sewerage services (many commercial customers already pay charges and this will be extended) from April 2007.
4. The Order will place extensive general and specific duties on the GoCo as a water and sewerage undertaker and provide detailed statutory powers to enable water and sewerage undertakers to carry out their duties, with suitable safeguards for customers. It will establish a regulatory regime through which the Department and the new economic and customer service regulator will act as the principal regulators of undertakers. This regime will include a system of regulatory controls in relation to supply obligations, drinking water quality standards, trade effluent and sewage disposal, charges and customer levels of service. The Order sets out a framework for making charges and provides for appropriate mechanisms to deal with customer complaints. It also includes provisions on private water supplies, for which the Department of the Environment (DOE) will continue to have regulatory responsibility, and makes amendments to the provisions of the Water (Northern Ireland) Order 1999 to update and expand DOE's functions relating to environmental regulation.