

# **WATER ACT 2003**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 2: New Regulatory Arrangements, Etc**

##### **Sections 53 to 55 The Competition Commission** 188.

##### **Section 53: Specialist members of the Competition Commission.**

This section provides for the abolition of the Competition Commission's sector-specific utility panel for water. Instead the Utilities Panel, established under the Utilities Act 2000 to deal with electricity and gas references, now also deals with water references. The section allows members of the abolished panel to automatically become members of the Utilities Panel and permits them to continue work on outstanding references after the new statutory arrangements are in place.  
189.

##### **Section 54: Determination references under section 12 of the WIA.**

This section amends section 12 of the WIA. It ensures that the same procedures apply to references to the Competition Commission under section 12 of the WIA (concerning determinations under conditions of appointment) as apply to the Commission in relation to proposals to modify conditions of appointment. It also sets down what the Commission must include in its report following a reference.

190. The section also expands the factors which the Commission may take into account in considering the costs associated with an undertaker's appeal against a determination made by the Authority on price controls. This measure will, in effect, give the Commission discretion to decide whether to include these costs in its calculations, having regard to the extent to which it is likely to support the undertaker's claim against the Authority.

191.

##### **Section 55: Conditions of appointments under the WIA.**

This section amends sections 14 and 16 of the WIA and inserts a new section 16A and 16B into that Act. It relates to conditions of appointment modification references made under section 16 the WIA.

192. The section enables the Competition Commission to review the Authority's proposal to modify conditions of appointment following the Commission's report on a reference. If it appears to the Commission that the proposed modifications are not requisite for the purpose of remedying or preventing the adverse effects specified in its report, the Commission is empowered to substitute its own modifications which are requisite for the purpose. This section sets out the procedure for notification by the Commission of its intentions to substitute its own modifications and for consultation on the modifications themselves.