



# Water Act 2014

## 2014 CHAPTER 21

### PART 1

#### WATER INDUSTRY

### CHAPTER 1

#### WATER SUPPLY LICENCES AND SEWERAGE LICENCES

#### *Expansion of water supply licensing*

### **1 Types of water supply licence and arrangements with water undertakers**

(1) For section 17A of the Water Industry Act 1991 there is substituted—

#### **“17A Water supply licences**

- (1) The Authority may grant to a person a licence in respect of the use of the supply system of a water undertaker (a “water supply licence”).
- (2) A water supply licence may give the holder of the licence one or more of the following authorisations and combination of authorisations—
  - (a) a retail authorisation;
  - (b) a wholesale authorisation;
  - (c) a restricted retail authorisation;
  - (d) a restricted retail authorisation and a supplementary authorisation.
- (3) Schedule 2A makes provision as to the authorisations (including their operation in England and Wales).
- (4) In the case of each of the authorisations, an authorisation to do a thing is an authorisation to do it in accordance with Chapter 2A of Part 3.

---

*Status: This is the original version (as it was originally enacted).*

---

- (5) The Authority may exercise the power to grant a water supply licence only in accordance with a general authorisation given by the Secretary of State.
- (6) Before giving a general authorisation as regards the Authority, the Secretary of State must consult the Welsh Ministers.
- (7) References in this Act to a water supply licensee are references to a person that is the holder for the time being of a water supply licence.

### **17AA Water supply licences: restrictions on grants**

- (1) Before the Authority grants a water supply licence giving a wholesale authorisation, it must consult—
  - (a) the Secretary of State;
  - (b) the Chief Inspector of Drinking Water;
  - (c) the Environment Agency;
  - (d) the NRBW.
- (2) Before the Authority grants a water supply licence giving a supplementary authorisation, it must consult—
  - (a) the Secretary of State;
  - (b) the Chief Inspector of Drinking Water;
  - (c) the Environment Agency;
  - (d) the Welsh Ministers;
  - (e) the Chief Inspector of Drinking Water for Wales if there is one;
  - (f) the NRBW.
- (3) A water supply licence may not be granted to a water undertaker.
- (4) A water supply licence may not be granted to a person unless that person is a limited company.
- (5) The restriction in subsection (4) does not apply if the water supply licence gives only—
  - (a) a retail authorisation,
  - (b) a restricted retail authorisation, or
  - (c) a retail authorisation and a restricted retail authorisation.”
- (2) After Schedule 2 to the Water Industry Act 1991 there is inserted the Schedule set out in Schedule 1.
- (3) Schedule 2 (which amends Chapter 2A of Part 3 of the Water Industry Act 1991 which relates to water undertakers’ duties to enable operations of water supply licensees) has effect.

## **2 The supply system of a water undertaker**

- (1) Section 17B of the Water Industry Act 1991 (guidance and interpretation) is amended as follows.
- (2) After subsection (4) there is inserted—

---

*Status: This is the original version (as it was originally enacted).*

---

“(4A) In this Chapter, references to the supply system of a water undertaker are, in the case of an undertaker whose area is wholly or mainly in England, references to the system comprising the following—

- (a) any reservoirs and other places of storage and any treatment works developed or maintained by the water undertaker for the purpose of complying with its duty under section 37, and
- (b) any water mains and other pipes which it is the water undertaker’s duty to develop and maintain by virtue of section 37.”

(3) In subsection (5) (interpretation of references to the supply system of a water undertaker), after “undertaker are” there is inserted “, in the case of an undertaker whose area is wholly or mainly in Wales,”.

### **3 The threshold requirement**

- (1) The Secretary of State may by order made by statutory instrument repeal section 17A(3)(b) of the Water Industry Act 1991 (the threshold requirement affecting premises in England and Wales), so far as it relates to premises supplied using the supply system of a water undertaker whose area is wholly or mainly in England.
- (2) The Welsh Ministers may by order made by statutory instrument repeal section 17A(3)(b) of the Water Industry Act 1991, so far as it relates to premises supplied using the supply system of a water undertaker whose area is wholly or mainly in Wales.
- (3) The references in subsections (1) and (2) to section 17A of the Water Industry Act 1991 are to the section 17A that is to be repealed (by substitution) by section 1 of this Act.
- (4) The Welsh Ministers may by order made by statutory instrument repeal paragraph 7(b) of Schedule 2A to the Water Industry Act 1991 (inserted by Schedule 1 to this Act).
- (5) An order under subsection (1), (2) or (4) may make such amendments of the Water Industry Act 1991 and this Act as are necessary or appropriate in consequence of the repeal made by the order.
- (6) A statutory instrument containing an order to be made by the Secretary of State under subsection (1) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.
- (7) A statutory instrument containing an order to be made by the Welsh Ministers under subsection (2) or (4) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the National Assembly for Wales.