

**2015 No. 1469 (C. 83)**

**WATER INDUSTRY, ENGLAND AND WALES**

**The Water Act 2014 (Commencement No. 4 and Transitional Provisions) Order 2015**

*Made* - - - -

*1st July 2015*

The Secretary of State and the Welsh Ministers make the following Order in exercise of the powers conferred by sections 91(1) and (4) and 94(3) of the Water Act 2014(a).

**Citation and interpretation**

**1.**—(1) This Order may be cited as the Water Act 2014 (Commencement No. 4 and Transitional Provisions) Order 2015.

(2) In this Order—

“the 1991 Act” means the Water Industry Act 1991(b);

“the 2014 Act” means the Water Act 2014.

**Provisions of the 2014 Act coming into force on 15th July 2015**

**2.** The following provisions of the 2014 Act come into force on 15th July 2015—

- (a) subsection (2) of section 16 (charges schemes) so far as it inserts section 143C (rules under section 143B: procedure) into the 1991 Act, with the exception of subsection (8)(c);
- (b) section 17 (rules about charges for connections etc.) so far as it inserts section 144ZB (rules under section 144ZA: procedure) into the 1991 Act, with the exception of—
  - (i) subsection (3)(e) so far as it relates to sewerage licensees; and
  - (ii) subsection (8)(d);
- (c) subsection (7) of section 29 (standards of performance: water supply)(e);
- (d) subsection (7) of section 30 (standards of performance: sewerage);
- (e) section 56 (further amendments) so far as it relates to the provisions set out in paragraph (f); and

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(a) 2014 c.21. The power in section 94(3) to appoint a day on which the remaining provisions of the 2014 Act come into force is vested in the “appropriate authority”. Section 94(6) provides that the appropriate authority is the Secretary of State except as stated in the table in Schedule 12.

(b) 1991 c.56.

(c) The Secretary of State is the appropriate authority for the purposes of section 16 in relation to wholly or mainly English undertakers and the Welsh Ministers are the appropriate authority in relation to wholly or mainly Welsh undertakers.

(d) The Secretary of State is the appropriate authority for the purposes of section 17 in relation to wholly or mainly English undertakers and the Welsh Ministers are the appropriate authority in relation to wholly or mainly Welsh undertakers.

(e) The Secretary of State is the appropriate authority for the purposes of section 29 in relation to supplies of water made in accordance with a retail authorisation and the Welsh Ministers are the appropriate authority in relation to supplies of water made in accordance with a restricted retail authorisation.

- (f) in Schedule 7 (further amendments)—
  - (i) paragraph 3(8)(b) so far as it relates to—
    - (aa) sections 39ZA, 39D, 40J, 96ZA, 143C, 144ZB and 144ZD to 144ZF of the 1991 Act; and
    - (bb) sections 42 to 47, 49 and 51 to 53 of the 2014 Act; and
  - (ii) paragraphs 2 and 3(1), (2) and (8)(a) and (c) so far as they relate to those provisions.

**Provisions of the 2014 Act coming into force on 1st September 2015**

- 3.** The following provisions of the 2014 Act come into force on 1st September 2015—
- (a) subsection (3) of section 1 (types of water supply licence and arrangements with water undertakers) so far as it relates to the provisions in paragraph (d);
  - (b) subsection (3) of section 4 (types of sewerage licence and arrangements with sewerage undertakers) so far as it relates to the provisions in paragraph (e);
  - (c) section 56 (further amendments) so far as it relates to the provisions set out in paragraph (f);
  - (d) the following provisions of Schedule 2 (water undertakers’ duties as regards water supply licensees)—
    - (i) paragraph 4 so far as it inserts subsection (3) of section 66DB (codes under section 66DA: procedure) into the 1991 Act; and
    - (ii) paragraph 5 so far as it inserts section 66EB (rules under section 66E: procedure) into the 1991 Act, with the exception of subsection (8);
  - (e) Schedule 4 (sewerage undertakers’ duties as regards sewerage licensees) so far as it inserts section 117K (rules under section 117I: procedure) into the 1991 Act, with the exception of subsections 2(e) and (8); and
  - (f) in Schedule 7 (further amendments)—
    - (i) paragraph 3(8)(b) so far as it relates to sections 66DB, 66EB, 117G and 117K of the 1991 Act; and
    - (ii) paragraphs 2 and 3(1), (2) and 8(a) and (c) so far as they relate to those provisions.

**Provisions of the 2014 Act coming into force on 1st November 2015**

- 4.** The following provisions of the 2014 Act come into force on 1st November 2015—
- (a) section 16 (charges schemes), so far as not already in force(a);
  - (b) section 56 (further amendments) so far as it relates to the provisions set out in paragraph (c); and
  - (c) in Schedule 7 (further amendments)—
    - (i) paragraph 3(8)(b) so far as it relates to sections 143B, 143D and 143E of the 1991 Act; and
    - (ii) paragraphs 2 and 3(1), (2) and 8(a) and (c) so far as they relate to those provisions.

**Transitional provisions**

**5.—**(1) Until section 1 of the 2014 Act comes into force so far as it relates to section 17A(1) of the 1991 Act, the references to a water supply licensee in the following provisions of the 1991 Act are to be read as references to an old water supply licensee—

- (a) section 39ZA(2)(a);

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(a) By virtue of article 2(a) of this Order.

- (b) section 66DB(3)(f);
- (c) section 66EB(2)(e); and
- (d) section 144ZB(3)(e).

(2) Until section 4 of the 2014 Act comes into force so far as it relates to section 17BA(1) of the 1991 Act, the reference to a sewerage licensee in section 96ZA(2) of the 1991 Act is to be read as a reference to an old water supply licensee and a sewerage undertaker.

(3) Until Schedule 2 to the 2014 Act comes into force to the extent that it substitutes sections 66D and 66E of the 1991 Act, references in sections 66DB(3) and 66EB of the 1991 Act to those provisions are to be read as if those provisions as substituted were in force.

(4) The amendments made to the 1991 Act by section 16 of the 2014 Act do not apply in respect of a charges scheme made by a relevant undertaker under section 143(1) of the 1991 Act(a) which has effect before 1st November 2015.

(5) In this article—

“old water supply licensee” means a person who is the holder for the time being of an “old water supply licence” as defined in paragraph 11 of Schedule 11 to the 2014 Act(b);

“relevant undertaker” means a water undertaker or sewerage undertaker.

1st July 2015

*Rory Stewart*  
Parliamentary Under Secretary of State  
Department for Environment, Food and Rural Affairs

30th June 2015

*Carl Sargeant*  
Minister for Natural Resources, one of the Welsh Ministers

### **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order is the fourth commencement order made under the Water Act 2014 (c.21) (“the 2014 Act”).

Article 2 brings into force on 15th July 2015 provisions which set out the process by which the Water Services Regulation Authority (“Ofwat”) is to produce its charging rules. Article 2 also brings into force provisions which set out the procedure for making regulations setting standards of performance relating to water supply services provided by water supply licensees, and sewerage services provided by sewerage licensees.

Article 3 brings into force on 1st September 2015 provisions which set out the procedure Ofwat must follow when issuing rules about charges which may be levied by water and sewerage undertakers.

Article 4 brings into force on 1st November 2015 the remainder of section 16 (charges schemes) which removes the requirement for Ofwat pre-approval of water and sewerage undertakers’ charges schemes. However, undertakers will be required to make their charges schemes in accordance with rules which Ofwat may produce. The old procedure will continue to apply to undertakers’ charges schemes covering the 2015/16 charging period.

Article 5 contains transitional provisions.

An impact assessment of the effect that the 2014 Act will have on the costs of business, the voluntary sector and the public sector is available from the Water Reform Team, Department for

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(a) Section 143(1) was amended by section 4(2) of the Water Industry Act 1999 (c.9).

(b) “Old water supply licence” is defined as “a water supply licence granted under old section 17A” (of the 1991 Act).

Environment, Food and Rural Affairs, Nobel House, 17 Smith Square, London SW1P 3JR or at [www.gov.uk/defra](http://www.gov.uk/defra). No separate impact assessment has been produced for this instrument.

## NOTE AS TO EARLIER COMMENCEMENT ORDERS

*(This note is not part of the Order)*

The following provisions of the 2014 Act have been or will be brought into force by a commencement order made before the date of this Order:

<i>Provision</i>	<i>Date of Commencement</i>	<i>S.I. No.</i>
Section 1 (partially)	1st September 2015	2015/773
Section 4 (partially)	1st September 2015	2015/773
Section 8 (partially)	6th April 2015	2015/773
Section 14 (partially)	6th April 2015	2015/773
Section 17 (partially)	6th April 2015	2015/773
Section 23 (partially)	1st January 2015	2014/3320
Section 23 (partially)	6th April 2015	2015/773
Section 24	6th April 2015	2015/773
Section 29 (partially)	1st January 2015	2014/3320
Section 30 (partially)	1st January 2015	2014/3320
Section 38 (partially)	1st January 2015	2014/3320
Section 38 (partially)	6th April 2015	2015/773
Section 40(1)	14th July 2014	2014/1823
Sections 42 to 47	6th April 2015	2015/773
Section 49	6th April 2015	2015/773
Sections 51 to 52	6th April 2015	2015/773
Section 53 (partially)	6th April 2015	2015/773
Section 55	1st January 2015	2014/3320
Section 56 (partially)	1st January 2015	2014/3320
Section 59	1st October 2014	2014/1823
Sections 64 to 68	1st January 2015	2014/3320
Section 69 (for all remaining purposes)	1st January 2015	2014/3320
Section 82 (partially)	1st January 2015	2014/3320
Sections 83 to 84	1st January 2015	2014/3320
Schedule 2 (partially)	1st September 2015	2015/773
Schedule 4 (partially)	1st September 2015	2015/773
Schedule 7 (partially)	1st January 2015	2014/3320
Schedule 9	14th July 2014	2014/1823

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