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STATUTORY INSTRUMENTS

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**2016 No. 274**

**The Utilities Contracts Regulations 2016**

PART 1

GENERAL

CHAPTER 2

ACTIVITIES

**Common Provisions**

**8.**—(1) For the purposes of regulations 9, 10 and 11, “supply” includes generation, production, wholesale or retail sale.

(2) But production of gas in the form of extraction falls within the scope of regulation 15.

**Gas and heat**

**9.**—(1) In the case of gas and heat, these Regulations apply to the following activities—

- (a) the provision or operation of fixed networks intended to provide a service to the public in connection with the production, transport or distribution of gas or heat;
- (b) the supply of gas or heat to such networks.

(2) The supply by a utility, other than one which is a contracting authority, of gas or heat to fixed networks which provide a service to the public shall not be considered a relevant activity within the meaning of paragraph (1) where both of the following conditions are met—

- (a) the production of gas or heat by that utility is the unavoidable consequence of carrying out an activity other than one referred to in paragraph (1) or in regulations 10 to 12;
- (b) the supply to the public network is aimed only at the economic exploitation of such production and amount to not more than 20% of the utility’s turnover, on the basis of the average for the preceding 3 years, including the current year.

**Electricity**

**10.**—(1) In the case of electricity, these Regulations apply to the following activities—

- (a) the provision or operation of fixed networks intended to provide a service to the public in connection with the production, transport or distribution of electricity;
- (b) the supply of electricity to such networks.

(2) The supply by a utility, other than one which is a contracting authority, of electricity to fixed networks which provide a service to the public shall not be considered a relevant activity within the meaning of paragraph (1) where both of the following conditions are met—

- (a) the production of electricity by that utility takes place because its consumption is necessary for carrying out an activity other than one referred to in paragraph (1) or regulations 9, 11 and 12;
- (b) the supply to the public network depends only on that utility's own consumption and has not exceeded 30% of that utility's total production of energy, on the basis of the average for the preceding 3 years, including the current year.

## **Water**

**11.**—(1) In the case of water, these Regulations apply to the following activities—

- (a) the provision or operation of fixed networks intended to provide a service to the public in connection with the production, transport or distribution of drinking water;
- (b) the supply of drinking water to such networks.

(2) These Regulations also apply to contracts or design contests awarded or organised by utilities which pursue an activity referred to in paragraph (1) and which are connected with one of the following—

- (a) hydraulic engineering projects, irrigation or land drainage, provided that the volume of water to be used for the supply of drinking water represents more than 20% of the total volume of water made available by such projects or irrigation or drainage installations;
- (b) the disposal of treatment sewage.

(3) The supply by a utility, other than one which is a contracting authority, of drinking water to fixed networks which provide a service to the public shall not be considered a relevant activity within the meaning of paragraph (1) where both of the following conditions are met—

- (a) the production of drinking water by that utility takes place because its consumption is necessary for carrying out an activity other than one referred to in paragraph (1) and regulations 9 to 12;
- (b) the supply to the public network depends only on that utility's own consumption and has not exceeded 30% of that utility's total production of drinking water, on the basis of the average for the preceding three years, including the current year.

## **Transport services**

**12.**—(1) These Regulations apply to activities relating to the provision or operation of networks providing a service to the public in the field of transport by—

- (a) railway;
- (b) automated systems;
- (c) tramway;
- (d) trolley bus;
- (e) bus; or
- (f) cable

(2) For the purposes of paragraph (1), a network shall be considered to exist where the service is provided under operating conditions laid down by a competent authority, such as—

- (a) conditions on the routes to be served;
- (b) the capacity to be made available; or
- (c) the frequency of the service.

### **Ports and airports**

**13.** These Regulations apply to activities relating to the exploitation of a geographical area for the purpose of the provision of airports or maritime or inland ports or other terminal facilities to carriers by air, sea or inland waterway.

### **Postal services**

**14.—**(1) These Regulations apply to activities relating to the provision of—

- (a) postal services;
- (b) services other than postal services, on condition that such services are provided by an entity which also provides postal services that are not directly exposed to competition within the meaning of regulation 34(2).

(2) In this regulation—

“postal item” means an item addressed in the final form in which it is to be carried, irrespective of weight, which includes—

- (a) correspondence;
- (b) books;
- (c) catalogues;
- (d) newspapers;
- (e) periodicals, and
- (f) postal packages containing merchandise with or without commercial value;

“postal services” means services consisting of the clearance, sorting, routing and delivery of postal items, including both services falling within as well as services falling outside the scope of the universal service set up in accordance with the Postal Services Act 2011(1);

“services other than postal services” means services provided in the following areas—

- (g) mail service management services (services both preceding and subsequent to despatch, including mailroom management services);
- (h) services concerning items for posting not included in the definition of “postal item” in this paragraph, such as direct mail bearing no address.

### **Extraction of oil and gas and exploration for, or extraction of, coal or other solid fuels**

**15.** These Regulations apply to activities relating to the exploitation of a geographical area for the purpose of—

- (a) extracting oil or gas;
- (b) exploring for or extracting coal or other solid fuels.