
STATUTORY INSTRUMENTS

2016 No. 744

**The Water and Sewerage Undertakers (Exit from
Non-household Retail Market) Regulations 2016**

PART 2

Exit applications

Determination of applications and conditions

Determination of application

11.—(1) The Secretary of State must determine an exit application by granting or refusing the relevant undertaker permission to withdraw from the non-household retail market in accordance with the application.

(2) The Secretary of State must grant permission unless—

- (a) it would be contrary to the interests of the public or a section of the public to grant permission, or
- (b) the relevant undertaker has failed to comply with regulation 9 and the Secretary of State considers it appropriate to refuse permission because of that failure.

(3) When granting permission, the Secretary of State—

- (a) must impose the customer notification condition set out in regulation 12, and
- (b) may impose other conditions.

(4) The conditions that may be imposed include—

- (a) a condition requiring an acquiring licensee to elect to be an eligible water supply licensee for the purposes of section 63AC of the 1991 Act⁽¹⁾;
- (b) a condition requiring an acquiring licensee to elect to be an eligible sewerage licensee for the purposes of section 110L of the 1991 Act⁽²⁾;
- (c) a condition requiring the relevant undertaker to provide proof, before the exit date, that other conditions have been met.

(5) The Secretary of State need not determine an exit application until the relevant undertaker has complied with any requirement to provide further information under regulation 10.

(6) Section 195A of the 1991 Act (reasons for decisions)⁽³⁾ applies as if the making of a determination under paragraph (1) were included in the list of decisions in subsection (1) of that section.

⁽¹⁾ Section 63AC is prospectively substituted by section 31 of the Water Act 2014 from a date to be appointed.

⁽²⁾ Section 110L is prospectively inserted by section 32 of the Water Act 2014 from a date to be appointed.

⁽³⁾ Section 195A was inserted by section 51 of the Water Act 2003. It is prospectively amended by paragraph 112 of Schedule 7 to the Water Act 2014 from a date to be appointed.

Customer notification condition for relevant undertakers

12.—(1) This regulation sets out the customer notification condition for the purposes of regulation 11(3)(a).

(2) The customer notification condition is a condition requiring the relevant undertaker to take reasonable steps to notify each affected customer of its intention to withdraw from the non-household retail market.

(3) The notice must—

- (a) explain in general terms what is happening to the supply of water or the provision of sewerage services to the customer’s premises and why;
- (b) give an overview of the terms and conditions that will apply in relation to the customer following the exit date and how to obtain further information;
- (c) give the name and contact details of the acquiring licensee in relation to the customer’s premises;
- (d) explain the effect of regulation 17 on any outstanding complaints against the relevant undertaker;
- (e) give the customer information about how to switch supplier and where to find information about other potential suppliers.

(4) The notice must be given—

- (a) in the case of a person who is a customer immediately before the Secretary of State grants permission for the relevant undertaker to withdraw from the non-household retail market, at least 2 months before the exit date;
- (b) in the case of a person who becomes a customer after the Secretary of State grants permission, as soon as possible.