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## EXPLANATORY NOTE

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

This Commencement Order is made by the Welsh Ministers under the Water Act 2014 (“the 2014 Act”).

Article 2 brings into force sections 17 and 38 of the 2014 Act for all remaining purposes on the day after the day on which this Order is made. Section 17 amends the Water Industry Act 1991 (“the 1991 Act”) by permitting rules to be issued about charges which may be levied by water undertakers and sewerage undertakers for connections to, and the provision of, water mains, public sewers and some associated infrastructure. Section 38 enables the Welsh Ministers to issue and revise guidance in relation to the charging rules issued by the Water Services Regulation Authority (“Ofwat”).

Article 3 brings into force on 1 April 2019, sections 8 to 11 of the 2014 Act. These provisions amend the 1991 Act and provide new powers for Ofwat to issue charging rules with respect to undertakers’ charges schemes, connection charges, and charges for bulk supplies of water (and connections for sewerage) between undertakers.

Section 8 of the 2014 Act replaces sections 40 and 40A of the 1991 Act with new sections 40 to 40J to regulate bulk water supply agreements between a water undertaker and another water undertaker, or a person who has made an application to become an undertaker.

Section 9 of the 2014 Act replaces the existing section 110A of the 1991 Act with new sections 110A to 110J to regulate main connection agreements between a sewerage undertaker and another sewerage undertaker, or a person who has made an application to become an undertaker.

Section 10 of the 2014 Act amends section 51A of the 1991 Act and replaces sections 51B and 51C of that Act with new sections 51B to 51CG to regulate arrangements between a water undertaker and any person seeking to provide water mains or supply pipes for eventual adoption by the water undertaker.

Section 11 of the 2014 Act amends section 104 of the 1991 Act and inserts new sections 105ZA to 105ZI into that Act to regulate arrangements between a sewerage undertaker and any person seeking to provide sewers, drains or sewerage disposal works for eventual adoption by the sewerage undertaker.

Sections 8 to 11 also provide powers for the Welsh Ministers to issue guidance on the content of the new charging rules introduced by those sections. The power to issue guidance under the provisions inserted by sections 8 and 9 is exercisable jointly with the Secretary of State with regards certain agreements.