

WATER ACT 2014

EXPLANATORY NOTES

COMMENTARY

Part 1

Water Industry

Chapter 1

Water Supply Licences and Sewerage Licences

Expansion of water supply licensing

Section 3: The threshold requirement

44. Currently under section 17A(3)(b) of the WIA, licensees may only supply to premises whose water consumption exceeds the threshold requirement set out in section 17D. In order to allow non-household customers more generally to switch to water supply by a licensee, the UK Government would expect to repeal this threshold for premises within the areas of water undertakers that are wholly or mainly in England at the same time as the introduction of the new water supply licensing arrangements. This would be done by commencing section 1 and Schedule 1 to the Act which would bring new Schedule 2A to the WIA into force. Section 1 substitutes all of section 17A and, under paragraph 7(b) of inserted Schedule 2A, only water supply licensees holding restricted retail authorisations (that is, those using the networks of water undertakers based wholly or mainly in Wales) would remain subject to the threshold requirement.
45. This would remain the case unless and until the new licensing arrangements were fully commenced in Wales, or paragraph 7(b) was otherwise repealed.
46. Under section 3, the power to repeal the threshold could also be exercised before the introduction of the new licensing arrangements by repealing section 17A(3)(b) of the WIA. This power would lie with the Secretary of State for premises in undertaker areas wholly or mainly in England and the Welsh Ministers in undertaker areas that are wholly or mainly in Wales. If section 17A(3)(b) was repealed in relation to undertakers wholly or mainly in Wales, paragraph 7(b) of Schedule 2A would also be repealed, thereby preventing it from ever coming into force.