

WATER ACT 2014

EXPLANATORY NOTES

COMMENTARY

Part 1

Water Industry **Chapter 5**

Miscellaneous

Section 55: Modification of appointment and licence conditions

203. This section provides Ofwat with a time limited power to make changes to undertakers' conditions of appointment and water supply and sewerage licence conditions in order to implement changes made in Part 1 of this Act, including related provision made under sections 90 and 91 (consequential and transitional provisions). The changes are expected to relate mostly to the changes in water supply licensing and the introduction of the new sewerage licensing regime. Before making changes Ofwat must consult the holder of the appointment or licence, the Secretary of State, the Welsh Ministers and other appropriate persons.
204. Subsection (8) provides the Secretary of State and the Welsh Ministers with the power to give directions to Ofwat in order to ensure that both appointment conditions and licence conditions are modified in order to implement the changes in Part 1 of the Act and subsection (9) contains a ministerial veto for modifications. Subsection (11) sets out the cases in which the Secretary of State may exercise these powers and when the Welsh Ministers may. The exclusive competence of the Secretary of State as regards licensees reflects the split of responsibilities at the time of Royal Assent.