

WATER ACT 2014

EXPLANATORY NOTES

SCHEDULES

Schedule 1: Water supply licences: authorisations

309. This Schedule inserts a new Schedule 2A into the WIA which outlines the new authorisations under the water supply licence. The provisions of Schedule 2A will be subject to further change on the commencement of Schedule 5 to the Water Act 2014. In particular, Schedule 5 would remove the references to the two authorisations that permit licensees to operate in water undertaker areas wholly or mainly in Wales (restricted retail and supplementary authorisations), and enable retail and wholesale authorisations to work in water undertaker areas wholly or mainly in Wales, as well as in those wholly or mainly in England.
310. [Paragraphs 4 and 7](#) stipulate that water supply licensees cannot supply household premises. Household premises are defined for this purpose in section 17C of the WIA as premises in which, or in any part of which, a person has his home and where the main use of the premises is as a home. Paragraph 7 also requires that non-household premises must meet or exceed a water usage threshold test to be eligible to change water supplier from the local undertaker to the holder of a restricted retail authorisation. The current water usage threshold applying to premises in the areas of undertakers wholly or mainly in Wales is 50 million litres of water a year. Paragraph 9 allows Ofwat to enforce these requirements using its section 18 powers and under paragraph 10 it is able to issue guidance on defining eligible premises.
311. [Paragraph 3](#) defines a retail authorisation in a water supply licence as allowing the licensee to use the supply system of a water undertaker to provide water supply services to non-household premises. These include its own non-household premises, those of an associate of the licensee and eligible premises of its own customers.
312. [Paragraph 5](#) defines a wholesale authorisation in a water supply licence as allowing the licensee to introduce water into the supply system of a water undertaker wholly or mainly in England in connection with its own or another licensee's retail authorisation.
313. [Paragraph 6](#) defines a restricted retail authorisation in a water supply licence as allowing the licensee to use the supply system of a water undertaker wholly or mainly in Wales to provide services to its customer's non-household premises that meet the threshold requirement under section 17D. The current threshold is 50 megalitres of water per annum.
314. [Paragraph 8](#) defines a supplementary authorisation in a water supply licence as allowing the licensee to introduce water into the supply system of a water undertaker wholly or mainly in Wales in connection with its restricted retail authorisation.
315. [Paragraphs 11 and 12](#) define when a person is associated with a licensee.