

WATER ACT 2014

EXPLANATORY NOTES

SCHEDULES

Schedule 3: Sewerage licences: authorisations

335. This Schedule inserts a new Schedule 2B into the WIA which outlines the authorisations under the sewerage licence. These provisions will be changed on the commencement of Schedule 5. Schedule 5 will remove the words that restrict the operation of sewerage licences to undertaker areas wholly or mainly in England, and confer functions as regards undertaker areas wholly or mainly in Wales on the Welsh Ministers and Ofwat.
336. [Paragraph 1](#) defines a retail authorisation in a sewerage licence as allowing the licensee to use the sewerage system of a sewerage undertaker for the purposes of providing retail services (e.g. billing, meter reading, customer services, etc.).
337. [Paragraph 2](#) and [3](#) stipulate that a sewerage licensee cannot serve household premises. The same meaning of household premises applies for sewerage as for water supply. [Paragraph 4](#) permits Ofwat, with the approval of the Secretary of State, to produce guidance defining eligible premises.
338. [Paragraph 5](#) defines a wholesale authorisation in a sewerage licence as allowing a licensee to remove matter from the system of a sewerage undertaker to treat and dispose of it on behalf of itself or another licensee providing customers with sewerage services corresponding to that disposal.
339. [Paragraphs 6](#) and [7](#) define a disposal authorisation in a sewerage licence as allowing a licensee to remove matter from the sewerage system of a sewerage undertaker to treat, dispose of, or otherwise use it. The Government's intention is to create a market for alternative sources of water (for example the supply of recycled water) and sewage sludge (for example for energy production, fertiliser manufacturing etc). If the holder of a disposal authorisation also holds a retail authorisation it must also hold a wholesale authorisation. This is so that sewage corresponding to sewage from premises served by a licensee is dealt with via a wholesale authorisation rather than a disposal authorisation.
340. [Paragraphs 8](#) and [9](#) define a person that is associated with the licensee.