

## SCHEDULE 1

### APPLICATION OF THE ACT AND RELATED PROVISIONS

#### Conditions of project licences

4. The following has effect as if it were inserted after section 17H (standard conditions of water supply licences)—

##### “17HA Conditions of project licences

- (1) A project licence may include—
  - (a) such conditions as appear to the Authority to be requisite or expedient having regard to the duties imposed on it by Part 1 of this Act; and
  - (b) conditions requiring the rendering to the Secretary of State of a payment on the grant of the project licence, or payments while the licence is in force, or both, of such amount or amounts as may be determined under the conditions.
- (2) Conditions included in a project licence may—
  - (a) require the holder of the licence to comply with any direction given by a specified relevant person as to specified matters or matters which are of a specified description;
  - (b) require the holder of the licence to do or not do specified things or things which are of a specified description, except in so far as a specified relevant person consents to the holder's not doing or doing them; <sup>F1</sup>...
  - (c) provide for the reference to and determination by a specified relevant person of [<sup>F2</sup>such questions arising under or in connection with the licence and of such other matters as are specified or are of a specified description; and]
  - <sup>F3</sup>(d) provide for the reference by the Authority to the CMA, and the determination by the CMA, of such questions arising under or in connection with the licence and of such other matters, including disputes as to determinations by the Authority, as are specified or are of a specified description.]
- (3) For the purposes of subsection (2)—
  - (a) the following are relevant persons—
    - (i) the Secretary of State;
    - (ii) the Authority; and
    - (iii) the relevant quality regulators;
  - (b) “specified” means specified in the licence in question.
- (4) Conditions included in a project licence may contain provision for the conditions to have effect, cease to have effect or be modified at such times, and in such manner and in such circumstances, as may be specified in or determined in accordance with the conditions.
- (5) Any such condition as is referred to in subsection (4) has effect in addition to the provision made by this Chapter with respect to the modification of the conditions of a project licence.
- <sup>F4</sup>(6) Where any question or other matter falls to be determined by the CMA in pursuance of a provision contained in a project licence held by a licensed infrastructure provider—

**Changes to legislation:** There are currently no known outstanding effects for the *The Water Industry (Specified Infrastructure Projects) (English Undertakers) Regulations 2013, Paragraph 4.* (See end of Document for details)

- (a) it is the duty of the Authority, on being required to do so by that licensed infrastructure provider, to refer that question or matter to the CMA; and
  - (b) it is the duty of the CMA to determine any question or other matter referred by virtue of paragraph (a) in accordance with the principles which apply, by virtue of Part 1 of this Act, in relation to determinations under this Chapter by the Authority.
- (7) For the purposes of subsection (6), where—
- (a) the question or matter referred to the CMA concerns the review of a price control imposed on the licensed infrastructure provider; and
  - (b) the CMA is to decide to what extent it is reasonable to take into account in its determination costs incurred or borne by the licensed infrastructure provider in connection with the reference,

the CMA shall also have regard to the extent to which, in its view, its determination is likely to support the licensed infrastructure provider’s (rather than the Authority’s) claims in relation to the question or matter referred to it.

(8) Section 17K(5) and (7), and sections 17L and 17M, apply to references to the CMA under this section as they apply to references under section 17K(1).

- (9) A report of the CMA on a reference under this section—
- (a) shall be made to the Authority; and
  - (b) shall include definite conclusions on the questions or other matters comprised in the reference, together with such an account of the CMA’s reasons for those conclusions as, in the opinion of the CMA, is expedient for facilitating a proper understanding of those questions or other matters and of the CMA’s conclusions.

(10) Section 17N(10), (13) and (14) applies to a report of the CMA on a reference under this section as it applies to a report on a reference under section 17K(1).

(11) The functions of the CMA with respect to a reference under this section are to be carried out on behalf of the CMA by a group constituted for the purpose by the chair of the CMA under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (including functions relating to the making of modifications following a report on a reference, and functions under sections 109 to 115 of the Enterprise Act 2002, as applied by subsection (8) read with section 17M).”].

<b>F1</b>	Word in Sch. 1 para. 4 omitted (10.1.2015) by virtue of <a href="#">The Water Industry (Specified Infrastructure Projects) (English Undertakers) (Amendment) Regulations 2015 (S.I. 2015/22)</a> , regs. 1(1), <b>3(2)(a)(i)</b>
<b>F2</b>	Words in Sch. 1 para. 4 substituted (10.1.2015) by <a href="#">The Water Industry (Specified Infrastructure Projects) (English Undertakers) (Amendment) Regulations 2015 (S.I. 2015/22)</a> , regs. 1(1), <b>3(2)(a)(ii)</b>
<b>F3</b>	Words in Sch. 1 para. 4 inserted (10.1.2015) by <a href="#">The Water Industry (Specified Infrastructure Projects) (English Undertakers) (Amendment) Regulations 2015 (S.I. 2015/22)</a> , regs. 1(1), <b>3(2)(a)(iii)</b>
<b>F4</b>	Words in Sch. 1 para. 4 inserted (10.1.2015) by <a href="#">The Water Industry (Specified Infrastructure Projects) (English Undertakers) (Amendment) Regulations 2015 (S.I. 2015/22)</a> , regs. 1(1), <b>3(2)(b)</b>

**Changes to legislation:**

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