Draft Order laid before Parliament under section 104(2) of the Water Act 2003 and section 90(3) of the Water Act 2014, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2017 No. 0000

ENVIRONMENTAL PROTECTION

WATER INDUSTRY

The Water Act 2014 (Consequential Amendments etc.) Order 2017

Made - - - - ***

Coming into force in accordance with article 1(1)

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The Secretary of State makes this Order in exercise of the powers conferred by—

(a) section 103(1)(a) and (2) of the Water Act 2003(**a**), and

(b) section 90(1) and (2) of the Water Act 2014(**b**).

In accordance with section 104(2) of the Water Act 2003 and section 90(3) of the Water Act 2014, a draft of this instrument has been laid before and approved by a resolution of each House of Parliament.

PART 1

General

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Water Act 2014 (Consequential Amendments etc.) Order 2017 and comes into force on the day after the day on which it is made.

(2) In this Order—

"the 1991 Act" means the Water Industry Act 1991(**c**);

(**a**) 2003 c. 37.
(**b**) 2014 c. 21.
(**c**) 1991 c. 56.

"the 2014 Act" means the Water Act 2014.

PART 2

Consequential amendments to primary legislation

Telecommunications Act 1984

2. In section 101(3)(j) of the Telecommunications Act 1984(**a**), at the end insert "or the Water Act 2014".

Airports Act 1986

3. In section 74(3)(k) of the Airports Act 1986(**b**), at the end insert "or the Water Act 2014".

Water Act 1989

4. In section 174(2) of the Water Act 1989(**c**)—

(a) in paragraph (a), after "the Water Act 2003" insert ", the Water Act 2014";

(b) in paragraph (b), after "by or under this Act" insert ", the Water Act 2014";

(c) in paragraph (j), after "the Water Act 2003" insert ", the Water Act 2014".

Food Safety Act 1990

5. In section 55(b) of the Food Safety Act 1990(**d**), for "licensed water supplier" substitute "water supply licensee".

The 1991 Act

6.—(1) The 1991 Act is amended as follows.

(2) In sections 2A(9) and 2B(9)(**e**), for "section 2(1)(b)" substitute "section 2(1)".

(3) In section 22A(1)(b)(**f**)—

(a) at the end of sub-paragraph (i) omit "or";

(b) at the end of sub-paragraph (ii) insert—

"or

(**a**) 1984 c. 12; section 101(3)(j) was inserted by the Water Act 1989 (c. 15), Schedule 25, paragraph 68(2) and amended by the Water Consolidation (Consequential Provisions) Act 1991 (c. 60), Schedule 1, paragraph 38(2) and the Water Act 2003 (c. 37), Schedule 7, paragraph 23(b).

(**b**) 1986 c. 31; section 74(3)(k) was inserted by the Water Act 1989, Schedule 25, paragraph 76(b) and amended by the Water Consolidation (Consequential Provisions) Act 1991, Schedule 1, paragraph 44 and the Water Act 2003, Schedule 7, paragraph 24(b).

(**c**) 1989 c. 15; section 174(2)(a) was amended by the Water Consolidation (Consequential Provisions) Act 1991, Schedule 1, paragraph 50(2), the Water Act 2003, Schedule 7, paragraph 26(2)(a) and S.I. 1996/593, 2013/755 (W. 90), 2014/892. Section 174(2)(b) was amended by the Water Consolidation (Consequential Provisions) Act 1991, Schedule 1, paragraph 50(2), the Water Act 2003, Schedule 8, paragraph 1(2) and the 2014 Act, Schedule 7, paragraph 1(2). Section 174(2)(j) was amended by the Water Consolidation (Consequential Provisions) Act 1991, Schedule 1, paragraph 50(2), the Water Act 2003, Schedule 7, paragraph 26(2)(a) and S.I. 1996/593.

(**d**) 1990 c. 16; section 55 was substituted by S.I. 2005/2035.

(**e**) Sections 2A and 2B were substituted by the 2014 Act, section 24(1).

(**f**) Section 22A was inserted by the Water Act 2003, section 48(1). Subsection (1)(b) was amended by the 2014 Act, Schedule 7, paragraph 31(2)(b).

(iii) has failed or is failing to achieve any standard of performance prescribed under section 38ZA(**a**) or 95ZA(**b**),".

(4) In section 66J(2)(a)(**c**), for "licensed water supplier" substitute "water supply licensee".

(5) In section 185(**d**)—

(a) in subsection (4), for "as the undertaker may reasonably require" substitute "as charging rules allow and the undertaker requires";

(b) omit subsections (6) and (7).

(6) In section 206(3)(**e**)—

(a) in paragraph (a), after "the Water Act 2003" insert ", the Water Act 2014";

(b) in paragraph (b)—

(i) omit "Chapter 4 of Part 1 of";

(ii) at the end insert ", the Water Act 2003 or the Water Act 2014";

(c) in paragraph (j)—

(i) after "the Water Act 2003", in the first place it occurs, insert ", the Water Act 2014";

(ii) for "or the Water Act 2003" substitute ", the Water Act 2003 or the Water Act 2014".

Water Resources Act 1991

7. In section 204(2) of the Water Resources Act 1991(**f**)—

(a) in paragraph (a), after "the Water Act 2003," insert "the Water Act 2014";

(b) in paragraph (b), for "or the Water Act 2003" substitute ", the Water Act 2003 or the Water Act 2014";

(c) in paragraph (j)—

(i) after "the Water Act 2003", in the first place it occurs, insert ", the Water Act 2014";

(ii) for "or the Water Act 2003" substitute ", the Water Act 2003 or the Water Act 2014".

Railways Act 1993

8. In section 145 of the Railways Act 1993(**g**)—

(a) for subsection (2)(b)(vi) substitute—

"(vi) the Water Services Regulation Authority,";

(b) in subsection (3), after paragraph (t) insert—

"(u) the Water Act 2003;

(**a**) Section 38ZA was inserted by the 2014 Act, section 29(1). It is amended by the 2014 Act, Schedule 5, paragraph 26 from a date to be appointed.

(**b**) Section 95ZA was inserted by the 2014 Act, section 30(1). It is amended by the 2014 Act, Schedule 5, paragraph 39 from a date to be appointed.

(**c**) Section 66J was inserted by the Water Act 2003, Schedule 4, paragraph 3.

(**d**) Section 185(6) and (7) were amended by the Water Act 2003, section 36(2).

(**e**) Section 206(3)(a) was amended by the Environment Act 1995 (c. 25), Schedule 22, paragraph 121(2), the Pollution Prevention and Control Act 1999 (c. 24), Schedule 2, paragraph 7 and Schedule 3, the Water Act 2003, section 36(2) and Schedule 7, paragraph 27(5) and S.I. 2013/755 (W. 90), 2014/892. Section 206(3)(b) was amended by the Water Act 2003, section 36(2) and Schedule 7, paragraph 27(5) and Schedule 8, paragraph 47(2), the 2014 Act, Schedule 7, paragraph 116(2) and S.I. 2016/744. Section 206(3)(j) was amended by the Water Act 2003, Schedule 7, paragraph 27(5).

(**f**) 1991 c. 57; section 204(2)(a) was amended by the Environment Act 1995, Schedule 22, paragraph 173(2), the Pollution Prevention and Control Act 1999, Schedule 2, paragraph 8 and Schedule 3, the Water Act 2003, Schedule 7, paragraph 28(3) and S.I. 2013/755 (W. 90), 2014/892. Section 204(2)(b) was amended by the Water Act 2003, Schedule 7, paragraph 28(3) and Schedule 8, paragraph 53(3)(a), the 2014 Act, Schedule 7, paragraph 126(2) and S.I. 2013/755 (W. 90). Section 204(2)(j) was amended by the Water Act 2003, Schedule 7, paragraph 28(3)(a).

(**g**) 1993 c. 43; section 145(3)(t) was inserted by S.I. 2014/892.

(v) the Water Act 2014.".

Coal Industry Act 1994

9. In section 59(4) of the Coal Industry Act 1994(**a**), after paragraph (s) insert—

"(t) the Water Act 2014.".

Environment Act 1995

10.—(1) The Environment Act 1995 is amended as follows.

(2) In section 108(15)(**b**)—

(a) in the definition of "local enforcing authority", in paragraph (d), at the end insert "or regulations under section 61 of the Water Act 2014";

(b) in the definition of ""pollution control functions", in relation to the Agency, the Natural Resources Body for Wales or SEPA", in the words after paragraph (n), after "the Pollution Prevention and Control Act 1999" insert "or regulations under section 61 of the Water Act 2014".

(3) In section 113(5)(**c**), in the definition of "local enforcing authority", in paragraph (aa), at the end insert "or regulations under section 61 of the Water Act 2014".

(4) In section 114(2)(a)(viii)(**d**)—

(a) as it applies to England and Wales, at the end insert "or regulations under section 61 of the Water Act 2014 extending to England and Wales";

(b) as it applies to Scotland, after "extending to Scotland" insert ", under section 61 of the Water Act 2014 extending to Scotland".

Greater London Authority Act 1999

11. In section 235 of the Greater London Authority Act 1999(**e**)—

(a) for subsection (2)(c)(vi) substitute—

"(vi) the Water Services Regulation Authority,";

(b) in subsection (3)—

(i) after paragraph (rt) insert—

"(rta) the Water Act 2003;";

(ii) after paragraph (u) insert—

"(v) the Water Act 2014.".

Utilities Act 2000

12. In section 105(6)(l) of the Utilities Act 2000(**f**), at the end insert "or the Water Act 2014".

(**a**) 1994 c. 21; section 59(4)(s) was inserted by S.I. 2014/892.

(**b**) 1995 c. 25; paragraph (d) of the definition of "local enforcing authority" in section 108(15) was inserted by S.I. 2000/1973. The opening words of the definition of ""pollution control functions", in relation to the Agency, the Natural Resources Body for Wales or SEPA" were amended by S.I. 2013/755 (W. 90) and paragraph (n) was inserted, in relation to Scotland, by S.S.I. 2000/323 and amended by the Regulatory Reform (Scotland) Act 2014 (asp 3), Schedule 3, paragraph 5(3).

(**c**) Paragraph (aa) of the definition of "local enforcing authority" in section 113(5) was inserted by S.I. 2000/197.

(**d**) Section 114(2)(a)(viii) was inserted by S.I. 2000/1973 and, in relation to Scotland, by S.S.I. 2000/323 and amended, in relation to Scotland, by the Regulatory Reform (Scotland) Act 2014, Schedule 3, paragraph 5(4).

(**e**) 1999 c. 29; section 235(3)(u) was inserted by S.I. 2014/892.

(**f**) 2000 c. 27; section 105(6)(l) was amended by the Water Act 2003, Schedule 7, paragraph 34(b) and S.I. 2006/3336 (N.I. 21).

Transport Act 2000

13. In paragraph 3(3) of Schedule 9 to the Transport Act 2000(**a**), after paragraph (rg) insert—

"(rh) the Water Act 2014;".

Enterprise Act 2002

14. In Schedule 15 to the Enterprise Act 2002(**b**), after the entry relating to the Energy Act 2013 insert—

"Water Act 2014.".

Regulatory Enforcement and Sanctions Act 2008

15. In Schedule 7 to the Regulatory Enforcement and Sanctions Act 2008(**c**), after the entry relating to the Vehicle Excise and Registration Act 1994 insert—

"Water Act 2014 (c. 21), section 61".

Civil Aviation Act 2012

16. In paragraph 4(3) of Schedule 6 to the Civil Aviation Act 2012(**d**), after the entry for the Enterprise and Regulatory Reform Act 2013 insert—

"Water Act 2014;".

PART 3

Consequential amendments and modifications to secondary legislation

The Water Supply (Water Fittings) Regulations 1999

17. In regulations 2, 3, 5 and 12(1)(aa) of, and Schedules 1 and 2 to, the Water Supply (Water Fittings) Regulations 1999(**e**), for "licensed water supplier", in each place it occurs, substitute "water supply licensee".

The Drinking Water (Undertakings) (England and Wales) Regulations 2000

18.—(1) The Drinking Water (Undertakings) (England and Wales) Regulations 2000(**f**) are amended as follows.

(2) In regulation 1(3)—

(a) for the definition of "licensed water supplier" substitute—

""water supply licensee" is to be construed in accordance with section 17A(1) of the Water Industry Act 1991(**g**);"

(b) in the definition of "the relevant enforcement authority", for paragraph (a) substitute—

"(a) in relation to a company whose area of appointment as a water undertaker is wholly or mainly in Wales or a person who is a water supply licensee as regards

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(**a**) 2000 c. 38; paragraph 3(3)(rg) of Schedule 9 was inserted by S.I. 2014/892.
(**b**) 2002 c. 40; the entry relating to the Energy Act 2013 was inserted by S.I. 2014/469.
(**c**) 2008 c. 13.
(**d**) 2012 c. 19; the entry relating to the Enterprise and Regulatory Reform Act 2013 was inserted by S.I. 2014/892.
(**e**) S.I. 1999/1148, amended by S.I. 2005/2035; there are other amending instruments but none is relevant.
(**f**) S.I. 2000/1297, amended by S.I. 2005/2035; there are other amending instruments but none is relevant.
(**g**) 1991 c. 56; section 17A was substituted by the 2014 Act, section 1(1).

licensed activities using the supply system of any such water undertaker, the Welsh Ministers;".

(3) In regulation 3(1)—

(a) for "company", in both places it occurs, substitute "person";

(b) in sub-paragraph (e), for "company's" substitute "person's".

(4) In regulation 4(d), for "company" substitute "person".

The Water Industry (Determination of Turnover for Penalties) Order 2005

19.—(1) The Water Industry (Determination of Turnover for Penalties) Order 2005(**a**) is amended as follows.

(2) In article 2—

(a) in paragraph (1)—

(i) in paragraph (b) of the definition of "business year", for "licensed water supplier" substitute "water supply licensee or sewerage licensee";

(ii) omit the definition of "company";

(iii) for the definition of "regulated activities" substitute—

""regulated activities" means—

(a) in the case of a person holding an appointment as a water undertaker, its functions as a water undertaker;

(b) in the case of a person holding an appointment as a sewerage undertaker, its functions as a sewerage undertaker;

(c) in the case of a water supply licensee, the activities authorised by its water supply licence; or

(d) in the case of a sewerage licensee, the activities authorised by its sewerage licence;";

(iv) at the appropriate places insert—

""person" means a relevant undertaker(**b**) or a water supply licensee or a sewerage licensee;";

""sewerage licence" is to be construed in accordance with section 17BA(1) of the Act(**c**);"".

(b) in paragraph (2)—

(i) for "company", in each place it occurs, substitute "person";

(ii) for "company's", in both places it occurs, substitute "person's".

(3) In article 3—

(a) for "company", in both places it occurs, substitute "person";

(b) in paragraph (4)—

(i) in sub-paragraph (a) omit "or";

(ii) at the end of sub-paragraph (b) insert—

"or

(c) a sewerage licence,".

(**a**) S.I. 2005/477, to which there is an amendment not relevant to this Order.

(**b**) "Relevant undertaker" is defined in the 1991 Act, section 219(1).

(**c**) Section 17BA was inserted by the 2014 Act, section 4(1) and is amended by the 2014 Act, Schedule 5, paragraph 7(2) from a date to be appointed.

The Water Supply (Fluoridation Indemnities) (England) Regulations 2005

20.—(1) The Water Supply (Fluoridation Indemnities) (England) Regulations 2005(**a**) are amended as follows.

(2) In regulation 1(2), for "licensed water suppliers" substitute "water supply licensees".

(3) In regulation 2(2), for "licensed water supplier" substitute "water supply licensee".

(4) In Schedule 2—

(a) in the heading, for "LICENSED WATER SUPPLIERS" substitute "WATER SUPPLY LICENSEES";

(b) for "licensed water supplier", in each place it occurs, substitute "water supply licensee".

The Water Supply (Exceptions from Supply System Prohibitions) Regulations 2005

21. In regulation 3(3)(a)(i) of the Water Supply (Exceptions from Supply System Prohibitions) Regulations 2005(**b**), for "licensed water supplier" substitute "water supply licensee".

The Water Supply Licence (New Customer Exception) Regulations 2005

22.—(1) The Water Supply Licence (New Customer Exception) Regulations 2005(**c**) are amended as follows.

(2) In regulation 3(1), for "licensed water supplier", in both places it occurs, substitute "water supply licensee".

(3) In regulation 4, for "with the approval of the Secretary of State" substitute "from time to time with the approval of the Welsh Ministers".

(4) In regulation 5(1), for "licensed water supplier", in each place it occurs, substitute "water supply licensee".

The Water Resale Order 2006

23. In the Water Resale Order 2006(**d**) made under section 150 of the 1991 Act(**e**) by the Director General of Water Services(**f**)—

(a) in paragraph 4, "licensed water supplier" has effect as if it read "water supply licensee or sewerage services provided by a sewerage licensee";

(b) in paragraph 5, the definition of "Licensed water supplier" has effect as if it read—

""Water supply licensee or sewerage licensee" is to be construed in accordance with section 17A(1) or 17BA(1) of the Act.";

(c) in paragraphs 6 and 9, "licensed water supplier", in each place it occurs, has effect as if it read "water supply licensee or sewerage licensee".

The Cross-Border Insolvency Regulations 2006

24. In Article 1 of Schedule 1 to the Cross-Border Insolvency Regulations 2006(**g**), in paragraph 2(a), for "licensed water supplier" substitute "water supply licensee".

(**a**) S.I. 2005/920.
(**b**) S.I. 2005/3075.
(**c**) S.I. 2005/3076.
(**d**) See page 16 of the document found at http://www.ofwat.gov.uk/wp-content/uploads/2015/10/prs_lft_guidetowresale.pdf. A copy may be obtained from the Water Services Regulation Authority, Centre City Tower, 7 Hill Street, Birmingham B5 4UA.
(**e**) Section 150 was amended by the Water Act 2003 (c. 37), section 36(2) and 59 and the 2014 Act, Schedule 7, paragraph 101.
(**f**) The functions of the Director General of Water Services were transferred to the Water Services Regulation Authority (see section 1A(1) of the 1991 Act) on 1st April 2006 in accordance with section 36 of, and Schedule 3 to, the Water Act 2003.
(**g**) S.I. 2006/1030, to which there are amendments not relevant to this Order.

The Water Industry (Special Administration) Rules 2009

25. In rules 3(1), 7(3) and (4)(b) and 8(1)(a) of the Water Industry (Special Administration) Rules 2009(**a**), for "licensed water supplier" substitute "water supply licensee".

The Flood Risk Regulations 2009

26. In regulation 36(3)(e) of the Flood Risk Regulations 2009(**b**), after "the Water Industry Act 1991 or" insert "a person who holds".

The Private Water Supplies (Wales) Regulations 2010

27.—(1) Regulation 8 of the Private Water Supplies (Wales) Regulations 2010(**c**) is amended as follows—

(a) in the English language text—

(i) in the heading, for "licensed water suppliers" substitute "water supply licensees";

(ii) for "licensed water supplier", in both places it occurs, substitute "water supply licensee";

(b) in the Welsh language text—

(i) in the heading, for "gyflenwyr dŵr trwyddedig" substitute "drwyddedeion cyflenwi dŵr";

(ii) for "gyflenwr dŵr trwyddedig", in both places it occurs, substitute "drwyddedai cyflenwi dŵr".

The Water Supply (Water Quality) Regulations 2010

28.—(1) The Water Supply (Water Quality) Regulations 2010(**d**) are amended as follows.

(2) In regulations 1(2)(b) and (3)(c), 21 and 36(2)(b), for "licensed water supplier", in each place it occurs, substitute "water supply licensee".

(3) In regulation 2(1)—

(a) omit the definition of "combined licensee";

(b) in the definition of "relevant supplier", for "licensed water supplier" substitute "water supply licensee";

(c) for the definition of "retail licensee" substitute—

""retail licensee" means a person who is the holder of a water supply licence with a restricted retail authorisation within the meaning of Schedule 2A to the Act(**e**);";

(d) at the appropriate place insert—

""supplementary licensee" means a person who is the holder of a water supply licence with a supplementary authorisation within the meaning of Schedule 2A to the Act;".

(4) In regulations 5(4), 8(2) and (3), 12(2), 13(1) and (3), 14 to 19, 22(3) and (4), 27 to 29, 30(1) and (3), 31 to 34 and 37(2), for "combined licensee", in each place it occurs, substitute "supplementary licensee".

(5) In regulation 18(9), for "combined license" substitute "supplementary licensee".

(**a**) S.I. 2009/2477.
(**b**) S.I. 2009/3042, to which there are amendments not relevant to this Order.
(**c**) S.I. 2010/66 (W. 16), to which there are amendments not relevant to this Order.
(**d**) S.I. 2010/994 (W. 99), amended by S.I. 2011/14 (W. 7), 2013/235, 2013/1387, 2016/410 (W. 128).
(**e**) Schedule 2A was inserted by the 2014 Act, Schedule 1 and is amended by the 2014 Act, Schedule 5, paragraph 54 from a date to be appointed.

The Postal Services Act 2011 (Disclosure of Information) Order 2012

29. In article 4 of the Postal Services Act 2011 (Disclosure of Information) Order 2012(**a**), after the entry for the Energy Act 2013 insert—

"the Water Act 2014;".

The Water Industry (Specified Infrastructure Projects) (English Undertakers) Regulations 2013

30.—(1) The Water Industry (Specified Infrastructure Projects) (English Undertakers) Regulations 2013(**b**) are amended as follows.

(2) In regulation 3—

(a) for paragraph (3)(a) and (b) substitute—

"(a) in subsection (1) (when the general duties of the Secretary of State and the Authority apply), after "by virtue of", there were inserted "the Water Industry (Specified Infrastructure Projects) (English Undertakers) Regulations 2013 or";

(b) in subsection (2A) (primary duties)(**c**)—

(i) the "and" following paragraph (d) were repealed;

(ii) for paragraph (e), there were substituted—

"(e) to further the resilience objective;

(f) to secure that the functions of a licensed infrastructure provider are properly carried out; and

(g) to secure that relevant licensed infrastructure providers are able (in particular, by securing reasonable returns on their capital) to finance the proper carrying out of those function"";

(b) omit paragraph (3)(f);

(c) in paragraph (5)—

(i) for "section 2(1)(a)" substitute "section 2(1)";

(ii) for "licensed water suppliers" substitute "water supply licensees and sewerage licensees".

(3) Schedule 1 is amended in accordance with paragraphs (4) to (16).

(4) In paragraph 1(1)(a), after "paragraphs" insert "1A,".

(5) After paragraph 1 insert—

"**Strategic priorities and objectives**

1A. Section 2A (strategic priorities and objectives: England)(**d**) applies without modification.".

(6) In paragraph 2—

(a) for "licensed water supplier" substitute "water supply licensee or sewerage licensee";

(b) for ""supplier"" substitute ""sewerage licensee"".

(7) In paragraph 3—

(**a**) S.I. 2012/1128, amended by S.I. 2014/469; there are other amending instruments but none is relevant.
(**b**) S.I. 2013/1582, amended by S.I. 2015/102, 2016/275.
(**c**) Section 2(2A) of the 1991 Act was substituted by the 2003 Act, section 39(3) and amended by the 2014 Act, section 22(2) and Schedule 7, paragraph 3(3).
(**d**) Section 2A of the 1991 Act was substituted by the 2014 Act, section 24(1) and amended by the 2014 Act, Schedule 7, paragraph 4.

(a) in sub-paragraph (1), for "(licensing of water suppliers)" substitute "(water supply licences)";

(b) in sub-paragraph (3)(b)(ii)(aa), for "licensed water supplier" substitute "sewerage licensee";

(c) for sub-paragraph (3)(b)(ii)(bb) substitute—

"(bb) for paragraph (b), there were substituted—

"(b) it is proposed that on and after the relevant date another company ("the transferee") should carry on—

(i) where the transferor is a qualifying water supply licensee, activities relating to the introduction or introductions of water mentioned in section 23(6)(b) of this Act(**a**) which were carried on by the transferor until that date;

(ii) where the transferor is a qualifying sewerage licensee, activities relating to the removal or removals of matter mentioned in section 23(9) of this Act(**b**) which were carried on by the transferor until that date; or

(iii) where the transferor is a licensed infrastructure provider, functions formerly carried on by the transferor in its capacity as a licensed infrastructure provider"";

(d) for sub-paragraph (3)(b)(iv)(aa) substitute—

"(aa) in the definition of "other relevant companies"—

(i) in paragraph (a), after "this Act" there were inserted "or, as the case may be, the functions to which its project licence relates;

(ii) in paragraph (b), after "this Act" there were inserted "or, as the case may be, the functions to which its project licence relates"".

(8) In paragraph 5—

(a) in sub-paragraph (1), for "water supply licences" substitute "licences";

(b) in sub-paragraph (2)—

(i) in the words before paragraph (a), for "(water supply licences: modification references to the CMA)" substitute "(modification references to competition authority)";

(ii) omit paragraph (a);

(iii) in paragraph (b), for "after "a particular licence"" until the end substitute "after "a particular water supply or sewerage licence" there were inserted "or project licence granted under this Chapter"";

(iv) in paragraph (c)(i), omit ", (iv)";

(c) in sub-paragraph (4)—

(i) in the words before paragraph (a), omit "water supply licences:";

(ii) omit paragraph (a);

(iii) in paragraph (b)(i), for "each of sub-paragraphs (ii) and (iv)" substitute "sub-paragraph (ii)";

(d) in sub-paragraph (5)—

(i) in the words before paragraph (a), for "(water supply licences: modification following report)" substitute "(modification of licences following report)";

(ii) omit paragraph (a);

(**a**) Section 23(6) was inserted by the Water Act 2003, Schedule 8, paragraph 8(6) and paragraph (b) was substituted by the 2014 Act, Schedule 7, paragraph 35(8)(c).

(**b**) Section 23(9) was inserted by the 2014 Act, Schedule 7, paragraph 35(10).

(iii) in paragraph (b)(i), omit ", (iii)";

(e) in sub-paragraph (6)—

(i) in the words before paragraph (a), for "(water supply licences: CMA's power of veto following report)" substitute "(power of veto following report)";

(ii) omit paragraph (a);

(iii) in paragraph (b)(i), omit ", (v)";

(f) in sub-paragraph (8)—

(i) in the words before paragraph (a), for "(water supply licences: modification by order under the Enterprise Act 2002(**a**))" substitute "(modification by order under other enactments)";

(ii) omit paragraph (a);

(iii) in paragraph (b), for "combined licence" in both places it occurs, substitute "sewerage licence".

(9) In paragraph 6—

(a) in sub-paragraph (1), for "licensed water supplier" substitute "water supply licensee or sewerage licensee";

(b) for "company", in each place it occurs, substitute "person".

(10) In paragraph 7—

(a) for "licensed water supplier", in each place it occurs, substitute "water supply licensee";

(b) in sub-paragraph (2)(b), for "licensed water suppliers" substitute "water supply licensees".

(11) In paragraph 8—

(a) in sub-paragraph (a)(i), for ""licensed water suppliers"" substitute ""sewerage licensees"";

(b) for sub-paragraph (c)(ii), substitute—

"(ii) after "(see sections 17A and 17BA(**b**))" there were inserted "or project licences"".

(12) In paragraph 11—

(a) in sub-paragraph (2)(b)(ii) omit "and";

(b) after sub-paragraph (2)(b) insert—

"(ba) in subsection (6) (power of Authority to direct in relation to compliance of a charges scheme)(**c**)—

(i) in the words before paragraph (a), after "relevant undertaker's", there were inserted "or a licensed infrastructure provider's";

(ii) in the words after paragraph (d), after "the undertaker", there were inserted "or the licensed infrastructure provider";

(bb) in subsection (6B) (consultation with the Council about a charges scheme), after "relevant undertaker", there were inserted "or a licensed infrastructure provider";

(bc) in subsection (6C) (power of Authority to direct in relation to compliance of a charges scheme with rules), after "relevant undertaker", there were inserted "or a licensed infrastructure provider";

(bd) in subsection (6D) (duty to comply with a direction), after "relevant undertaker", there were inserted "or a licensed infrastructure provider";

(**a**) 2002 c. 40.

(**b**) Section 17A was substituted by the 2014 Act, section 1(1). Section 17BA was inserted by the 2014 Act, section 4(1) and is amended by the 2014 Act, Schedule 5, paragraph 7(2) from a date to be appointed.

(**c**) Subsections (6) and (6A) to (6D) were substituted, for subsections (6) to (9), by the 2014 Act, section 16(1).

(be) after subsection (6D), there were inserted—

"(6E) Rules (and revised rules) issued by the Authority under this section in relation to relevant undertakers have effect as if they were issued in relation to licensed infrastructure providers and apply to licensed infrastructure providers as they apply to relevant undertakers, unless otherwise stated.";"

(c) omit sub-paragraph (2)(c);

(d) after sub-paragraph (2) insert—

"(2A) Section 143B (rules about charges schemes)(**a**) applies as if—

(a) in subsection (7), after "relevant undertakers", there were inserted "or licensed infrastructure providers";

(b) after subsection (10), there were inserted—

"(11) Rules (and revised rules) issued by the Authority under this section in relation to relevant undertakers have effect as if they were issued in relation to licensed infrastructure providers and apply to licensed infrastructure providers as they apply to undertakers, unless otherwise stated."

(2B) Section 143C (rules under section 143B: procedure) applies as if in subsection (6)(a), after "England", there were inserted "or licensed infrastructure providers".

(2C) Section 143D (rules under section 143B: minor or urgent revisions) applies without modification.

(2D) Section 143E (rules under section 143B: guidance) applies as if in subsection (7)(a), after "England", there were inserted "or licensed infrastructure providers;""

(e) in sub-paragraph (3)(a), in the text of section 144(1A)(b) of the 1991 Act as it has effect as inserted by that sub-paragraph, for "licensed water supplier" substitute "water supply licensee or sewerage licensee";

(f) after sub-paragraph (3) insert—

"(3A) Section 144ZE (general guidance on charges)(**b**) applies as if—

(a) in subsection (13)(a), after "England", there were inserted "or licensed infrastructure providers";

(b) after subsection (13), there were inserted—

"(14) Guidance (and revised guidance) issued by the Secretary of State under this section which applies to the Authority in relation to relevant undertakers whose areas are wholly or mainly in England has effect as if it was issued in relation to licensed infrastructure providers and applies to licensed infrastructure providers as it applies to the Authority in relation to relevant undertakers whose areas are wholly or mainly in England, unless otherwise stated."

(3B) Section 144ZF (guidance under section 144ZE: procedure) applies without modification."

(13) In paragraph 13(1)(c)(ii), omit the words "in the first place it occurs,".

(14) In paragraph 14—

(a) omit sub-paragraph (1)(a);

(b) in sub-paragraph (6)—

(i) for "licensed water suppliers", in both places it occurs, substitute "water supply licensees and sewerage licensees";

(ii) in paragraph (c), for "licensed water supplier", in both places it occurs, substitute "sewerage licensee";

(c) omit sub-paragraph (7)(a);

(**a**) Sections 143B to 143E were inserted by the 2014 Act, section 16(2).
(**b**) Sections 144ZE and 144ZF were inserted by the 2014 Act, section 38.

(d) after sub-paragraph (7)(b) insert—

"(c) in subsection (8) (definition of "the Minister"), after paragraph (a)(ii), there were inserted—

(iii) any licensed infrastructure provider carrying out functions using the supply system or sewerage system of any such undertaker""

(15) In paragraph 15—

(a) in sub-paragraph (a)—

(i) in paragraph (i), for "licensed water supplier", in both places it occurs, substitute "sewerage licensee";

(ii) in paragraph (ii), for "supplier", in both places it occurs, substitute "licensee";

(b) in sub-paragraph (b)—

(i) in paragraph (i), for "licensed water supplier", in both places it occurs, substitute "sewerage licensee";

(ii) in paragraph (ii), for "supplier", in both places it occurs, substitute "licensee"; and

(c) in sub-paragraph (c)—

(i) for "licensed water suppliers" substitute "water supply licensees and sewerage licensees";

(ii) for "licensed water supplier", in both places it occurs, substitute "sewerage licensee".

(16) In paragraph 16(2)(a)(i), in paragraph (a)(i) of the definition of "customer or potential customer" as it has effect as substituted by that paragraph, for "licensed water supplier" substitute "water supply licensee or sewerage licensee".

The Insolvency (Protection of Essential Supplies) Order 2015

31. In article 2 of the Insolvency (Protection of Essential Supplies) Order 2015(**a**), omit paragraph (4).

The Water Supply (Water Quality) Regulations 2016

32.—(1) The Water Supply (Water Quality) Regulations 2016(**b**) are amended as follows.

(2) In regulations 1(2)(b) and (3)(c), 19(3), 21, 26(2), 28(6), 34(1) and 36(2)(b), for "licensed water supplier", in each place it occurs, substitute "water supply licensee".

(3) In regulation 2—

(a) omit the definition of "combined licensee";

(b) in the definition of "relevant supplier", for "licensed water supplier" substitute "water supply licensee";

(c) for the definition of "retail licensee" substitute—

""retail licensee" means a person who is the holder of a water supply licence with a retail authorisation within the meaning of Schedule 2A to the Act;";

(d) in the definition of "water of a relevant description", for "combined licensee" substitute "wholesale licensee";

(e) in the definition of "water supply zone", for "licensed water supplier" substitute "water supply licensee";

(**a**) S.I. 2015/989.
(**b**) S.I. 2016/614.

(f) at the appropriate place insert—

""wholesale licensee" means a person who is the holder of a water supply licence with a wholesale authorisation within the meaning of Schedule 2A to the Act(**a**);".

(4) In regulations 5(5), 8(3) and (4), 12(2), 13(1) and (4), 14 to 18, 19(1) and (2), 22(3) and (4), 26 to 28, 29(2) and (4), 31 to 34 and 37(2), for "combined licensee", in each place it occurs, substitute "wholesale licensee".

(5) In regulation 34(2), after sub-paragraph (c) insert—

"(ca) particulars of all consumer contacts made in relation to the discharge of duties under these Regulations;".

The Private Water Supplies (England) Regulations 2016

33.—(1) The Private Water Supplies (England) Regulations 2016(**b**) are amended as follows.

(2) In regulation 2(1), in the definition of "private water supply" and "private supply of water", for "licensed water supplier" substitute "water supply licensee".

(3) In regulation 8—

(a) in the heading, for "licensed water suppliers" substitute "water supply licensees";

(b) for "licensed water supplier", in both places it occurs, substitute "water supply licensee".

PART 4

Transitional provision

The 1991 Act

34. The amendments made to section 185 of the 1991 Act(**c**) by article 6(5) do not have effect—

(a) in relation to water undertakers and sewerage undertakers whose areas are wholly or mainly in England until section 20 of the 2014 Act is brought into force by the Secretary of State;

(b) in relation to water undertakers and sewerage undertakers whose areas are wholly or mainly in Wales until section 20 of the 2014 Act is brought into force by the Welsh Ministers.

Name
Parliamentary Under Secretary of State
Date Department for Environment, Food and Rural Affairs

EXPLANATORY NOTE

(This note is not part of the Order)

The Water Industry Act 1991 (c. 56), as amended by the Water Act 2014 (c. 21) (the "2014 Act"), makes changes to the water supply licensing regime in England and Wales and introduces a new sewerage licensing regime in the areas of sewerage undertakers that are wholly or mainly in England.

(**a**) Schedule 2A was inserted by the 2014 Act, Schedule 1 and is amended by the 2014 Act, Schedule 5, paragraph 54 from a date to be appointed.
(**b**) S.I. 2016/618.
(**c**) Section 185(6) and (7) was amended by the Water Act 2003, section 36(2).

Part 2 of this Order makes amendments to primary legislation in consequence of those changes and also in consequence of the Water Act 2003 (c. 37). Part 3 makes consequential amendments and modifications to secondary legislation. Part 4 makes a transitional provision.

Impact assessments of the effect that the 2014 Act will have on the costs of business, the voluntary sector and the public sector is available from the Water Services Team, Department for Environment, Food and Rural Affairs, Nobel House, 17 Smith Square, London SW1P 3JR and are published alongside the 2014 Act at www.legislation.gov.uk. No separate impact assessment has been produced for this instrument.

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Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Carol Tullo, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

ISBN 978-0-11-115363-5

£6.00

UK201701307 02/2017 19585

http://www.legislation.gov.uk/id/ukdsi/2017/9780111153635