



**WATER ACT 2003
WATER SUPPLY LICENSING**

**Proposed procedure for handling water supply
licensing determinations**

Consultation paper

June 2005

Proposed procedure for handling water supply licensing determinations

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1. Overview

From autumn 2005, customers who are likely to be supplied with at least 50 megalitres¹ of water per year in eligible premises will be able to choose whether to purchase water from their existing water undertaker² or from a licensed water supplier (licensee).

Any company that wants to become a licensee will need to obtain a water supply licence from us. Prospective licensees can apply for either of the following:

- A **'retail licence'**, which is a water supply licence that authorises the holder to use a water undertaker's supply system for the purpose of supplying water to the premises of its customers (the 'retail authorisation'). A retail licensee will need to purchase a supply of water from a water undertaker (a wholesale supply)³.
- A **'combined licence'**, which is a retail licence with a supplementary authorisation that allows the licensee to introduce water into a water undertaker's supply system for the purpose of supplying customers at eligible premises⁴.

We will have powers to make determinations about some aspects of the new supply arrangements. This document explains these powers and sets out our process for this, for example when we will consult the Drinking Water Inspectorate (DWI). It includes our proposed timescales for carrying out investigations into water supply licensing disputes.

This procedure should be read in conjunction with the series of guidance, conditions and other information relating to water supply licensing that is on our website (www.ofwat.gov.uk). This paper also explains what action we can take in relation to water supply arrangements if we cannot make a determination.

The procedures described in this document will be reviewed regularly. If there are major policy issues that need to be communicated to the industry we may revise the guidance or we may publish updates in water supply licensing (WSL) letters.

This document is not a substitute for the Water Industry Act (WIA91)⁵ or the regulations and orders made under it. It should be read in conjunction with those legal instruments and England and Wales case law. Anyone in doubt about how they may be affected by the WIA91 should seek legal advice.

¹ This is 50 million litres.

² The term 'water undertaker' means a company appointed under the Water Industry Act 1991 (WIA91) to provide water services to a defined geographical area.

³ See section 17A(1), (2) and (4) WIA91.

⁴ See section 17A(5) and (6) WIA91.

⁵ In this document, WIA91 refers to the Act as amended by the Water Act 2003 (WA03).

1.1 Next steps

We invite your views on the proposed procedures and timescales set out in chapter 3, appendix 1 and appendix 2 of this document. In particular, we would like your views on the following.

- **Are our proposed timescales reasonable?**
- **Have we included the right stages in the process? Are there any stages which should be removed or added?**

Please send your responses by **16 September 2005** to:

Sarah Thomas
Competition Policy Team
Office of Water Services
Centre City Tower
7 Hill Street
Birmingham
B5 4UA

Or by e-mail to: Sarah.Thomas@ofwat.gsi.gov.uk

All responses will be placed in the Ofwat library and made available to the public unless you have clearly asked us not to. In general, we will honour this request, but there may be circumstances in which, under the Freedom of Information Act 2000, the public interest requires that **all** responses are made public.

When we have received all the replies, we will take account of any comments that we receive and then revise this procedure accordingly. We are aiming to publish the finalised guidance in autumn 2005.

2. Our powers to determine queries and disputes

We have powers to handle queries and disputes and make determinations in the areas set out below. We have used the term ‘disputes’ to mean a situation where two parties have not reached agreement about an issue. In some circumstances, the parties involved may decide to resolve their disputes informally, without proceeding to a full determination.

The term ‘query’ refers to questions that are raised with us. We expect to receive queries on issues such as points of procedure or clarification of our guidance. The procedure for answering these will depend on the nature of the query and may be much shorter than the procedure for making determinations. As the process could vary widely, we have not covered it in this document.

We have the powers to make determinations about queries on eligibility and we will consider doing so when we have to establish precedent or policy. If so, we will follow the procedures set out in chapter 3. In each case, we will inform the party referring the issue to us when this happens.

2.1 Eligibility

If a licensee or a potential customer of a licensee has a query or disagreement about whether the eligibility requirements are satisfied in respect of a proposed supply arrangement, they can refer the matter to us to consider and, if necessary, determine⁶. The WIA91 does not provide for water undertakers to refer disagreements to us as it is the licensee who is responsible for ensuring eligibility. However, once a supply arrangement is in operation there is nothing to prevent an undertaker making representations to us and seeking our intervention under section 18 of the WIA91 if the undertaker considers there to be a breach of the eligibility requirements (see chapter 5 of this procedure).

Each of the following three requirements must be satisfied in relation to each of the premises in order for a customer’s premises to be eligible⁷ to be supplied by a licensee.

- The customer’s premises must not be household premises⁸.
- When the licensee first enters into an undertaking with a customer to give the supply, the total quantity of water estimated to be supplied to the premises annually by the licensee must not be less than 50 megalitres (‘the threshold requirement’⁹).

⁶ See sections 17E(1), 17E(2) WIA91.

⁷ See section 17A(3) WIA91.

⁸ The meaning of household premises is set out in section 17C WIA91.

⁹ See section 17D WIA91.

- The premises may only be supplied by one licensee (but may also be supplied by one or more water undertakers).

After establishing initial eligibility, it is the licensee's responsibility to ensure that any premises it supplies are still eligible and to monitor ongoing eligibility. Our consultation in October 2004 on 'Eligibility, licensing, customer transfer protocol and strategic supplies' (the eligibility consultation) set out the issues that will be considered when assessing the eligibility of a customer's premises. Final eligibility guidance will be published in summer 2005.

We may determine whether a proposed supply of water by the licensee to the customer would be in accordance with the licensee's retail authorisation. The matters which we may determine include the following¹⁰:

- the extent of the premises to be supplied;
- whether the premises to be supplied are household premises;
- whether the threshold requirement is satisfied in relation to the premises to be supplied; and
- other issues relevant to those matters (such as the extent of the supply system).

Licensees and potential customers should follow the eligibility guidance. We will be minded to reject any request for a determination if we are not satisfied that the person or persons making the request have not done so. We therefore expect a referral to be for one or both of the following reasons:

- the eligibility guidance does not cover factors specific to the case; or
- the licensee and the potential customer have followed the eligibility guidance but cannot decide on how to apply it.

2.2 Terms and conditions of proposed access agreements

Licensees and water undertakers will have to agree the terms and conditions of new access agreements, including the period of such an agreement and the charges payable by the licensee to the water undertaker. Those terms and conditions must be in accordance with our 'Guidance on access codes' and the charges payable by the licensee to the water undertaker must be fixed in accordance with the 'costs principle'¹¹. If the water undertaker and the licensee cannot agree the terms and conditions of a proposed access agreement, the licensee (but not the water undertaker or the customer) can ask us to make a determination¹².

¹⁰ Section 17E(2) WIA91.

¹¹ The costs principle is set out in section 66E WIA91. Guidance on this is also set out in our guidance on access codes.

¹² See section 66D(2)(b) WIA91.

If we determine the terms and conditions of an agreement, the licensee can decide not to proceed with the access agreement. If the terms and conditions determined by us are accepted by the licensee, they become binding on both the licensee and the water undertaker as if they had been agreed between the parties¹³ and the water undertaker must make access available to the licensee on those terms and conditions.

We expect most issues to be resolved by the parties without recourse to us. We do not expect water undertakers to use disputes as a means of preventing or delaying access to their supply systems. Nor should licensees involve us in the detail of their commercial negotiations. We would be concerned if either party sought to refer a dispute to us without first making serious attempts to reach agreement. Ordinarily we will need to be satisfied that the parties have tried to reach an agreement before we consider making a determination.

If the dispute is about drinking water quality issues, both parties will need to demonstrate that they have followed the relevant DWI guidance. The DWI will expect the parties to demonstrate that all options for resolving the dispute have been considered.

2.3 Conditions for refusing supplies

2.3.1 Conditions for refusing wholesale supplies

Under section 66A(3) WIA91, a primary water undertaker¹⁴ has no duty to provide a supply of water to a licensee, or to take any steps to enable it to provide such a supply if both the first and second conditions below are satisfied, or if the third condition below is satisfied.

The first condition is that:

- the premises to be supplied by the licensee consist only of land, that is they do not include a building or part of a building; or
- the supply to be made by the licensee to the premises is not for domestic purposes¹⁵.

The second condition is that the provision of the supply by the water undertaker would:

- require the water undertaker to incur unreasonable expenditure in carrying out works, in order to meet all its existing obligations to supply water for

¹³ Section 66F(10) WIA91.

¹⁴ A water undertaker is the primary water undertaker of a licensee if the undertaker's supply system is to be used for the purpose of making the supply to the premises of the licensee's customer: see section 66A(8) WIA91

¹⁵ "Domestic purposes" refers to drinking, washing, cooking, central heating and sanitary purposes: see section 218 WIA91

domestic or other purposes, together with its probable future obligations to supply water to buildings or parts of buildings for domestic purposes; or

- otherwise put at risk the water undertaker's ability to meet any of those existing or probable obligations.

The third condition is that there is a contravention, as determined in regulations made under section 66A(6) WIA91 in relation to the water fittings used or to be used in connection with:

- the supply of water to the premises to be supplied by the licensee; or
- the use of water in those premises.

A licensee can ask us to determine whether any of those conditions are satisfied¹⁶. The procedure for making determinations under these sections of the WIA91 is set out in chapter 3 of this procedure.

2.3.2 Conditions for refusing the introduction of water into the supply system and for refusing wholesale supplies by secondary water undertakers

In addition to the above, under sections 66B and 66C WIA91, a primary water undertaker has no duty to permit the introduction of water by a combined licensee into its supply system and under section 66C WIA91 a secondary water undertaker has no obligation to provide a wholesale supply of water, if either the first or second condition below is satisfied:

The first condition is that the provision of the supply or the permitting of the introduction of the water into the primary water undertaker's supply system:

- would require the water undertaker to incur unreasonable expenditure in carrying out works in order to meet all its existing obligations to supply water for domestic or other purposes, together with its probable future obligations to supply buildings and parts of buildings with water for domestic purposes; or
- would otherwise put at risk its ability to meet any of those existing or probable future obligations.

The second condition is that there is a contravention of the prescribed requirements of regulations made under section 71 of the WIA91, in relation to the water fittings used or to be used in connection with:

- the supply of water to the premises to be supplied by the licensee; or
- the use of water in those premises.

¹⁶ Section 66D(1) WIA91.

A licensee can ask us to determine whether any of those conditions are satisfied¹⁷. The procedure for making determinations under these sections of the WIA91 is set out in chapter 3 of this procedure.

¹⁷ Section 66D(1) WIA91.

3. Our approach to handling determinations

Any party submitting a dispute or query to us (the case submitter) should read all the relevant guidance and related documents and follow the procedures set out in those documents and this determinations procedure. Ordinarily we will only consider making a determination where it is clear to us that the parties involved have followed the relevant guidance. If we consider that a case submitter is not following the relevant guidance or procedures, we may decline to consider the matter at any stage. We may reconsider taking action if further relevant information is submitted.

If we make a determination relating to any of the matters set out in chapter 2 above¹⁸, that determination will be final and binding on both parties¹⁹. The one proviso to this, as explained in section 2.2, is that the licensee can decide not to proceed with the access agreement after we determine the terms and conditions of the agreement.

In addition to our powers to make determinations under the WIA91, we can also investigate complaints under the Competition Act 1998 (CA98). Where a particular agreement or practice falls within the scope of the WIA91 as well as the provisions of the CA98, we will use the power that we consider the most appropriate. The procedure for handling complaints under CA98 is not covered in this document.

3.1 Process and timescales

In order to resolve a dispute or respond to a query we will ask relevant parties for their views and for any supporting information that they may have. In general, we will expect to send copies of all submissions received to the other relevant parties, unless there are confidentiality reasons why we should not do so. Case submitters should tell us when they consider that information is confidential. Before we make a determination, we will issue a draft determination on which we will invite the parties involved in the dispute or query to comment on.

We believe it is important to resolve matters as swiftly as possible. We set out in appendix 1 our full targets for the individual stages of dealing with disputes and queries. Please note that these are targets only.

¹⁸ Pursuant to section 17E WIA91 or section 66D WIA91.

¹⁹ Any decisions that we make, including determinations, are subject to judicial review.

Sample overall time taken to make a determination from stage 1 of the procedure (assuming that the parties have tried to reach an agreement)

Time taken to issue a draft determination	up to 55 working days
Time taken to issue a final determination	a further 20 working days

These targets assume two consecutive exchanges of correspondence with the involved parties during stage 1, that they respond within our deadlines, that the facts have been clearly established and that the matter is otherwise straightforward. If we have to write to relevant parties more than twice, then it is likely to take us longer to make a determination.

It will be the responsibility of the individual parties involved to provide any further information that we ask for. Parties involved in a dispute or query should be aware that if they do not provide such information within the timescale that we set, we may decide to proceed on the basis of the available facts. This is to ensure that we are not unreasonably delayed in resolving disputes or answering queries.

The timescales for resolving a dispute or answering a query will depend on the quality and depth of the submissions from parties and the speed of their responses to our questions. More time may be needed if we have to ask external parties for advice (see section 3.2). And the process may take longer if new or novel issues have to be considered. However, we expect timescales to reduce with experience.

3.2 External advice

If a case raises issues relating to drinking water quality we will consult DWI. If a water undertaker seeks to impose a term or condition that the licensee considers is unacceptable, on the basis of factors relating to drinking water quality, we will ask DWI whether the water undertaker's requirements are reasonable. Correspondence about complaints between DWI and Ofwat is covered by a Memorandum of Understanding²⁰.

We will consult the Environment Agency if a case involves issues such as pollution control, abstraction or discharge. We may also need to engage other outside parties, for example consultants or water undertaker Reporters, to help us consider some technical or financial issues.

If a case involves customer protection, service or transfer issues, we will consult with the relevant Consumer Council for Water (CCW) committee²¹. However, the CCW has no powers to assist individual parties in resolving such disputes or queries.

²⁰ 'Memorandum of understanding between The Drinking Water Inspectorate and The Director General of Water Services'. This is available from Ofwat's library and website.

²¹ CCW replaces WaterVoice from 1 October 2005.

Where possible, we will seek to consult external parties in parallel with the rest of the investigation. This will ensure that the overall time taken is as short as possible.

3.3 Reporting new determinations

Under the WIA91 we have a duty to report the outcome of our determinations on the Director's register²². Details will also be available from our library and website.

We will consider on a case-by-case basis the extent to which it is appropriate to publish the full text of a determination²³. We will inform all relevant parties of our proposed approach and give them an opportunity to comment.

All parties will be asked if they want their names to be included in the published decision. If a party does not want its name to be included, it will be removed from the published decision and other identifying information removed.

Information we hold is subject to the Freedom of Information Act 2000 and, where relevant, the Environmental Information Regulations 2004²⁴. Where we receive requests for information that is not in the public domain, we will consider the relevant exemptions and apply them if appropriate to protect the public interest.

We will publish annual reports, summarising the number of disputes and queries received and the main issues they have raised. We will issue the first of these by December 2006.

²² Section 195 WIA91.

²³ Section 195A WIA91.

²⁴ SI.2004 No 3391.

4. Other action we can take

4.1 Compliance with our guidance on access codes and the costs principle

Our guidance on access codes sets out the details that we expect each water undertaker to include in its own access code and contains guidance on the costs principle (see section 2.2)²⁵.

If it appears to us that an access agreement made between an undertaker and a licensee (without our intervention) has not been made in accordance with the costs principle or our guidance on access codes, we can require the parties to modify or terminate the agreement²⁶.

4.2 Customer transfer protocol

The procedure set out in this document does not cover the process for handling objections to water supply transfers, erroneous transfers or disputed meter readings under the customer transfer protocol (CTP). The process for making objections in such cases will be set out in the CTP. The CTP will also include codes of practice setting out the procedures for ensuring that erroneous transfers and disputed meter readings are dealt with swiftly.

²⁵ Section 66E WIA91 sets out the costs principle in full and potential case submitters should refer to that section and to our guidance on access codes before referring any issue to us.

²⁶ Sections 66D(7) and (8) WIA91.

5. Our enforcement powers

Under section 18 of the WIA91 we have powers to issue enforcement orders. These powers apply to companies holding appointments under the WIA91, which includes water and sewerage undertakers and licensees. In relation to water supply arrangements, we can issue enforcement orders in the following circumstances:

- If we have made a determination relating to any of the matters set out in section 2 of this procedure²⁷ but we consider that a water undertaker or licensee is not complying with the terms of the determination.
- Where we have required the parties to modify or terminate agreements under section 66D, as explained in section 4.1, but the parties do not comply with that requirement.
- If the water undertaker or licensee is not complying with the CTP²⁸ (see section 4.2).
- Where a water undertaker's access code does not comply with our guidance or an undertaker is not complying with its own access code²⁹.
- Where there is a breach of the ongoing eligibility requirement in respect of premises supplied by a licensee.
- If the water undertaker is in actual or potential breach of any condition of its appointment, or a licensee is in actual or potential breach of any condition of its licence.

If a water undertaker has (amongst other things) breached or is breaching any condition of its appointment, or a licensee has (amongst other things) breached or is breaching any conditions of its licence, we can impose financial penalties under section 22A of the WIA91.

²⁷ Pursuant to section 17E or section 66D WIA91.

²⁸ Proposed Condition S.

²⁹ Proposed Condition R.

Appendix 1: Stages of the procedure for making water supply licensing determinations

This appendix explains the actions that we will take at each stage and our targets for achieving these. In every case, we will aim to improve on the targets set out below. Where we are responsible for actions, we will aim to complete these as soon as possible. We encourage water undertakers and licensees to respond quickly to our letters.

In all cases, we will assume that any information that we receive can be shared with other parties unless we are otherwise instructed.

Please note that the procedure for the different types of determination or query varies slightly in some stages. The differences are explained below.

1. Pre-investigation stage

This stage applies to queries about eligibility or disputes about the terms and conditions of proposed access agreements. Generally this stage will not apply where we initiate investigations into whether agreements comply with our guidance on access codes or the costs principle.

- A dispute or query is submitted by the licensee or the licensee's customer (the case submitter). The case submitter should include the information specified in appendix 2. Where there is a dispute, the case submitter should send a copy of its submission to other involved parties.
- We will consider the submission. If the case submitter has provided incomplete information, we will write to ask for further details.

Our target. We will write to the case submitter within five working days of receiving the case submitter's partial submission.
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- We will repeat this stage as necessary until we have received all the information that we need. Ordinarily, we will not start to consider a dispute or query under stage 1 until the case submitter has given us all the required information.

Overall time taken on this stage: This will depend on the submission from the case submitter.

2. Stage 1 – Information gathering

This stage applies to all disputes and queries, but the actions taken during this stage will vary according to the nature of the referral. Please note that we will not start counting the time taken on the case until this stage has been reached.

- **For queries about eligibility**, we will write to the parties involved in the query with copies of the information we have received to ask for their views or request more

information as necessary. The parties to the query may be the licensee, the potential customer or the water undertaker.

- **For disputes about the terms and conditions of proposed access agreements**, we will write to the water undertaker for its views on the case submitter's submission. We may also need to contact sewerage undertakers for their views.
- **For investigations into compliance with our guidance on access codes or costs principle**, we will write to the relevant parties with copies of the information that we have received to ask for their views or request more information as necessary. The relevant parties are likely to be the undertaker and the licensee.

Our target. We will write to the parties within ten working days of reaching stage 1.

- In each case, we will give the parties involved ten working days to respond. If the responses raise new issues, we will write to the relevant parties for further information.

Our target. We will write asking for more information within ten working days of receiving responses from the relevant parties.

- We will give the relevant parties a further ten working days to respond. We will repeat this stage as necessary until we consider that we have all the facts of the case.

Overall time taken on this stage: 40 working days, assuming that there are two consecutive exchanges of correspondence.

Stage 2 – Preparing the draft determination

This stage applies to all disputes and queries.

- We will prepare a draft determination setting out the facts of the case, the views of all involved parties and our provisional conclusions.

Our target. We will issue the draft determination within 15 working days of receiving all necessary information requested in stage 1.

Overall time taken on this stage: 15 working days to issue the draft determination.

Stage 3 – Finalising the determination

This stage applies to all disputes and queries.

- We will give the relevant parties ten working days to respond to the draft determination.

- When we receive the responses to the draft determination, we will consider the comments from both parties before issuing the final determination.

Our target. We will issue the final determination within ten working days after receiving responses to the draft determination.

If parties have submitted substantial information that materially affects the draft determination, we may have to return to stage 1.

Overall time taken on this stage: 20 working days, to the issue of the final determination.

Stage 4 – Reporting the determination

- We will publish the key points of the determination by placing them in our library.

Our target. We will do this within 15 working days of issuing the determination.

Appendix 2: Information to be submitted in support of a dispute or query for determination

1. Information to be provided for all disputes and queries

1) Name and address of person or organisation making the dispute or query (the case submitter).

Where the case submitter acts through an agent, for example a consultant or solicitor, the agent must provide full details of the relationship between themselves and the case submitter and the agent must provide a signed letter of authority from the case submitter.

2) Copies of all previous relevant correspondence between the case submitter and the water undertaker on the issues being raised where this is available.

In addition, we will need the following information, depending on the type of dispute or query.

2. Additional information to be provided for specific dispute or query

2.1 Disputes and queries about whether premises are eligible

The case submitter should provide full details of the following, where these relate to the dispute that is being referred:

- information about how the premises are managed and who is liable for water bills;
- a map of the site and the surrounding area including the nearest roads and any land between the premises;
- a copy of the relevant entry from the Land Register or a copy of the property deeds;
- the water metering arrangements at the property;
- how much potable and non-potable water is supplied to the premises each year and details of the charges payable for that water;
- whether any supplies of water are provided through private networks;
- whether any water supplied is lost through leakage; and

- the usage to which the properties are put and whether that use is household or non-household³⁰.

In addition, the case submitter should provide confirmation that it has already discussed other eligibility issues that are not related to the dispute with the relevant parties. The case submitter should confirm whether or not agreement has been reached on these.

2.2 Disputes about the terms and conditions of a proposed access agreement

The case submitter should provide a copy of all the information that the water undertaker has requested to enable the water undertaker to consider the application, where this relates to the dispute.

For example, if the dispute is about the water undertaker's requirements for emergency measures, and the licensee provided the water undertaker with a copy of its emergency procedures, the case submitter should also send us a copy of those procedures as part of its dispute or query.

Also, the case submitter should confirm that it has discussed the other terms and conditions of the access agreement, that is those that are not in dispute, with the water undertaker and that the water undertaker has agreed to offer those terms.

³⁰ A list of premises designated as household and non-household for the purpose of water supply licensing is attached to our consultation 'Eligibility, licensing, customer transfer protocol and strategic supplies' (October 2004).

Appendix 3: Glossary

Access: The wholesale supply of water by a water undertaker to a licensee for the purpose of making a retail supply of water to the premises of the licensee's customer; and the introduction of water by the licensee into a water undertaker's supply system for that purpose (common carriage).

Access agreement: An agreement between a water undertaker and a licensee for access by a licensee to a water undertaker's supply system pursuant to the Retail Authorisation and/or Supplementary Authorisation.

Access code: A water undertaker's document that sets out all principal aspects of access to its supply system and the terms and conditions on which it will grant access to its supply system by a licensee. The access code comprises the standard terms and conditions common to all water undertakers and the terms and conditions specific to that water undertaker.

Combined Licence: A Retail Licence with the Supplementary Authorisation, authorising the holder to introduce water into a water undertaker's supply system and to retail that water to a customer's eligible premises (section 17A(6) WIA91).

Combined supply: A supply made pursuant to a combined licence.

Costs principle: As defined in section 66E WIA91.

Licensee: A company holding either a Retail Licence or a Combined Licence; also referred to as a licensed water supplier.

Non-potable: Water which is not intended for domestic or food production purposes.

Potable: Water for domestic and food production purposes which is wholesome at the time of supply. This is defined in section 68 of the WIA91 and section 4 of the Water Supply (Water Quality) Regulations.

Private water supplies: Supplies made by means other than through a water undertaker's supply system or pipe network which are, as such, not regulated by Ofwat.

Retail Authorisation: An authorisation to a company to use a water undertaker's supply system for the purpose of supplying water to the eligible premises of customers of the company (section 17A(2) WIA91).

Retail Licence: A Water Supply Licence giving the holder the Retail Authorisation, entitling the holder to purchase wholesale a supply of water from the water undertaker and to supply it retail to a customer's eligible premises (section 17A(4) WIA91).

Secondary water undertaker: A water undertaker other than a licensee's primary water undertaker (section 66C(1)(a)(i) WIA91).

Sewerage undertaker: A company appointed under the WIA91 to provide sewerage services in respect of a geographical area of England and Wales.

Supplementary Authorisation: An authorisation to a company to introduce water into a water undertaker's supply system for the purpose of making a retail supply of water to a customer.

Supply system: Any water mains and other pipes used for the purposes of conveying potable water from a water undertaker's treatment works to its customer's premises and any non-potable networks that are not connected to any potable system. This term is defined in section 17B(5) of the WIA91.

Water Supply Licence: A licence granted to a company giving it the Retail Authorisation, or both the Retail Authorisation and the Supplementary Authorisation.

Water undertaker: A company appointed under the WIA91 to provide water services to a defined geographic area and which owns the supply system and other infrastructure.