



Water Industry Act 1991, section 13 proposal by the Water Services Regulation Authority (Ofwat) to modify the conditions of appointment of Albion Water Limited as a water undertaker

The process

This Notice seeks responses to the proposed modifications described below to the Conditions of the Appointment of Albion Water Limited ("Albion Water") as a water undertaker.

Any representations about, or objections to, this proposal should be sent in writing to Richard Field, Senior Case Officer, Markets and Economics Division, Ofwat, Centre City Tower, 7 Hill Street, Birmingham, B5 4UA so as to be received no later than 12 August 2013. Submissions can also be emailed to: Richard.Field@ofwat.gsi.gov.uk

Background and reasons for the proposed modifications

Albion Water became a water undertaker in May 1999. Since then its only water customer has been a single large industrial customer. It has now applied to become the water supplier for a residential site. We are currently consulting on its application to supply this additional site. [The consultation notice can be accessed here.](#)

If its application to serve this additional site is granted, it will be necessary to modify its current water appointment conditions to reflect the fact that it will supply not only a single large user customer but also household customers. The primary purpose of the proposed amendments is to introduce standard customer protection provisions.

Summary of proposed amendments

Condition B: Charges

A new provision will be inserted which will provide that until Albion becomes subject to its own price review, its charges may not exceed the charges of the incumbent undertaker. This is a standard provision that is in the licence conditions of all new appointees.

Condition D: Charges Schemes

Condition D is currently suspended as Albion has only had one customer. The proposal is to activate condition D so that Albion is required to have a charges scheme in place at all times.

Condition E: Prohibition on Undue Discrimination and Undue Preference and Information on Charges

The purpose of condition E is to prevent discrimination in customer charges. As Albion has only had one water customer up to now, Condition E has been suspended. The purpose of the proposed amendment is to activate condition E.

Condition O: Circumstances in which a replacement appointment may be made

Albion's current water only licence may be terminated by the Welsh Ministers on one year's notice. It is proposed that for any future sites, Albion Water's appointment may be terminated on 25 years' notice.

Activation of other conditions

It is proposed that the following conditions, which are currently suspended, will be activated:

Condition G: Code of Practice for Customers and relations with the Consumer Council for Water

Condition H: Code of Practice and Procedure on Disconnection

Condition I: Code of Practice and Procedure on Leakage

Condition J: Levels of Service Information and Service Targets

Condition L: Underground Asset Management Plans

Condition Q: Interruptions in Supply because of Drought

Timing of the amendment

If Albion Water's application to serve an additional site is granted, the proposed amendments will come into effect on the day after the variation to Albion Water's

appointment is made, or soon thereafter, with a view to the amendments taking effect before the first customer on the new site is in place.