

# **WATER SERVICES REGULATION AUTHORITY WATER INDUSTRY ACT 1991, SECTION 17J(1)**

## **Modification of the Standard Conditions of all Water Supply Licences**

**Made on 18 May 2016 2016  
Coming into effect on 19 May 2016**

The Water Services Regulation Authority, in exercise of the power conferred on it by section 17J(1) of the Water Industry Act 1991 (the "Act")<sup>1</sup>, after giving notice as required by section 17J(3) of the Act, hereby makes the modifications described below to the standard conditions of retail licences and combined licences granted under Chapter 1A of Part 2 of the Act, no notice of objection to the modifications having been given by any relevant licence holder within the time specified in the said notice.

### **Modification**

Paragraph 7 and the heading preceding it is deleted and replaced with the following text:

#### **"Area of operation and arm's length transactions**

7.—(1) The Licensee shall not at any time enter into any transaction with a water undertaker except at arm's length, if at that time the Licensee is related to that water undertaker.

(2) For the purposes of this paragraph the Licensee is related to a water undertaker if their enterprises are under common ownership or common control (within the meaning those expressions have in section 26(1) of the Enterprise Act 2002 (enterprises ceasing to be distinct enterprises)).

(3) The Licensee shall by notice inform the Authority if at any time after the grant of its licence it becomes, or ceases to be, related to a water undertaker."

**Signed for and on behalf of the  
Water Services Regulation Authority**



**Cathryn Ross  
Chief Executive**

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<sup>1</sup> References in this modification to the provisions in Chapter 1A of Part 2 of the Act are to those provisions as if the amendments made to them by the Water Act 2014 had not been brought into force (see article 4 of, and Schedule 2 to, The Water Act 2014 (Commencement No. 6, Transitional Provisions and Savings) Order 2016 (SI 2016/465)).