

17 October 2016

Trust in water

Proposal by Ofwat to modify the standard licence conditions that will apply to SEW, if SEW is granted a retail sewerage licence

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About this document

South East Water Limited (SEW) has applied for a retail sewerage licence (WSSL). Ofwat has decided in principle to grant the WSSL to SEW.

This document provides an opportunity for interested stakeholders to comment on the proposal by Ofwat to modify the standard licence conditions that will apply to SEW.

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Responding to this consultation

We would welcome responses to this consultation by no later than Monday 14 November 2016. We would particularly welcome responses to the following question.

Do you have any comments or suggestions about the proposal to amend the standard licence conditions?

Please send email responses to casemanagementoffice@ofwat.gsi.gov.uk, or by post to:

Case Management Office
Ofwat
7 Hill Street
Birmingham
B5 4UA

If you wish to discuss any aspect of this document, please contact Laura Clougher on 0121 644 7568 or by email at Laura.Clougher@ofwat.gsi.gov.uk.

We will publish responses to this consultation on our website at www.ofwat.gov.uk, unless you indicate that you would like your response to remain unpublished. Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with access to information legislation – primarily the Freedom of Information Act 2000 (FoIA), the Data Protection Act 1998 and the Environmental Information Regulations 2004.

If you would like the information that you provide to be treated as confidential, please be aware that, under the FoIA, there is a statutory 'Code of Practice' which deals, among other things, with obligations of confidence. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that we can maintain confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on Ofwat.

1. The application

SEW is an appointed water only company. On 21 July 2016 SEW applied for a sewerage licence with a retail authorisation and a notice of its application is available on our [website](#). This will enable SEW to provide retail sewerage services to customers that are served by a sewerage company that is based 'wholly or mainly' in England.

2. The consultation

Under sections 17H and 17HA of the Act, the Secretary of State has issued standard licence conditions that will apply to all water and sewerage services licensees (WSSL). The standard conditions can be found on the [gov.uk website](https://www.gov.uk).

Under sections 17H(6) and 17HA(7) of the Act, in granting a licence, Ofwat may exclude or modify those standard licence conditions to such an extent as we consider appropriate to meet the circumstances of a particular case.

We consider that all sewerage only licences will require modifications to be made to the standard licence conditions in order:

- to enable Ofwat to give effect to the [Market Arrangements Code](#) and the [Customer Protection Code of Practice](#); and
- to address inconsistencies in the standard licence conditions in relation to sensitive customers.

These modifications will have the effect of ensuring that the same requirements that apply to water supply licencees and to holders of both water and sewerage licences, apply to sewerage only licensees. Due to minor errors in the standard licence conditions, certain provisions do not operate as intended in relation to sewerage only licencees. These modifications aim to correct that.

In particular, the modifications propose to:

- in condition A2(1)(c) insert after the words “in section 17A(2)”, the words “or in section 17BA(2);
- in condition A6(7) delete “water” from “relevant water undertaker”;
- in condition A6(7) after “which the Licensee supplies” insert “or which the Licensee provides with sewerage services”;
- in condition A6(7)(b) after “interruptions in supply” insert “or in the provision of sewerage services.”

In order to modify the licence conditions, Ofwat must consult for 28 days. This will be followed by a final decision on SEW’s application and the licence conditions that should apply. It is proposed that the licence will incorporate the standard conditions, modified as indicated in this consultation.