

1 April 2017

Trust in water

# Revocations of Water Supply Licences

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## **About this document**

This document serves as the Notice required under section 195A of the Water Industry Act 1991 (WIA91) setting out the background and reasons for the revocation of old Water Supply Licences (WSLs), pursuant to a qualifying scheme made under section 91 and Schedule 11 of the Water Act 2014 (WA14).

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## 1. Background

The WA14 allows eligible business, charity and public sector customers (business customers) to choose their supplier of water and wastewater retail services from 1 April 2017. For customers who use the supply system or sewerage system of an appointed company whose area is wholly or mainly in England, the market will be extended to include all eligible business customers. For those who use the supply system of an appointed company whose area is wholly or mainly in Wales, only customers using more than 50Ml of water each year will be able to choose their water supplier, reflecting the policy position of the Welsh Government.

Opening the expanded business retail market requires new systems, licences, rules and processes to enable eligible business and other non-household customers to engage with the market, and for new retailers to enter the market. These licences, rules and processes form part of the new [legal and regulatory framework](#).

Under the new retail market arrangements, water and wastewater retail services will be provided by either a regional water and/or sewerage company holding an Instrument of Appointment (IoA) (appointed company) – covering both wholesale and retail activities – or a licensed retailer holding a new Water Supply and/or Sewerage Licence (WSSL).

As part of the transition to the new market arrangements, we needed to make sure that certain elements of the current framework that are no longer required are revoked or otherwise ‘switched off’. Included in those elements are the old WSLs, as these have been replaced by the new WSSLs.

We have explained in earlier documents, including the [response document](#) to our consultation on the use of a statutory transition scheme, that we would use such a scheme to help prepare for the opening of the expanded business retail market in April 2017. The transition scheme is referred to as a qualifying scheme in Schedule 11 of the Water Act 2014 (“WA14”).

We published [a notification to all holders of old WSLs](#) to inform affected parties of what we would use the statutory transition scheme to do and the process we would adopt to implement it.

In particular we explained that, amongst other things, we would use the statutory transition scheme to revoke all old WSLs including Combined Licences (an “old WSL” is defined in Schedule 11 to the WA14 as a water supply licence granted under old section 17A of the WIA91).

On 9 March 2017, we formally [designated the statutory transition scheme](#) which revoked old WSLs at 23:59:59 on 31 March 2017.

## **2. Reason for the revocations**

Until 1 April 2017, licensed retailers provided water supply services to large users of water under old WSLs. Old WSLs have now been replaced by WSSLs pursuant to changes to the legal framework made by the WA14 and as such all old WSLs ceased to have effect at 1 April 2017.

For this reason, all old WSLs were revoked at 23:59:59 on 31 March 2017.