

Notification that Blackpool Borough Council (“BPC”) has applied for a Water Supply Licence and a Sewerage Licence with a retail authorisation limited to self-supply and proposal by Ofwat to modify the standard licence conditions that will apply to BPC, if BPC is granted a licence limited to self-supply

About this document

Blackpool Borough Council ("**BPC**"), a local authority, whose contact address is at PO Box 11, Town Hall, Blackpool, FY1 1NB, has applied for water and sewerage retail licenses restricted to self-supply ("**WSSLs**").

This document provides notice of the application and sets out Ofwat's proposal to modify the standard licence conditions that will apply to BPC should it be granted WSSLs.

1. The application

BPC is committed to taking the lead for water and sewerage sustainability across the borough through improved water efficiency, reduction of waste and increased utilisation of recycled water systems. The council says it is at the hub of the sustainability challenge to deliver, demonstrate and encourage sustainable practices not only across the borough, but across the Flyde Coast and Lancashire and it is committed to meeting that challenge.

On 18 January 2018, BPC applied for a water supply licence and a sewerage licence, with retail authorisations limited to self-supply. If granted, this will enable BPC to provide retail services to itself and persons associated with it.

A WSSL limited to self-supply may only be granted to supply premises supplied or served using the water supply or sewerage system of an undertaker whose area is wholly or mainly in England.

Synopsis of the business plan

The opening up of the UK water retail market in April 2017 gives non-household customers more choice over where and how they source their water and it gives them the ability to supply themselves. BPC believe that having a self-supply licence gives it the opportunity to take more control over its own water use, building on its current approach to good water stewardship and cost control. Self-supply for BPC also ensures that the close working relationship built up with United Utilities can continue without hindrance and will enable it to provide a direct customer voice in discussions at the Market Operator (“**MOSL**”).

In order to facilitate this application, BPC has entered a partnership agreement with Waterscan to take on the role and responsibility for its retail functions including meter reading, transactions on the Central Market Operating System (CMOS) of MOSL,¹ wholesaler management and finding further water efficiency savings.

¹ CMOS is the core IT system that underpins MOSL's role within the new water market.

2. Proposal to modify the standard licence conditions

Under sections 17H and 17HA of the Water Industry Act 1991 (the “**Act**”), the Secretary of State has issued standard licence conditions that apply to all WSSLs. The standard conditions can be found on the [government website](#).

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.

On 8 April 2016 we published a [consultation on self-supply licences](#) setting out the exclusions and modifications we were minded to make to the standard conditions for self-supply licences. We received 12 responses and on 29 June 2016 we published a [document setting out our conclusions](#) on the exclusions and modifications we intended to make to the standard conditions for self-supply licences. Appendix 1 to that document provided a modified version of the standard conditions highlighting the changes we intended to make.

If we grant BPC a self-supply licence, our intention is to issue that licence subject to modified standard conditions as reflected in appendix 1 to our 29 June 2016 consultation.

In order to modify the licence conditions, Ofwat must consult for 28 days. This will be followed by a decision on BPC’s application and the licence conditions that should apply.

How to respond

Any person who wishes to make representations or objections with respect to the application and our proposal to modify the standard licence conditions should do so in writing (which includes by email) to Ofwat at Centre City Tower, 7 Hill Street, Birmingham, B5 4UA or by email at casemanagementoffice@ofwat.gsi.gov.uk.

Representations must be received by Ofwat no later than 17.00 hours on 23 February 2018. Further information about how to make representations or objections, including information on the treatment of confidential information, can be obtained from Ofwat at the above address or at <http://www.ofwat.gov.uk/foi>