

WATER SERVICES REGULATION AUTHORITY

WATER INDUSTRY ACT 1991, SECTION 13(1)

Modification of the Conditions of Appointment of Southern Water Services Limited

**Made on 22 March 2021
Coming into effect on 23 March 2021**

The Water Services Regulation Authority, in exercise of the power conferred on it by section 13(1) of the Water Industry Act 1991 (the "Act"), after giving notice as required by section 13(2) of the Act, hereby makes the modifications described in the Schedule attached hereto to the Conditions of the Appointments of Southern Water Services Limited (the "Appointee") as a water and sewerage undertaker under Chapter I of Part II of the Act, the Appointee having consented to these modifications.

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

Keith Mason

**Keith Mason
Senior Director**

Schedule

1. The following new definitions will be inserted into paragraph 3 of Condition A at the appropriate alphabetical place:

“Capacity Charge” means the charge of that name under the Havant Thicket Agreement;

“Havant Thicket Activities” has the meaning given to it in paragraph 2 of Condition B of the Instrument of Appointment of Portsmouth Water Limited;

“Havant Thicket Agreement” means the agreement (including for the bulk supply of water) between the Appointee and Portsmouth Water Limited in respect of the Havant Thicket Activities;

2. The following new Condition T will be inserted after Condition S:

“Condition T: Havant Thicket

Introduction

This Condition requires the Appointee to comply in all material respects with the terms of the Havant Thicket Agreement entered into between the Appointee and Portsmouth Water Limited.

Compliance with the Havant Thicket Agreement

- T1. The Appointee must:
- (1) comply in all material respects with the terms of the Havant Thicket Agreement;
 - (2) notify Ofwat in writing as soon as practicable of any material breach of the Havant Thicket Agreement; and
 - (3) where Ofwat so directs, consult with Ofwat as to how to remedy any material breach of the Havant Thicket Agreement.

- T2. For the purposes of this Condition T, and subject to paragraphs 3 and 4, a "material breach" or a failure to "comply in all material respects" includes, without limitation, an instance of payment default or late payment of amounts (including the Capacity Charge) that are due and payable under the Havant Thicket Agreement.
- T3. If the Appointee fails to comply in a material respect with the Havant Thicket Agreement, but there is an express remedy in the Havant Thicket Agreement for that failure, Ofwat will only consider the Appointee to be in breach of sub-paragraph 1(1) of this Condition T if there is non-compliance with that remedy.
- T4. If the Appointee fails to comply in a material respect with the Havant Thicket Agreement and the parties to the Havant Thicket Agreement had expressly elected in the Havant Thicket Agreement not to provide a remedy for that failure, Ofwat will not consider that failure to be a breach of sub-paragraph 1(1) of this Condition T."