Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Water Act 2014 (Commencement No. 3 and Transitional Provisions) Order 2015. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)*

STATUTORY INSTRUMENTS

2015 No. 773 (C. 43)

WATER INDUSTRY, ENGLAND AND WALES

The Water Act 2014 (Commencement No. 3 and Transitional Provisions) Order 2015

Made - - - - 16th March 2015

The Secretary of State and the Welsh Ministers make the following Order in exercise of the powers conferred by sections 91(1), (3) and (4) and 94(3) of the Water Act 2014(**1**).

Citation and interpretation

1.—(1) This Order may be cited as the Water Act 2014 (Commencement No. 3 and Transitional Provisions) Order 2015.

(2) In this Order—

"the 1991 Act" means the Water Industry Act 1991(**2**);

"the 2014 Act" means the Water Act 2014;

"old water supply licensee" means a person who is the holder for the time being of an "old water supply licence" as defined in paragraph 11 of Schedule 11 to the 2014 Act(**3**).

Provisions of the 2014 Act coming into force on 6th April 2015

2.—(1) The following provisions of the 2014 Act come into force on 6th April 2015 and are brought into force by the Secretary of State and the Welsh Ministers—

(a) subject to article 4, section 8 (bulk supply of water by water undertakers) as follows(**4**)—

(i) section 8(1) so far as it inserts section 40J (duty to provide information about bulk supplies) into the 1991 Act; and

(ii) section 8(2) so far as it relates to section 40J of the 1991 Act;

(**1**) 2014 c.21. The power in section 94(3) to appoint a day on which the remaining provisions of the 2014 Act come into force is vested in the "appropriate authority". Section 94(6) provides that the appropriate authority is the Secretary of State except as stated in the table in Schedule 12.

(**2**) 1991 c.56.

(**3**) "Old water supply licence" is defined as "a water supply licence granted under old section 17A" (of the 1991 Act).

(**4**) The Secretary of State and the Welsh Ministers are the appropriate authority for the purposes of section 8 as "the Minister", as defined in section 40I(7) of the 1991 Act (as inserted by section 8(1) of the 2014 Act). This is in relation to bulk supply agreements to which the parties are (or would be) water undertakers whose area is wholly or mainly in England or the parties are (or would be) water undertakers whose area is wholly or mainly in Wales.

(b) section 17 (rules about charges for connections etc.) so far as it inserts section 144ZD (rules under section 144ZA: guidance) into the 1991 Act(**5**); and

(c) subject to article 4, section 24 (strategic priorities and objectives)(**6**).

(2) The following provisions of the 2014 Act come into force on 6th April 2015 and are brought into force by the Secretary of State only—

(a) subsection (2) of section 14 (exceptions to duty and undertakings in lieu of merger references) so far as it inserts section 33C (statement of methods) into the 1991 Act; and

(b) subject to article 5, chapter 4 of Part 1 (retail exit: non-household premises) as follows—

(i) section 42 (retail exit: non-household premises);

(ii) section 43 (application for retail exit);

(iii) section 44 (eligible licensees);

(iv) section 45 (transfer of undertaking);

(v) section 46 (operation of retail market);

(vi) section 47 (operation of retail market: charges etc.);

(vii) section 49 (modification of appointment and licence conditions);

(viii) section 51 (exit regulations: general);

(ix) section 52 (interpretation); and

(x) section 53 (procedure) except so far as subsection (1)(f) relates to sewerage licensees.

(3) Subject to article 6, the following provisions of the 2014 Act come into force on 6th April 2015 and are brought into force by the Welsh Ministers only—

(a) section 23 (general duty as regards undue preference in the provision of services) except so far as it relates to sewerage licensees in section 2(3)(ba)(ii) of the 1991 Act(**7**); and

(b) section 38 (guidance relating to rules about charges) except so far as it relates to sewerage licensees in section 144ZE(9)(e) of the 1991 Act(**8**).

Provisions of the 2014 Act coming into force on 1st September 2015

3. The following provisions of the 2014 Act come into force on 1st September 2015 and are brought into force by the Secretary of State only—

(a) subsection (3) of section 1 (types of water supply licence and arrangements with water undertakers) so far as it relates to the provisions set out in paragraph (c);

(b) subsection (3) of section 4 (types of sewerage licence and arrangements with sewerage undertakers) so far as it relates to the provisions set out in paragraph (d);

(c) subject to article 5, paragraph 4 of Schedule 2 (water undertakers' duties as regards water supply licensees) so far as it inserts section 66DB (codes under section 66DA: procedure) into the 1991 Act, with the exception of—

(i) subsection (1)(b) to the extent that it relates to subsection (3);

(**5**) The Secretary of State is the appropriate authority for the purposes of section 17 in relation to wholly or mainly English undertakers and the Welsh Ministers are the appropriate authority in relation to wholly or mainly Welsh undertakers.

(**6**) The Secretary of State is the appropriate authority for the purposes of section 24, in relation to the insertion of section 2A into the 1991 Act by section 24(1) and in relation to the amendments made by sections 24(2) and (3) so far as relating to section 2A. The Welsh Ministers are the appropriate authority in relation to the insertion of section 2B into the 1991 Act by section 24(1) and in relation to the amendments made by sections 24(2) and (3) so far as relating to section 2B.

(**7**) The Welsh Ministers are the appropriate authority for the purposes of section 23 in relation to wholly or mainly Welsh undertakers.

(**8**) The Welsh Ministers are the appropriate authority for the purposes of section 38 in relation to wholly or mainly Welsh undertakers.

(ii) subsection (3); and

(iii) subsection (12); and

(d) subject to article 5, Schedule 4 (sewerage undertakers' duties as regards sewerage licensees) so far as it inserts section 117G (codes under section 117F: procedure) into the 1991 Act, with the exception of subsections 2(e) and (7).

Transitional provisions made by the Secretary of State and the Welsh Ministers

4.—(1) The transitional provisions in this article are made by the Secretary of State and the Welsh Ministers, as follows—

(a) until section 8(1) of the 2014 Act comes into force to the extent that it substitutes section 40A of the 1991 Act, section 40A as referred to in section 40J(3) of the 1991 Act is to be read as if section 40A of the 1991 Act as substituted were in force; and

(b) in relation to section 24 of the 2014 Act—

(i) until the Secretary of State publishes a statement setting out strategic priorities and objectives for the Authority under section 2A(1) of the 1991 Act—

(aa) under section 2A(2) of the 1991 Act, the Authority must carry out those functions in accordance with the old guidance, as if the old guidance was a statement published under section 2A(1) of the 1991 Act; and

(bb) under section 192A(3A) of the 1991 Act, the forward work programme for any year must also include an explanation of how the projects described in it reflect the social or environmental policies set out or referred to in the old guidance;

(ii) until the Welsh Ministers publish a statement setting out strategic priorities and objectives for the Authority under section 2B(1) of the 1991 Act—

(aa) under section 2B(2) of the 1991 Act, the Authority must carry out those functions in accordance with old guidance, as if the old guidance was a statement published under section 2B(1) of the 1991 Act; and

(bb) under section 192A(3A) of the 1991 Act, the forward work programme for any year must also include an explanation of how the projects described in it reflect the social or environmental policies set out or referred to in the old guidance.

(2) In this article—

"the Authority" means the Water Services Regulation Authority(**9**);

"old guidance" means guidance issued by the Secretary of State or the Welsh Ministers to the Authority on social and environmental matters under section 2A(1) of the 1991 Act(**10**) as it had effect before being substituted under section 24(1) of the 2014 Act.

Transitional provisions made by the Secretary of State

5. The transitional provisions in this article are made by the Secretary of State only, as follows—

(a) until section 1 of the 2014 Act comes into force so far as it relates to section 17A(1) of the 1991 Act, the references to a water supply licensee in the following provisions are to be read as references to an old water supply licensee—

(i) section 53(1)(f) of the 2014 Act; and

(**9**) See section 1A(1) of the 1991 Act, as inserted by section 34(1) of the Water Act 2003 (c.37).
(**10**) Section 2A was inserted by section 40 of the Water Act 2003.