



# Water Industry Act 1991

## 1991 CHAPTER 56

### PART V

#### FINANCIAL PROVISIONS

#### CHAPTER I

#### CHARGES

##### *Manner of fixing charges*

#### **142 Powers of undertakers to charge.**

- (1) Subject to the following provisions of this Chapter, the powers of every relevant undertaker shall include power—
  - (a) to fix charges for any services provided in the course of carrying out its functions and, in the case of a sewerage undertaker, charges to be paid in connection with the carrying out of its trade effluent functions; and
  - (b) to demand and recover charges fixed under this section from any persons to whom the undertaker provides services or in relation to whom it carries out trade effluent functions.
- (2) Subject to subsection (3) below, the powers conferred by subsection (1) above shall be exercisable—
  - (a) by or in accordance with a charges scheme under section 143 below; or
  - (b) by or in accordance with agreements with the persons to be charged.
- (3) Paragraph (b) of subsection (2) above shall have effect in relation to the exercise of powers with respect to charges in connection with the carrying out of a sewerage undertaker's trade effluent functions only in so far as provision for the fixing, demanding or recovery of such charges may be contained in an agreement entered into in accordance with section 129 above.

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- (4) Except in so far as this Chapter otherwise provides, a relevant undertaker may fix charges under this section by reference to such matters, and may adopt such methods and principles for the calculation and imposition of the charges, as appear to the undertaker to be appropriate.
- (5) The powers in relation to which this section has effect shall not be exercised so as to contravene any local statutory provision which expressly provides that no charge shall be made for a particular service.
- (6) Nothing in subsections (1) to (5) above or in any charges scheme under section 143 below shall affect any power of a relevant undertaker to fix charges under any power conferred otherwise than by virtue of this Chapter.
- (7) References in this section to a sewerage undertaker's trade effluent functions are references to its functions under Chapter III of Part IV of this Act.

### **143 Charges schemes.**

- (1) A relevant undertaker may make a scheme ("a charges scheme") which does any one or more of the following, that is to say—
  - (a) fixes the charges to be paid for any services provided by the undertaker in the course of carrying out its functions;
  - (b) in the case of a sewerage undertaker, requires such charges as may be fixed by the scheme to be paid to the undertaker where, in the circumstances set out in the scheme—
    - (i) a notice containing an application for a consent is served on the undertaker under section 119 above;
    - (ii) such a consent as is necessary for the purposes of Chapter III of Part IV of this Act is given by the undertaker; or
    - (iii) a discharge is made in pursuance of such a consent;
 and
  - (c) makes provision with respect to the times and methods of payment of the charges fixed by the scheme.
- (2) The persons who may be required by a charges scheme to pay any charge fixed by virtue of subsection (1)(b) above shall be the person who serves the notice, the person to whom the consent is given or, as the case may be, any person who makes a discharge in pursuance of the consent at any time during the period to which, in accordance with the scheme, the charge relates.
- (3) A charges scheme which requires the payment of charges where a discharge has been made in pursuance of such a consent as is mentioned in subsection (1)(b) above may impose—
  - (a) a single charge in respect of the whole period for which the consent is in force;
  - (b) separate charges in respect of different parts of that period; or
  - (c) both such a single charge and such separate charges.
- (4) A charges scheme may—
  - (a) make different provision for different cases, including different provision in relation to different circumstances or localities; and
  - (b) contain supplemental, consequential and transitional provision for the purposes of the scheme;

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and such a scheme may revoke or amend a previous charges scheme.

- (5) Nothing in any charges scheme shall affect—
- (a) any power of a relevant undertaker to enter into such an agreement with any person in any particular case as determines the charges to be made for the services provided to that person by the undertaker; or
  - (b) the power of a sewerage undertaker to enter into any agreement under section 129 above on terms that provide for the making of payments to the undertaker.

VALID FROM 30/06/1999

**[<sup>F1</sup>143A Regulations as to provisions to be included in charges schemes.**

- (1) The provisions of any charges scheme under section 143 above must comply with any requirements prescribed by the Secretary of State by regulations.
- (2) Without prejudice to the generality of subsection (1) above, regulations under this section may—
  - (a) prescribe items with respect to which a consumer is, or is not, to be liable to pay a charge;
  - (b) make provision as to the matters by reference to which charges may be fixed and as to methods and principles to be adopted in calculating and imposing charges;
  - (c) require alternative bases of charging to be made available to consumers; and
  - (d) require special provision, including exemption from specified charges, to be made for the purpose of assisting individuals who are or would be liable to pay any charges and who fall within any class of individuals appearing to the Secretary of State to require special provision.
- (3) Regulations under this section imposing requirements for the purpose mentioned in subsection (2)(d) may—
  - (a) prescribe the classes of persons for whom special provision is to be made in relation to any premises by reference to matters such as age, ill-health or disability, the age, ill-health or disability of any of their dependants or of any other persons who have their homes in the premises, or their financial circumstances;
  - (b) make provision as to the method by which a person may establish his entitlement to assistance under the regulations; and
  - (c) make provision as to responsibility for costs incurred for the purpose of establishing that entitlement.
- (4) The power to make regulations under this section may not be exercised for the purpose of limiting the total revenues of relevant undertakers from charges fixed by or in accordance with charges schemes.]

**Textual Amendments**

- F1** S. 143A inserted (30.6.1999 for certain purposes and 23.12.1999 otherwise) by ss. 5, 17(2); S.I. 1999/3440, art. 2

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**Modifications etc. (not altering text)**

- C1** [S. 143A](#): certain functions transferred to the National Assembly for Wales (15.11.1999) by [S.I. 1999/2787](#), [art. 3](#)

**144 Liability of occupiers etc. for charges.**

- (1) Subject to the following provisions of this section and except in so far as provision to the contrary is made by any agreement to which the undertaker is a party—
  - (a) supplies of water provided by a water undertaker shall be treated for the purposes of this Chapter as services provided to the occupiers for the time being of any premises supplied; and
  - (b) sewerage services provided by a sewerage undertaker shall be treated for the purposes of this Chapter as provided to the occupiers for the time being of any premises which—
    - (i) are drained by a sewer or drain connecting, either directly or through an intermediate sewer or drain, with such a public sewer of the undertaker as is provided for foul water or surface water or both; or
    - (ii) are premises the occupiers of which have, in respect of the premises, the benefit of facilities which drain to a sewer or drain so connecting.
- (2) Subject to subsection (3) below, charges which, under the preceding provisions of this Chapter, are fixed in relation to any premises by reference to volume may be imposed so that a person is made liable in relation to those premises to pay charges for services provided by a relevant undertaker after that person has ceased to be the occupier of the premises.
- (3) A person shall not be made liable by virtue of subsection (2) above for any charges fixed in relation to any premises by any relevant undertaker, except where—
  - (a) he fails to inform the undertaker of the ending of his occupation of the premises at least two working days before he ceases to occupy them; and
  - (b) the charges are in respect of a period ending no later than with the first relevant day.
- (4) For the purposes of subsection (3) above, “the first relevant day”, in relation to a case in which a person has ceased to be the occupier of any premises in relation to which charges are fixed by a relevant undertaker, means whichever of the following first occurs after he ceases to occupy the premises, that is to say—
  - (a) where that person informs the undertaker of the ending of his occupation of the premises less than two working days before, or at any time after, he ceases to occupy them, the twenty-eighth day after he so informs the undertaker;
  - (b) any day on which any meter would normally have been read in order for the amount of the charges to be determined;
  - (c) any day on which any other person informs the undertaker that he has become the new occupier of the premises.
- (5) Where—
  - (a) any person who is the occupier of any premises to which a supply of water is provided by a water undertaker has served notice on the undertaker for the purposes of section 62 above; and
  - (b) that notice is given otherwise than in connection with that person’s ceasing to be the occupier of the premises in a case in which provision is made by virtue

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of subsection (2) above for a person who has ceased to be the occupier of the premises to be made liable for any charges,

then, notwithstanding that that person continues to be the occupier of those premises, he shall not be liable to the undertaker (otherwise than in pursuance of a demand for a supply made since the service of the notice) for any charges in respect of any supply of water to those premises after the appropriate time.

- (6) In subsection (5) above “the appropriate time”, in relation to a case in which a notice has been served for the purposes of section 62 above, means whichever is the later of—
- (a) the expiry of the notice; and
  - (b) the end of the period of two working days beginning with the service of the notice.
- (7) In this section any reference to two working days is a reference to a period of forty-eight hours calculated after disregarding any time falling on—
- (a) a Saturday or Sunday; or
  - (b) Christmas Day, Good Friday or any day which is a bank holiday in England and Wales under the <sup>M1</sup>Banking and Financial Dealings Act 1971.
- (8) Where, in the case of any premises—
- (a) the person who was liable, immediately before 1st September 1989, to pay charges in respect of a supply of water to those premises was the owner of those premises, rather than the occupier;
  - (b) that person was so liable (under section 54 of Schedule 3 to the <sup>M2</sup>Water Act 1945 or any other local statutory provision) otherwise than by virtue of an agreement; and
  - (c) the person who was in fact the occupier of the premises on that date has not ceased to be the occupier before the coming into force of this Act,

then the person who is the owner from time to time of those premises shall continue, until the person mentioned in paragraph (c) above does cease to be the occupier of the premises, to be the person liable and, accordingly, shall be treated for the purposes of this section as if he were the occupier of the premises.

#### Marginal Citations

- M1** 1971 c. 80.  
**M2** 1945 c. 42.

VALID FROM 30/06/1999

### *F<sup>2</sup> Restrictions on charging*

#### Textual Amendments

- F2** S. 144A and crossheading preceding it inserted (1.4.2000) by 1999 c. 9, s. 6; S.I. 1999/3440, art. 3

#### **F<sup>3</sup>144A Right of consumer to elect for charging by reference to volume.**

- (1) Where—

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- (a) water is supplied by a water undertaker to premises in which, or in any part of which, a person has his home, and
- (b) charges in respect of those premises are fixed by virtue of any charges scheme under section 143 above without reference to the volume of water supplied,

the consumer may at any time give the undertaker a notice (in this section referred to as a “measured charges notice”) requiring the undertaker to fix charges in respect of the supply by reference to the volume of water supplied.

(2) Subject to subsection (3) below, a water undertaker must give effect to a measured charges notice before the end of a period determined in accordance with the undertaker’s charges scheme.

- (3) A water undertaker is not obliged to give effect to a measured charges notice if—
- (a) it is not reasonably practicable to fix charges in respect of the premises by reference to the volume of water supplied, or
  - (b) to do so would involve the incurring by the undertaker of unreasonable expense.

(4) Any dispute between a water undertaker and a consumer as to the application of paragraph (a) or (b) of subsection (3) above may be referred to the Director for determination under section 30A above by either party to the dispute.

- (5) Where—
- (a) either the conditions in subsection (6) below or the conditions in subsection (7) below are satisfied in relation to premises in respect of which a measured charges notices has been given, and
  - (b) such other conditions as may be prescribed are also satisfied in relation to the premises,

the consumer may, at any time before the end of the period of twelve months beginning with the day on which the supply began to be measured by volume for charging purposes, revoke the measured charges notice by notice to the water undertaker.

- (6) The conditions in this subsection are—
- (a) that the person who gave the measured charges notice had not given any previous measured charges notice in relation to the premises, and
  - (b) that he remains the consumer in respect of the premises.

- (7) The conditions in this subsection are—
- (a) that the person who gave the measured charges notice has, since the notice was given, ceased to be the consumer in respect of the premises,
  - (b) that neither he nor the person who has become the consumer had given any previous measured charges notice in respect of the premises, and
  - (c) that any person who was in occupation of the premises when the measured charges notice was given remains in occupation.

- (8) Where a measured charges notice has been revoked under subsection (5) above, the water undertaker must—
- (a) if reasonably practicable, before the end of the period of twelve months referred to in that subsection, or

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- (b) in any other case, as soon as reasonably practicable after the end of that period,  
revert to fixing the charges for the supply in respect of the premises without reference to the volume of water supplied.
- (9) If and so long as a water undertaker is obliged under subsection (2) above to fix charges for the supply of water in respect of any premises by reference to the volume of water supplied, a sewerage undertaker is under a corresponding obligation to fix charges in respect of foul water drainage provided by the sewerage undertaker in respect of those premises by reference to that volume.
- (10) If a water undertaker is obliged under subsection (8) above to fix charges without reference to volume, a sewerage undertaker is under a corresponding obligation in respect of charges for services provided by it.
- (11) Any charges scheme under section 143 above—
- (a) must contain provision for determining the period mentioned in subsection (2) above, and
  - (b) shall have effect subject to the preceding provisions of this section.

#### Textual Amendments

F3 S. 144A and crossheading preceding it inserted (1.4.2000) by 1999 c. 9, s. 6; S.I. 1999/3440, art. 3

#### Modifications etc. (not altering text)

C2 S. 144A: certain functions transferred to the National Assembly for Wales (15.11.1999) by S.I. 1999/2787, art. 3

### **144B** Restriction on undertakers' power to require fixing of charges by reference to volume.

- (1) Subsection (2) below applies where—
- (a) water is supplied to any premises in which, or in any part of which, a person has his home,
  - (b) charges in respect of those premises have previously been fixed without reference to volume, and
  - (c) such conditions as may be prescribed are satisfied in relation to the premises.
- (2) Where this subsection applies, a relevant undertaker may not by virtue of any charges scheme under section 143 above begin to fix the charges in respect of those premises by reference to volume unless either—
- (a) the consumer—
    - (i) has given the undertaker a measured charges notice under section 144A above which has not been revoked under that section, or
    - (ii) has consented to the charges in respect of the premises being so fixed and has not revoked that consent under section 144A, or
  - (b) there has been a change in the occupation of the premises and no charges have yet been demanded from the person who has become the consumer.

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- (3) A change in the persons occupying any premises does not constitute a change in the occupation of the premises for the purposes of subsection (2)(b) above if any person who was in occupation of the premises before the change remains in occupation after the change.
- (4) Where a consumer gives consent for the purposes of subsection (2)(a)(ii) above in relation to premises in which, or in any part of which, a person has his home, he shall be treated for the purposes of subsections (5) to (8) of section 144A above as having given a measured charges notice under that section.]]

**Textual Amendments**

- F4** [S. 144B](#) inserted (30.6.1999 for certain purposes and 1.4.2000 otherwise) by [1999 c. 9, ss. 7, 17\(2\)](#) (f); [S.I. 1999/3440](#), 3

**Modifications etc. (not altering text)**

- C3** [S. 144B](#): certain function transferred to the National Assembly for Wales (15.11.1999) by [S.I. 1999/2787](#), [art. 3](#)

*General restrictions on charging*

**145 Charging by reference to rateable value.**

- (1) Charges and other amounts to which this section applies shall not, by virtue of anything contained—
- (a) in this Chapter;
  - (b) in any local statutory provision;
  - (c) in any charges scheme under section 143 above; or
  - (d) in any agreement entered into on or after 1st September 1989,
- be recoverable by a relevant undertaker from any person if they have been fixed wholly or partly by reference to a rating valuation list or are otherwise determined, whether directly or indirectly, by reference to any value or other amount specified at any time in such a list.
- (2) This section applies to—
- (a) charges in respect of any services provided at any time after the end of 31st March 2000 by a relevant undertaker in the course of carrying out its functions; and
  - (b) amounts of any other description which such an undertaker, in exercise of any power conferred by or under any enactment, requires any person to pay in respect of any period ending after that date or in respect of anything done after that date.
- (3) In this section “rating valuation list” means a list which is or has at any time been maintained, for the purposes of rating, under section 41 or 52 of the <sup>M3</sup>Local Government Finance Act 1988, section 67 of the <sup>M4</sup>General Rate Act 1967 or any other enactment.



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#### Marginal Citations

- M3 1988 c. 41.  
M4 1967 c. 9.

### 146 Connection charges etc. and charges for highway drainage.

- (1) Subject to subsection (2) below, nothing in this Chapter or in any other enactment shall entitle any relevant undertaker to fix, demand or recover an initial charge for its becoming, or for its taking steps for the purpose of becoming—
  - (a) the person who provides a supply of water for domestic purposes to any premises; or
  - (b) the person who provides sewerage services for the purposes of the drainage for domestic sewerage purposes of any premises.
- (2) Subject to subsection (3) below, nothing in subsection (1) above or in any other enactment shall be construed as prohibiting the fixing, demand or recovery by a relevant undertaker of—
  - (a) a charge for the connection to a water supply of premises which have never at any previous time (whether before or after the coming into force of the restriction contained in this section) been connected to a supply of water provided for domestic purposes by a water undertaker or by any other authority or body which at that time provided supplies of water in the course of carrying out functions under any enactment; or
  - (b) a charge for the connection to a public sewer of premises which have never at any previous time (whether before or after the coming into force of the restriction contained in this section) been connected to a sewer used for the drainage for domestic sewerage purposes of those premises by a sewerage undertaker or by any other authority or body which at that time provided sewerage services in the course of carrying out functions under any enactment.
- (3) Nothing in this Chapter or in any other enactment or in the terms of any agreement under section 104 above shall authorise a sewerage undertaker to require any payment to be made to the undertaker in respect of the making by the undertaker of any declaration of vesting under Chapter II of Part IV of this Act or in respect of any agreement to make such a declaration.
- (4) Nothing in this Chapter or in any other enactment shall authorise a sewerage undertaker to require any payment to be made to the undertaker by a highway authority in respect of the drainage of any highway or the disposal of the contents of any drain or sewer used for draining any highway.
- (5) The preceding provisions of this section, so far as they restrict the making of certain charges, shall be without prejudice—
  - (a) to enactments by virtue of which a relevant undertaker may recover expenses incurred by it in carrying out works; and
  - (b) to the power of any such undertaker, by virtue of section 142(4) above, to fix the amount of any of its other charges by reference to such matters as it thinks appropriate.
- (6) In this section “domestic sewerage purposes” has the same meaning as in Chapter II of Part IV of this Act.

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#### **147 Charging for emergency use of water.**

- (1) Notwithstanding anything in section 142 above or in any charges scheme under section 143 above or in any agreement as to charges in respect of any supply of water, no charge may be made by any water undertaker in respect of—
  - (a) water taken for the purpose of extinguishing fires or taken by a fire authority for any other emergency purposes;
  - (b) water taken for the purpose of testing apparatus installed or equipment used for extinguishing fires or for the purpose of training persons for fire-fighting; or
  - (c) the availability of water for any purpose mentioned in paragraph (a) or (b) above.
- (2) This section shall not prevent the making of charges in respect of work carried out at the request of or for the benefit of any person receiving a supply of water for the purposes mentioned in paragraph (a) or (b) of subsection (1) above.
- (3) This section shall not have the effect, where any water is used or made available for any of the purposes mentioned in paragraph (a) or (b) of subsection (1) above, of requiring a reduction in the charges imposed in respect of the provision for other purposes of the supply from which that water is taken.
- (4) In this section “fire authority” has the same meaning as in the <sup>M5</sup>Fire Services Act 1947.

#### **Marginal Citations**

M5 1947 c. 41.

#### *Metering*

#### **148 Restriction on charging for metering works.**

- (1) Subject to subsections (2) to (4) below and section 177 below, where any meter to be used in determining the amount of any charges is installed by or at the request of any relevant undertaker then, notwithstanding the provisions of any enactment or of any agreement to the contrary between the undertaker and any other person, the undertaker shall bear—
  - (a) the expenses of installing and connecting the meter;
  - (b) any expenses incurred in maintaining, repairing, disconnecting or removing the meter in accordance with any requirements of the undertaker; and
  - (c) any expenses incurred in carrying out any works for purposes connected with the installation and connection of the meter or with the maintenance, repair, disconnection or removal of the meter in accordance with any such requirements.
- (2) Subject to subsection (3) below, subsection (1) above shall not require any relevant undertaker to bear, or prevent any such undertaker from recovering from any other person—
  - (a) any expenses incurred for the purpose of enabling a condition imposed by virtue of subsection (2)(c) or (d) of section 47 above to be satisfied;

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- (b) any sums which it is entitled to recover in pursuance of any terms or conditions determined under section 56 above;
  - (c) any sums which it is entitled to recover from that person by virtue of section 64(3)(b) above;
  - (d) any expenses incurred in relation to a meter which is or is to be used in determining the amount of—
    - (i) any charges which are to be paid in connection with the carrying out of a sewerage undertaker's functions under Chapter III of Part IV of this Act; or
    - (ii) any charges provision for which is contained in an agreement entered into in accordance with section 129 above;
  - (e) any expenses incurred in consequence of the exercise by the occupier of any premises of any option to be charged by the undertaker in relation to any premises by reference to volume rather than by reference to other matters.
- (3) For the purposes of subsection (2) above the expenses which an undertaker may require someone else to bear, or may recover from another, by virtue of that subsection shall not include any expenses incurred for the purpose of enabling conditions such as are mentioned in paragraph (a) of that subsection to be satisfied in a case in which the conditions could not have been imposed but for the exercise by the undertaker of its power by virtue of paragraph (a), (b), (d) or (e) of section 64(2) above to require the provision of a separate service pipe to any premises.
- (4) The occupier of any premises where any relevant undertaker installs or has installed a meter shall in all cases bear so much of the expenses referred to in subsection (1) above as is attributable to compliance with a request made by him in accordance with any regulations under section 149 below for the positioning, in a place other than that reasonably proposed by the undertaker, either of the meter or of any pipe or apparatus installed for the purpose of facilitating the use of the meter.
- (5) Any dispute between a relevant undertaker and any other person (including another such undertaker)—
- (a) as to whether the undertaker or that other person should bear any expenses under this section; or
  - (b) as to the amount of any expenses to be borne by any person under this section, shall be referred to the arbitration of a single arbitrator appointed by agreement between the undertaker and that person or, in default of agreement, by the Director.

#### **149 Further provision relating to charging by volume.**

- (1) The Secretary of State may by regulations make such provision, supplementing—
- (a) the provisions of this Chapter; and
  - (b) so far as they relate to works for purposes connected with the fixing of charges in relation to any premises by reference to volume, the provisions of Part VI of this Act,
- as he considers appropriate with respect to the installation of meters, with respect to the connection, disconnection, use, maintenance, authentication and testing of meters and with respect to any related matters.
- (2) Without prejudice to the generality of subsection (1) above, regulations under that subsection may—

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- (a) regulate the positioning, whether inside or outside the building or other premises in relation to which the meter is to be used, of any meter or of any pipes or apparatus appearing to any relevant undertaker to be required for the purpose of facilitating the use of any meter;
- (b) make any other provision which appears to the Secretary of State to be appropriate with respect to any such pipes or apparatus;
- (c) provide for a reading from a meter to be proved in such manner as may be prescribed and for a reading from a meter to be such evidence as may be prescribed of the volume of water supplied to, or of effluent discharged from, any premises;
- (d) fix the method of determining the amount of the charges to be paid where it appears that a meter has given, or may have given, an incorrect reading;
- (e) require a person who is not a relevant undertaker to pay the expenses incurred by such an undertaker in doing anything under the regulations or to pay contributions towards those expenses;
- (f) provide for the payment of compensation in respect of anything done by a relevant undertaker under the regulations;
- (g) require disputes arising under the regulations to be referred to arbitration;
- (h) repeal or amend any local statutory provision.

**Modifications etc. (not altering text)**

- C4** S. 149 applied (with modifications) (01.12.1991) by [Water Consolidation \(Consequential Provisions\) Act 1991 \(c. 60, SIF 130\)](#), ss. 2(2), 4(2), **Sch. 2 Pt. I para. 11(2)**.

*Charging for services provided with the help of an undertaker*

**150 Fixing maximum charges for services provided with the help of undertakers' services.**

- (1) The Director may from time to time by order fix maximum charges which a person who is not a relevant undertaker may recover from another such person in respect of water supplies or sewerage services provided to that other person with the help of services provided by a relevant undertaker.
- (2) For the purposes of this section water supplies or sewerage services are provided to a person with the help of services provided by a relevant undertaker if—
  - (a) a facility for that person to have access to a supply of water provided by a water undertaker in pipes, or to make use of sewerage services provided by a sewerage undertaker, is made available to that person otherwise than by the undertaker;
  - (b) that person is provided with a supply of water in pipes by a person to whom the water is supplied, directly or indirectly, by a water undertaker; or
  - (c) that person is provided with sewerage services by a person who, for the purpose of providing those services, makes use of sewerage services provided, directly or indirectly, by a sewerage undertaker.
- (3) It shall be the duty of the Director to publish any order under this section in such manner as he considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by it.

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- (4) An order under this section may make different provision for different cases, including different provision in relation to different persons, circumstances or localities, and may fix a maximum charge either by specifying the maximum amount of the charge or by specifying a method of calculating that amount.
- (5) Where a person pays a charge in respect of anything to which an order under this section relates and the amount paid exceeds the maximum charge fixed by the order, the amount of the excess shall be recoverable by that person from the person to whom he paid the charge.

PROSPECTIVE

**[150A F<sup>5</sup>Billing disputes.**

- (1) The Secretary of State may by regulations make provision for billing disputes to be referred to the Director for determination in accordance with the regulations.
- (2) In this section “billing dispute” means a dispute between a relevant undertaker and a customer concerning the amount of the charge which the undertaker is entitled to recover from the customer in connection with—
  - (a) the supply of water for domestic purposes, in the case of a water undertaker; and
  - (b) the provision of sewerage services other than by the carrying out of trade effluent functions, in the case of a sewerage undertaker.
- (3) Regulations under this section may only be made after consulting—
  - (a) the Director; and
  - (b) persons or bodies appearing to the Secretary of State to be representative of persons likely to be affected by the regulations.
- (4) Regulations under this section may provide that, where a billing dispute is referred to the Director, he may either—
  - (a) determine the dispute, or
  - (b) appoint an arbitrator to determine it.
- (5) Any person determining any billing dispute in accordance with regulations under this section shall, in such manner as may be specified in the regulations, give his reasons for reaching his decision with respect to the dispute.
- (6) Regulations under this section may provide—
  - (a) that disputes may be referred to the Director under this section only by prescribed persons; and
  - (b) for any determination to be final and enforceable as if it were a judgment of [F<sup>6</sup>the county court] .
- (7) Except in such circumstances (if any) as may be prescribed—
  - (a) the Director or an arbitrator appointed by him shall not determine any billing dispute which is the subject of proceedings before, or with respect to which judgment has been given by, any court; and
  - (b) neither party to any billing dispute which has been referred to the Director for determination in accordance with regulations under this section shall

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commence proceedings before any court in respect of that dispute pending its determination in accordance with the regulations.

- (8) No relevant undertaker may commence proceedings before any court in respect of any charge in connection with the supply of water for domestic purposes or (as the case may be) the provision of sewerage services other than by the carrying out of trade effluent functions unless, not less than 28 days before doing so, the customer concerned was informed by it, in such form and manner as may be prescribed, of—
- (a) its intention to commence proceedings;
  - (b) the customer’s rights by virtue of this section; and
  - (c) such other matters (if any) as may be prescribed.
- (9) Where a dispute is referred to the Director in accordance with regulations made under this section, it shall be the duty of the undertaker concerned to give him such information as he may reasonably require for the purpose of assisting him in determining the dispute.
- (10) Section 202 below shall have effect, with the necessary modifications, in relation to information which the Director requires for that purpose as it has effect in relation to information which the Secretary of State requires for purposes mentioned in subsection (1) of that section.
- (11) For the purposes of this section—
- “charge” means any charge fixed by a scheme made under section 143 above;
- “customer” means any person to whom the relevant undertaker provides services;
- and references to a sewerage undertaker’s trade effluent functions are references to its functions under Chapter III of Part IV of this Act.]

#### Textual Amendments

- F5** S. 150A inserted (prosp.) by [Competition and Service \(Utilities\) Act 1992 \(c. 43\)](#), [ss.36, 56\(2\)](#)
- F6** Words in s. 150A(6) substituted (22.4.2014) by [Crime and Courts Act 2013 \(c. 22\)](#), s. 61(3), [Sch. 9 para. 52](#); [S.I. 2014/954](#), art. 2(c) (with art. 3) (with transitional provisions and savings in [S.I. 2014/956](#), arts. 3-11)

VALID FROM 01/04/2000

### *[<sup>F7</sup> Interpretation of Chapter I*

#### Textual Amendments

- F7** S. 150B and crossheading preceding it inserted (1.4.2000) by [1999 c. 9](#), s. 15(1), [Sch. 3 Pt. I para. 3](#); [S.I. 1999/3440](#), art. 3

#### <sup>F8</sup>150B Meaning of “consumer” in Chapter I.

In this Chapter “consumer”—

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- (a) in relation to the supply of water by a water undertaker to any premises, means a person who is for the time being the person on whom liability to pay charges to the undertaker in respect of that supply of water would fall, and
- (b) in relation to the provision of sewerage services in respect of any premises, means a person who is for the time being the person on whom liability to pay charges to the undertaker in respect of those services would fall.]

**Textual Amendments**

**F8** S. 150B and crossheading preceding it inserted (1.4.2000) by 1999 c. 9, s. 15(1), Sch. 3 Pt. I para. 3; S.I. 1999/3440, art. 3

## CHAPTER II

### FINANCIAL ASSISTANCE FOR UNDERTAKERS

#### 151 Financial contributions to rural services.

- (1) Subject to subsection (2) below and to such conditions as the Treasury may determine, the Secretary of State, in any case in which it appears to him to be desirable to do so, may undertake to make a contribution out of money provided by Parliament towards the expenses incurred—
  - (a) by a water undertaker in providing a supply of water in a rural locality or in improving an existing supply of water in such a locality;
  - (b) by a sewerage undertaker in making adequate provision for the sewerage of a rural locality or for the disposal of such a locality's sewage.
- (2) The Secretary of State shall not undertake to make a contribution under this section towards the expenses of making provision for the sewerage of a rural locality, or for the disposal of such a locality's sewage, unless he is satisfied that the need for making the provision is due to anything done or proposed to be done—
  - (a) to supply water in pipes in that locality; or
  - (b) to increase the supply of water in pipes in that locality.
- (3) An undertaking given by the Secretary of State under this section shall provide for the making of the contribution in the form of such lump sum payment or payments, or such periodical payments towards revenue expenditure, as may appear to the Secretary of State to be appropriate.
- (4) The Secretary of State may withhold, or reduce the amount of, any contribution which he has undertaken to make towards the expenses incurred by a relevant undertaker in respect of any works or transaction, if it appears to him either—
  - (a) that any of the works have been carried out in an unsatisfactory manner;
  - (b) that—
    - (i) the effectiveness of any of the works is substantially less than as estimated in the proposals submitted to him by the relevant undertaker; and
    - (ii) the difference is due to any default, for which the undertaker is responsible, in the formulation of the proposals;

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or

- (c) that there has been any default in the carrying out of the transaction.

## 152 Grants for national security purposes.

- (1) The Secretary of State may, out of money provided by Parliament, make grants to relevant undertakers for the purpose of defraying or contributing towards any losses they may sustain by reason of compliance with directions given under section 208 below in the interests of national security.
- (2) The approval of the Treasury shall be required for the making of grants under this section.

### Modifications etc. (not altering text)

- C5** [S. 152](#): certain functions exercisable concurrently with the Secretary of State (1.7.1999) by [S.I. 1999/672, art. 2, Sch. 1](#)

## 153 Government financial assistance where special administration orders made.

- (1) Where a special administration order is for the time being in force in relation to a company, the Secretary of State, may, with the consent of the Treasury—
  - (a) make to the company grants or loans of such sums as appear to him to be appropriate for the purpose of facilitating the achievement of the purposes of the order;
  - (b) agree to indemnify the person appointed to achieve the purposes of the order in respect of liabilities incurred and loss or damage sustained by that person in connection with the carrying out of his functions under the order.
- (2) The Secretary of State may, with the consent of the Treasury, guarantee, in such manner and on such conditions as he may think fit, the repayment of the principal of, the payment of interest on and the discharge of any other financial obligation in connection with any sum which is borrowed from any person by a company in relation to which a special administration order is in force at the time when the guarantee is given.
- (3) Without prejudice to any provision applied in relation to the company by Schedule 3 to this Act—
  - (a) the terms and conditions on which a grant is made to any company under this section may require the whole or a part of the grant to be repaid to the Secretary of State if there is a contravention of the other terms and conditions on which the grant is made; and
  - (b) any loans which the Secretary of State makes to a company under this section shall be repaid to him at such times and by such methods, and interest on the loans shall be paid to him at such rates and at such times, as he may, with the consent of the Treasury, from time to time direct.
- (4) Any grant or loan made under this section and any sums required to be paid by the Secretary of State in respect of an indemnity given under this section shall be paid out of money provided by Parliament.
- (5) Any sums received under subsection (3) above by the Secretary of State shall be paid into the Consolidated Fund.



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#### **154 Guarantees under section 153.**

- (1) This section applies in relation to any guarantee given by the Secretary of State under section 153 above.
- (2) Immediately after a guarantee to which this section applies is given, the Secretary of State shall lay a statement of the guarantee before each House of Parliament.
- (3) Where any sum is paid out for fulfilling a guarantee to which this section applies, the Secretary of State shall, as soon as possible after the end of each financial year (beginning with that in which the sum is paid out and ending with that in which all liability in respect of the principal of the sum and in respect of the interest thereon is finally discharged), lay before each House of Parliament a statement relating to that sum.
- (4) Any sums required by the Secretary of State for fulfilling a guarantee to which this section applies shall be paid out of money provided by Parliament.
- (5) Without prejudice to any provision applied in relation to the relevant company by Schedule 3 to this Act, if any sums are paid out in fulfilment of a guarantee to which this section applies, the relevant company shall make to the Secretary of State, at such times and in such manner as the Secretary of State may from time to time direct—
  - (a) payments of such amounts as the Secretary of State may so direct in or towards repayment of the sums so paid out; and
  - (b) payments of interest, at such rate as the Secretary of State may so direct, on what is outstanding for the time being in respect of sums so paid out;and the consent of the Treasury shall be required for the giving of a direction under this subsection.
- (6) Any sums received by the Secretary of State under subsection (5) above shall be paid into the Consolidated Fund.
- (7) In subsection (5) above “the relevant company” in relation to a guarantee, means the company which borrowed the sums in respect of which the guarantee was given.

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