



SCHEME OF TERMS AND CONDITIONS

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1. Definitions and interpretation

1.1 Defined terms

In this Scheme the following capitalised terms shall have the following meaning:

DEFINITIONS	
Term	Definition
“1991 Act”	the Water Industry Act 1991
“2014 Act”	the Water Act 2014
“Appointment”	the instrument of appointment granted to a Relevant Undertaker under the 1991 Act
“Area”	any area for which an Appointment is held by a Relevant Undertaker
“Authority”	the Water Services Regulation Authority
“Business Day”	the period of 08:00 to 18:00 hours on any day other than a Saturday or Sunday, or Christmas Day, Good Friday or any day which is a bank holiday in England and Wales under the Banking and Financial Dealings Act 1971
“BW”	Bristol Water plc
“BW Charges Scheme”	The Charges Scheme produced by BW pursuant to s143 of the 1991 Act
“BW Transfer Scheme”	The transfer scheme of BW as made under Regulation 16 and Schedule 1 to the Exit Regulations and approved by the Authority
“Cancellation Request”	as defined in the Wholesale Retail Code
“Disconnection Request”	as defined in the Wholesale Retail Code
“Eligible Exit Area Customers”	the owner or occupier of Eligible Premises in the WWSL areas of appointment as a water and sewerage undertaker and the owner or occupier of Eligible Premises in the BW areas of appointment as a water undertaker
“Eligible Water Supply Licensee”	as defined in the Exit Regulations
“Eligible Licensee”	an Eligible Water Supply Licensee or an Eligible Sewerage Licensee.
“Eligible Premises”	as defined in Wholesale Retail Code
“Eligible Sewerage Licensee”	as defined in the Exit Regulations
“Exit Date”	as defined in the Exit Regulations
“Exit Regulations”	The Water and Sewerage Undertakers (Exit from Non-household Retail Market) Regulations 2016
“Force Majeure Event”	means any act of God, adverse weather conditions (excluding any serious deficiency in supplies caused by an exceptional shortage of rain), strike, lockout or other industrial disturbance or dispute (other than one affecting only the party in question or its parent company or other companies in its group or otherwise associated with it), war, threat of war, act of terrorism, blockade, revolution, riot, civil commotion, public demonstration, sabotage, earthquake, or any other event or circumstance which is beyond the reasonable control of the party in question to the extent that it causes or results in an inability to perform obligations under this Scheme
“Large Customer”	Eligible Exit Area Customers who are not SMEs and are not Transferred Customers
“Licence”	a Water Supply Licence or a Sewerage Licence

DEFINITIONS	
Term	Definition
“Licensee”	the holder of a Licence
“Market Operator”	as defined in the Wholesale Retail Code
“Non-Transferred SMEs”	those SMEs that are not Transferred Customers but become Eligible Premises after the Exit Date
“Permitted Adjustment”	the adjustment that the Relevant Undertaker for the retail exit area in which the Transferred Customer’s Eligible Premises are located would have been entitled or required to make to the part of the Charges Scheme applicable to the Transferred Customer and/or Eligible Exit Area Customer pursuant to the notice given by the Authority to the relevant undertaker on 16 December 2016 of a determination of price controls under that undertaker’s Appointment, save that, instead of “wholesale revenue”, the Licensee shall include the relevant Wholesale Charges for the class of customer which would include the Transferred Customer and/or the Eligible Exit Area Customer. This adjustment would include the possibility of making adjustments to tariffs to rebalance charges between customers and to make adjustments to meet control limits, in each year to which the determination of price controls applies, as would apply had the Relevant Undertaker not exited
“Relevant Undertaker”	WWSL or BW as the case may be
“Retail Exit Code”	the code issued by the Authority pursuant to Regulation 28 of Exit Regulations
“Scheme”	this scheme of terms and conditions made pursuant to Regulation 29 of the Exit Regulations
“Small and Medium- sized Enterprise (SME)”	an Eligible Exit Area Customer with fewer than 250 employees.
“Transferred Customer”	the owner or occupier of Eligible Premises which were transferred by a Relevant Undertaker to W2BL on the Exit Date
“W2BL”	Water 2 Business Limited
“WWSL”	Wessex Water Services Limited
“WWSL Charges Scheme”	The charges scheme produced by Wessex Water Services Limited pursuant to s143 of the 1991 Act
“WWSL Transfer Scheme”	The transfer scheme of WWSL as made under Regulation 16 and Schedule 1 to the Exit Regulations and approved by the Authority
“Wholesale Charges”	As defined in the Wholesale Retail Code
“Wholesale – Retail Code”	The code issued by the Authority under sections 66DA and 117F of the 1991 Act

1.2 Interpretation

1.2.1 In this Scheme:

- (a) References to ‘this Scheme’ are to this Scheme;
- (b) References to ‘Sections’ are to sections of this Scheme unless otherwise expressly stated;
- (c) References to Licensees will refer to all Licensees, unless otherwise specified;
- (d) Words imparting a gender include every gender and references to the singular include the plural and vice versa;

- (e) Words denoting persons include individuals and bodies corporate, partnerships, unincorporated associations and other bodies (in each case, wherever resident and for whatever purpose) and vice versa;
- (f) Save as otherwise expressly provided references to time are to local time;
- (g) References to 'writing' or 'written' shall include email;
- (h) References to 'day' and 'calendar day' mean the same as one another;
- (i) A reference to any body is:
 - (i) if that body (statutory or otherwise) is replaced by another organisation, deemed to refer to that replacement organisation; and
 - (ii) if that body (statutory or otherwise) ceases to exist, deemed to refer to that organisation which most substantially serves the same purposes as the original body;
- (j) A reference to a statute or statutory provision shall, unless otherwise stated, be constructed as including:
 - (i) a reference to any orders, regulations and subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) made from time to time under the statute or statutory provision whether before or after the effective date; and
 - (ii) a reference to that statute, statutory provision or subordinate legislation as in force at the effective date and as from time to time modified or consolidated, superseded, re-enacted or replaced (whether with or without modification) after the effective date;
- (k) References to a person shall, except where the context requires otherwise, include its successors in title and permitted assignees;
- (l) Any words or expressions used in the Water Industry Act 1991 or the Water Act 2014 shall, unless the contrary intention appears, have the same meaning when used in this Scheme;
- (m) The headings and contents table in the Scheme are for convenience only and do not affect its interpretation;
- (n) In the Scheme, the words 'other', 'includes', 'including' and 'for example' do not limit the generality of any preceding words, and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible;
- (o) In this Scheme, the words 'for the time being' mean at the relevant time now or in the future unless the context requires otherwise.

2 Introduction

2.1 Purpose of this Scheme

- 2.1.1 This document is the Scheme issued by W2BL pursuant to Regulation 29 of the Exit Regulations.
- 2.1.2 This Scheme should be read in conjunction with the relevant provisions of the 1991 Act, the 2014 Act, the Exit Regulations and the Retail Exit Code.
- 2.1.3 This Scheme will be revised from time to time to ensure it complies with the Retail Exit Code.

2.2 Scope of this Scheme

- 2.2.1 This Scheme makes provision about the following:
 - (i) the terms and conditions to be applied by W2BL to Transferred Customers and Eligible Exit Area Customers who transferred to W2BL under the WWSL Transfer Scheme or the BW Transfer Scheme
 - (ii) the terms and conditions to be applied by W2BL to Eligible Exit Area Customers who did not transfer to W2BL under the WWSL Transfer Scheme or the BW Transfer Scheme; and
 - (iii) sets out the process and information that W2BL will follow in communicating with Eligible Exit Area Customers from the Exit Date.

3 Terms and Conditions for Transferred Customers

3.1 Charging arrangements

- 3.1.1 The charges for Transferred Customers shall from 1 April 2017 and in each succeeding year, be no more than the charges that would have been payable by the Transferred Customer under the WWSL Charges Scheme or BW Charges Scheme (as the case may be) on the Exit Date, adjusted in accordance with clause 3.1.2 below. All the provisions of the WWSL Charges Scheme or BW Charges Scheme (as the case may be) that relate to the fixing, calculation and collection of charges shall continue to apply to Transferred Customers. Transferred Customers will be entitled to be billed and pay charges by the same method as they were immediately prior to the Exit Date.
- 3.1.2 W2BL shall adjust the maximum charges payable by Transferred Customers on 1 April 2017 and in each successive year by the Permitted Adjustment.
- 3.1.3 The charges referred to in sections 3.1.1 and 3.1.2 shall be adjusted in accordance with any direction given by the Authority following any review of the price requirements at the end of the first review of price limits for non-household customers for Relevant Undertakers after the Exit Date to determine whether those requirements are necessary or require adjustment.

3.2 Non-charging arrangements

- 3.2.1 The supply and provision of services provided pursuant to this Scheme may be discontinued only if the Transferred Customer's Eligible Premises are not of a type specified in Schedule 4A of the 1991 Act and:
- (i) W2BL would be entitled to make a request pursuant to section 61(1ZB) of the 1991 Act; or
 - (ii) the Transferred Customer has consented to or has requested the discontinuance.
- 3.2.2 Other than the right of W2BL to submit a Cancellation Request to the Market Operator under the Wholesale Retail Code, nothing in this Scheme shall prevent or restrict the Transferred Customer's right or ability to transfer the supply of its retail service to another Licensee or to other terms and conditions offered by W2BL at any time. In particular, there shall be no charge or fee payable by the Transferred Customer upon termination of the supply of services within the scope of this Scheme.
- 3.2.3 Where a Transferred Customer relocates within the same Area W2BL will continue to offer the supply and provision of services on the basis set out in this Scheme.
- 3.2.4 W2BL shall not require the payment of a termination fee when a Transferred Customer switches to a different retailer.
- 3.2.5 W2BL shall not require the payment of a termination fee when a Transferred Customer switches to an alternative contract offered by W2BL.
- 3.2.6 Either W2BL or a Transferred Customer (each a party) may terminate the supply of services subject to this Scheme:
- (i) with immediate effect if the other party commits a material breach of this Scheme and (in the case of a breach capable of remedy) fails to remedy such material breach within thirty (30) days of having been notified of the material breach; or
 - (ii) with immediate effect if the Transferred Customer's premises are not, or cease to be, Eligible Premises;
 - (iii) with immediate effect if the other party makes any arrangement or composition with its creditors or is the subject of a winding-up or administration order or passes a resolution for voluntary liquidation (other than a voluntary winding-up or solvent liquidation for the purposes of a scheme of reconstruction or amalgamation) or if a receiver or administrative receiver is appointed over all or any of its assets or a distress, attachment, execution or other legal process is levied, enforced or issued on or against the other party or any of its assets or the other party enters into or suffers any similar process in any jurisdiction.
- 3.2.7 Subject to the remainder of this Section, neither party shall be liable to the other where it is unable to perform its obligations under this Scheme by reason of a Force Majeure Event provided that the party claiming to be prevented or delayed in the performance of its obligations by reason of a Force Majeure

Event (the “Affected Party”) shall use all reasonable endeavours to bring the Force Majeure Event to a close or to find a solution by which the obligations contained in this Agreement may be performed. The Affected Party shall:

- (i) notify the other party of the Force Majeure Event as soon as reasonably practicable and in any event within five (5) Working Days of the Force Majeure Event occurring; and
- (ii) upon request, within ten (10) Working Days of the Force Majeure Event occurring, provide a report containing all relevant available information relating to the Force Majeure Event and details of the measures the Affected Party is taking to overcome or circumvent such Force Majeure Event.

3.2.8 The parties shall not be relieved by reason of the Force Majeure Event from any obligation to indemnify or make payment.

3.2.9 If the Force Majeure Event does not affect the services being supplied to the Eligible Premises of the Transferred Customer, the Affected Party shall only be relieved of its obligations in respect of those Eligible Premises which are affected.

3.2.10 If the Force Majeure Event continues materially to affect the Transferred Customer for more than six (6) months, W2BL may terminate the Agreement in whole or in part (as it relates to Eligible Premises affected by the Force Majeure Event).

4 Terms and Conditions for Non-Transferred SMEs

4.1 Charging arrangements

4.1.1 The charges for Non-Transferred SMEs shall from 1 April 2017 and in each succeeding year, be no more than the charges that would have been payable by the Non-Transferred SMEs under the WWSL Charges Scheme or BW Charges Scheme (as the case may be) on the Exit Date, adjusted in accordance with clause 4.1.2 below. All the provisions of the WWSL Charges Scheme or BW Charges Scheme (as the case may be) that relate to the fixing, calculation and collection of charges will also apply to Non-Transferred SMEs. Non-Transferred SMEs will be entitled to be billed and pay charges by the same method as they were immediately prior to the Exit Date.

4.1.2 W2BL shall adjust the maximum charges payable by the Non-Transferred SMEs on 1 April each year by the Permitted Adjustment.

4.1.3 The charges referred to in sections 4.1.1 and 4.1.2 shall be adjusted in accordance with any direction given by the Authority who will review the price requirements at the end of the first review of price limits for non-household customers for Relevant Undertakers after the Exit Date to determine whether those requirements are necessary or require adjustment.

4.2 Non-charging arrangements

4.2.1 The non-charging arrangements for Non-Transferred SMEs shall be the same as those set out in section 3.2 above.

5 Terms and Conditions for Large Customers

5.1 Charging arrangements

5.1.1 The charges payable by Large Customers shall be reasonable; and there will be no undue preference shown to or undue discrimination against any Large Customer compared with W2BL's other Non-Household Customers of the same class as the Eligible Exit Area Customer. Large Customers will be entitled to be billed and pay charges by the same method as they were immediately prior to the Exit Date.

5.2 Non-charging arrangements

5.2.1 The non-charging arrangements for Large Customers shall be the same as those set out in section 3.2 above.

6 Provision of information

A Provision of information to Non-Transferred SMEs and Large Customers

- 6.1.1 As soon as possible and not later than two months from the date on which W2BL commences supply to a Non-Transferred SME or Large Customer under this Scheme, W2BL shall write to the Non-Transferred SME or Large Customer providing the following information:
- (i) a copy of this Scheme;
 - (ii) the date from which W2BL commenced the provision of supplies to the Non-Transferred SME or Large Customer;
 - (iii) that the Non-Transferred SME or Large Customer has the right to switch to another provider of water and/or sewerage services at any time; and
 - (iv) that alternative terms and conditions from this Scheme may be available from W2BL and how information about such alternative terms and conditions may be obtained.
- 6.1.2 If a Non-Transferred SME or Large Customer requests a copy of alternative terms and conditions that W2BL has available, W2BL shall provide these within 10 Business Days after receiving the request.

B Provision of information to Transferred Customers

- 6.1.3 If a Transferred Customer requests a copy of alternative terms and conditions that W2BL has available, W2BL shall provide these within 10 Business Days after receiving the request.

This Scheme was made pursuant to a resolution of the Board of Directors of W2BL dated 24 January 2017.

David Elliott **Susan Johnson**
Chairman Company Secretary