

Water Services Licence

granted to
Brightwater Services Limited

PART 1 (PRELIMINARY)

Terms of this licence

1. This licence, granted by the Water Industry Commission for Scotland (the "Commission") under section 6(1) of the Water Services etc. (Scotland) Act 2005 (the "2005 Act"), authorises Brightwater Services Ltd., a company incorporated in Scotland (Registered Number SC514287), (the "licensee") whose registered office is at 29 York Place, Edinburgh, EH1 3HP:
 - (a) to:
 - (i) make arrangements with the occupier of any eligible premises for or in relation to the supply of water to the premises through the public water supply system; and
 - (ii) fix, demand and recover charges for or in relation to the supply of water to any premises in respect of which the licensee has made such arrangements; and
 - (b) to make such arrangements with Scottish Water and such other persons as are necessary for the purposes of or in connection with the things mentioned in paragraph (a); during the period specified in paragraph 4 below.
2. This licence is subject to:
 - (a) the standard conditions applicable to water services licences which shall have effect in the licence in accordance with the provisions of the standard conditions and subject to such modifications (if any) as are set out in Part 2 below (together the "applicable standard conditions");
 - (b) the ordinary conditions, if any, set out in Part 3 below (the "ordinary conditions"); and
 - (c) such schedules hereto, if any, as may be referenced in the applicable standard conditions, the ordinary conditions or the terms of the licence.
3. This licence is subject to transfer, modification or amendment in accordance with the provisions of the 2005 Act, the ordinary conditions or the applicable standard conditions.
4. This licence, unless revoked or suspended in accordance with the 2005 Act, shall continue until determined by not less than 10 years' notice in writing given by the Commission to the licensee.
5. (a) Where any notice or direction is served on or given to any licensee under this licence or the 2005 Act (including any regulations made thereunder), it shall be treated as served -
 - (i) by delivering it to any person or leaving it at his proper address or by sending it by post to him at that address; or
 - (ii) if the person is a body corporate, by serving it in accordance with sub-paragraph (i) above on the secretary of that body; or
 - (iii) if the person is a partnership, or a partner in a partnership, by serving it in accordance with sub-paragraph (i) above on a person having the control or management of the partnership business.

- (b) For the purposes of this paragraph and section 7 of the Interpretation Act 1978 (which relates to the service of documents by post) in its application to this paragraph, the proper address of any person on whom a document is to be served shall be his last known address, except that
 - (i) in the case of service on a body corporate or its secretary, it shall be the address of the registered or principal office of the body; and
 - (ii) in the case of service on a partnership or a partner or a person having the control or management of a partnership business, it shall be the address of the principal office of the partnership; and for the purposes of this sub-paragraph the principal office of a company registered outside the United Kingdom or of a partnership carrying on business outside the United Kingdom is its principal office within the United Kingdom.
 - (c) If a person to be served by virtue of this licence or under the 2005 Act with any notice or direction has specified an address within the United Kingdom other than his proper address (as determined in pursuance of sub-paragraph (b) above) as the one at which he or someone on his behalf will accept any notice or direction of the same description, that address shall also be treated as his proper address for the purposes of that sub-paragraph.
 - (d) This section shall not apply to any notice or direction in relation to the service of which provision is made by rules of court.
- 6. This licence shall be interpreted and construed in like manner as an Act of Parliament for the purposes of the Interpretation Act 1978.
 - 7. References in this licence to a provision of any enactment where, after the date of this licence:
 - (a) the enactment has been replaced or supplemented by another enactment, and
 - (b) such enactment incorporates a corresponding provision in relation to the same subject matter, shall be construed, so far as the context permits, as including a reference to the corresponding provision of that other enactment.

PART 2 (AMENDMENT OF STANDARD LICENCE CONDITIONS)

- 8. There are no amendments to the standard licence conditions.

PART 3 (ORDINARY CONDITIONS)

Ordinary Condition 1, Relevant escrow arrangements

1. The licensee shall ensure that, at all times during the relevant period, relevant escrow arrangements are in full force and effect in accordance with a relevant escrow agreement.
2. The licensee shall not enter into a relevant escrow agreement without the approval or consent of the Commission, unless the terms and conditions of the relevant escrow agreement are (by virtue of their inclusion in a wholesale services agreement) determined by the Commission under section 16(7) of the 2005 Act.
3. The licensee shall not make or agree to the making of any amendment to a relevant escrow agreement to which it is party except (a) with the Commission's approval or consent and (b) where such amendment is made in accordance with any of the specified requirements applicable in such circumstances. The licensee shall also exercise all powers available to it to procure that those requirements are complied with in all respects.
4. The Commission's approval or consent under paragraph 2 above may include requirements as to provisions to be included in the relevant agreement (a) for the Commission's approval or consent, (b) for compliance with directions issued by the Commission, (c) relating to determinations made by the Commission, and (d) for compliance with any directions issued by the Commission under paragraph 7 below.
5. The licensee shall supply to the Commission, in connection with any request for approval or consent made pursuant to paragraph 2 above, with such information as the Commission may require.
6. The licensee shall comply with the provisions of any relevant escrow agreement to which it is party, including any requirements thereunder (a) for the Commission's approval or consent, (b) for compliance with directions issued by the Commission, (c) relating to determinations made by the Commission and (d) for compliance with any directions issued by the Commission under paragraph 7 below.
7. The Commission may (following such consultation as the Commission may consider appropriate) issue directions providing that any relevant escrow agreement to which the licensee is party shall have effect with or subject to such modifications as are specified in such directions.

8. For the purposes of this condition:

'relevant escrow agreement'	means any agreement entered into by the licensee for the purpose of, or in connection with, establishing or operating relevant escrow arrangements;
'relevant escrow arrangements'	means arrangements designed, by virtue of an escrow, trust or other device, to provide Scottish Water with relevant protection against the risk of the licensee failing to perform its obligations under any wholesale services agreement to which it is party;
'relevant period'	means the period commencing with the coming into effect of a wholesale services agreement in accordance with its terms and ending with the termination (or, if later, the payment or satisfaction in full of all of the licensee's outstanding liabilities under) such agreement;
'relevant protection'	means protection (a) of the same or greater level or quality as the Commission may from time to time direct or (b) (in the absence of such direction) of such level or quality as the Commission may approve; and
'specified requirements'	means such requirements regarding the manner in which any relevant escrow agreement may be amended as may be specified from time to time in directions made by the Commission.

Done at Stirling on 11 February 2016

For and on behalf of the Water Industry Commission for Scotland



Alan DA Sutherland, Chief Executive Officer

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