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## EXPLANATORY NOTE

*(This note is not part of the Order)*

The Water Industry Act 1991 (“the 1991 Act”), as amended by Part 3 of the Enterprise Act 2002 (“the 2002 Act”) and Part 2 of the Water Act 2003, applies certain provisions in Part 3 of the 2002 Act for the purposes of certain references to or investigations by the Competition Commission (“the Commission”) in relation to the water industry. In this note, references to the 2002 Act are to that Act as applied by the 1991 Act.

This Order specifies the maximum amounts that the Commission” may impose as a penalty under section 110(1) or (3) of the 2002 Act. Penalties may be imposed where a person has failed, without reasonable excuse, to comply with a notice under section 109 of that Act (attendance of witnesses and production of documents etc.) or where a person has intentionally obstructed or delayed another person in the exercise of his powers under section 109(6) of that Act.

A penalty imposed under section 110(1) of the 2002 Act may be a fixed amount, an amount calculated by reference to a daily rate, or a combination of the two. Where the penalty comprises a fixed amount, the maximum fixed amount is £20,000. Where the penalty comprises an amount calculated by reference to a daily rate, the maximum rate at which the penalty may increase is £5,000 per day.

A penalty imposed under section 110(3) of the 2002 Act must be a fixed amount. The maximum amount of such a penalty is £20,000.

No regulatory impact assessment has been prepared in respect of this Order. A regulatory impact assessment in respect of the Water Act 2003 was prepared and placed in the library of each House of Parliament during the passage of the Water Bill. This included an assessment of Part 2 of the Water Act 2003. Copies can be obtained from Water Supply and Regulation Division, Department for Environment, Food and Rural Affairs, 55 Whitehall, London SW1A 2EY or from the Department’s website at [www.defra.gov.uk/environment/water/legislation](http://www.defra.gov.uk/environment/water/legislation).

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Competition Commission (Water Industry) Penalties Order 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:**

- [Order revoked by S.I. 2014/559 art. 5\(b\)](#)