

SULTANATE OF OMAN



هيئة تنظيم الخدمات العامة
Authority for Public Services Regulation

**WATER TRANSPORTATION, SUPPLY OF WATER,
WASTEWATER COLLECTION AND
TRANSPORTATION, WASTEWATER TREATMENT
AND DISPOSAL, TREATED EFFLUENT
TRANSPORTATION AND SUPPLY OF TREATED
EFFLUENT LICENCE**

GRANTED TO:

Khazaen Economic City LLC

Effective: 25 August 2025

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PART I THE LICENCE

1. Grant of the Licence

The Authority for Public Services Regulation (the **Authority**), in exercise of the powers conferred by Article (7) of The Law for the Regulation of the Water and Wastewater Sector promulgated by Royal Decree 40/2023 (hereinafter referred to as the "Sector Law"), hereby grants to **Khazaen Economic City LLC** (the **Licensee**) a licence (the **Licence**) to undertake the activities referred to at paragraph 4 below.

2. Conditions of the Licence

This Licence is granted subject to the conditions set out in Parts II - XI (the **Conditions**), for the period referred to in paragraph 3 below and for the purposes of enabling the Licensee to undertake the activities set out in paragraph 4 of this Licence.

This Licence is subject to:

- (a) Modification in accordance with the provisions of the Sector Law and in accordance with its terms; and
- (b) Revocation or Suspension in accordance with the provisions of Sector Law and the Condition 25 of this Licence.

3. Licence Term

- 3.1 This Licence shall come into force on **25 August 2025** and, unless revoked in accordance with the provisions of Condition 25, shall continue in full force and effect until determined by not less than 10 years' notice in writing given by the Authority to the Licensee, such notice not to be served earlier than the 20th anniversary of 25 August 2025.
- 3.2 The Authority shall have the right to accept or reject the Licensee's application for renewal in light of public interest, the Licensee's performance during the period preceding the Licensee's renewal application, in relation to the applicable Performance Standards and to compliance with applicable laws, regulations, water and waste water Regulation, Codes and the conditions of this Licence.

4. Licensed Activities

- 4.1 This Licence authorises the Licensee to undertake the following activities:

- (a) Water Transportation;
- (b) Supply of Water;
- (c) Wastewater Collection and Transportation;
- (d) Wastewater Treatment and Disposal;
- (e) Treated Effluent Transportation;
- (f) Supply of Treated Effluent;

(each a **Licensed Activity** and together, the **Licensed Activities**) in each case, within the Authorised Area.

- 4.2 This Licence further authorises the Licensee to finance, develop, manage, own and/or operate and maintain its assets including relevant network, facilities and plants, assets

owned by third party-if any- in order to undertake the activities specified in paragraph 4.1 above, in accordance with the Sector Law;

5. Governing Language

The governing language of this Licence shall be the English language.

6. Definitions

The following words and expressions, when used in this Licence, shall have the following meanings:

Affiliate	in relation to the Licensee, any Person which Controls (directly or indirectly) the Licensee and any other Person Controlled (directly or indirectly) by such first mentioned Person, including where the Licensee is a Company, the ultimate holding Company of the Licensee and any holding Company of the Licensee and any subsidiary of such holding Company;
Authorised Area	the geographical area determined in Schedule 1 of this Licence within which the Licensee is authorised to undertake the Licensed Activities pursuant to Sector Law;
Authority	the Authority for Public Services Regulation;
Business	each of the Water Transportation Business, the Supply of Water Business, the Wastewater Collection and Transportation Business, the Wastewater treatment and discharge Business, the Treated Effluent Transportation Business and the Supply of Treated Effluent Business of the Licensee or any of its Affiliates;
Company	has the meaning given to it in the Commercial Companies Law RD No. 18/2019, as amended, and Companies shall be construed accordingly;
Competent Authority	as defined under the Royal Decree 75/2020 Regarding the Administrative Apparatus of the State as amended .
Condition	has the meaning given to it in paragraph 2 of Part I;
Connection	the connection of, as applicable: <ul style="list-style-type: none"> (i) a Premises to (i) a Water Network for the purpose of the Supply of Water, (ii) a Wastewater Network for the purpose of Wastewater Collection and Transportation or (iii) a Treated Effluent Network for the purpose of the Supply of Treated Effluent; or (ii) a Water Network to another Water Network; or

(iii) a Wastewater Network to another Wastewater Network,

and the term **Connected** shall be construed accordingly;

Connection Agreement

an agreement between any Person and a Licensee for the Connection of that Person's Network or Premises;

Customer

a Person whose Premises is:

- (i) supplied with Water for consumption at those Premises; or
- (ii) from whose Premises there is Wastewater Collection and Transportation; or
- (iii) whose Premises receive Supply of Treated Effluent for use at those Premises;

Controls

in respect of a Person by another, that other (whether alone or with others and whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise):

- (i) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that Person or of any other Person which controls that Person; or
- (ii) controls or has the power to control the affairs and policies of that Person or of any other Person which controls that Person; or
- (iii) is the parent undertaking of that Person or is the parent undertaking of any other Person which controls that Person; or
- (iv) possesses or is, or will be at a future date, entitled to acquire:
 - (A) twenty per cent (20%) or more of the share capital or issued share capital of, or of the voting power in, that Person or any other Person which controls that Person; or
 - (B) such part of the issued share capital of that Person or any other Person which controls that Person as would, if the whole of the income of such Person were in fact distributed, entitle him to receive twenty per cent (20%) or more of the amount so distributed; or



- (C) such rights as would, in the event of the winding-up of that Person or any other Person which controls that Person or in any other circumstances, entitle him to receive twenty per cent (20%) or more of the assets of such Person which would then be available for distribution, and, for those purposes, there shall be attributed to any Person the rights or powers of any nominee or associate of his and the rights and powers of any more Persons which he, or he and any nominee or associate of his, controls and **Control** and **Controlled** shall be construed accordingly;

Economic Purchase	the procurement of all required goods and services on the most economic terms taking into account the quality, quantity, the nature of such goods and services, the available manner of delivery and the future security, reliability and diversity of supply in each case of the items intended to be;
Facilities	any Wastewater treatment facility;
Labour Law	Labour Law (Royal Decree 53/2023);
Licence	a written approval to undertake one or more Regulated Activities issued by the Authority pursuant to the Sector Law and shall include this licence;
Licensee	any person who is the holder of a Licence and Licensee shall be construed accordingly;
Licensed Activity	has the meaning given to it in paragraph 4 of Part I and Licensed Activities shall be construed accordingly;
Modification	includes addition, omission, amendment and substitution, and cognate expressions shall be construed accordingly;
Network	pipes and related equipment used for the transportation of: <ul style="list-style-type: none">(i) Water to Premises;(ii) Wastewater collected from premises to Wastewater treatment facilities; or(iii) Treated Effluent to Premises;
Omani Content	Omani products, suppliers and contractors;

Omanisation	giving preference to the employment and training of Omani nationals, as required by the Labour Law and the regulations issued by the Ministry of Labour from time to time or any direction from the Authority;
Operating Company	has the meaning given to it under the Sector Law, and Operating Companies shall be construed accordingly.
Output	Water produced by a Water Production Facility;
Person	any natural person or public or private legal person or corporation or society or organisation;
Premises	any plot of land, building or structure occupied or used by any Person;
Regulatory Accounting Guidelines	guidelines issued by the Authority from time to time in connection with the preparation of regulatory accounts;
Sector Law	the Law for the Regulation of the Water and Wastewater promulgated by Royal Decree 40/2023;
Separate Business	each of the Separate Businesses of the Licensee identified as such from time to time by notice of the Authority for the purpose of Condition 11 of this licence;
Supply of Treated Effluent	for the purposes of this licence, undertaking any of the following activities: <ul style="list-style-type: none"> a) supply any Premises with TE purchased in bulk from an Operating Company; b) Supply any Premises with TE produced from the Licensee's Wastewater treatment facility. c) application of a tariff in respect of the supply of TE accordance with the provisions of the Sector Law;
Supply of Water	for the purposes of this licence, undertaking any of the following activities: <ul style="list-style-type: none"> a) supply any Premises with Water purchased in bulk from an Operating Company; b) supply of any Premises with Water purchased in wholesale from a Licensee (other than an Operating Company); c) application of a tariff in respect of the supply of Water in accordance with the provisions of the Sector Law;



and **Water Supplier** shall be construed accordingly;

Tariff	each of the tariffs that a Customer is obliged to pay (whether bundled or otherwise) in consideration of Water Transportation and Supply services, Wastewater Collection and Transportation and treatment services, and/or Treated Effluent Transportation and Supply services, excluding Bulk Supply Tariff and Wholesale Supply Tariff;
Trade Effluent	any Wastewater discharged to a Wastewater Network or collected by tankers which is produced in the course of any industrial, commercial, agricultural, medical, scientific or trade activity, but does not include domestic Wastewater;
Trade Premises	any Premises used or intended to be used for any industrial, commercial, agricultural, medical, scientific or trade activity;
Treated Effluent or TE	Wastewater which has been treated in Wastewater treatment Facilities according to established standards;
Treated Effluent Transportation	the transportation of Treated Effluent to any distribution point, connection point, or Premises, whether by a Treated Effluent Network or by road or marine tanker or other form of transportation and all operational activities related to Treated Effluent Transportation (including planning, implementing, altering and/or maintaining of Connections between the relevant Treated Effluent Network and Premises);
Wastewater	sewage and other liquid or semi-liquid wastes discharged from residential, commercial, industrial, agricultural, laboratory or other Premises;
Wastewater Collection and Transportation	the collection of Wastewater from Premises, whether by means of a Wastewater Network or road tanker or other form of transportation, and delivery of Wastewater to Wastewater treatment facilities, and all operational activities including planning, implementing, altering and/or maintaining Connections from Premises to the relevant Wastewater Network in order to do so;
Wastewater Treatment and Disposal	the treatment of Wastewater and discharge of Treated Effluent and Sludge and other by products of such treatment including any transportation required for such disposal;

Wastewater Network	pipes and related equipment used for the transportation of Wastewater from any Premises to a Wastewater treatment Facility;
Water	potable water according to the standards approved by the Competent Authority, and demineralised water;
Water Network Code	the rules which Operating Company and Licensee shall prepare and maintain after the approval of the Authority which particularly contains aspects relating to the operation of Water Network and Water quality;
Water Resource Allocation	the manner in which decisions are made and issued by the Licensee on a continuous basis as to the optimum source of Supply of Water in respect of its Authorised Area;
Water Transportation	the transportation of Water in bulk to any Premises, whether by Water Network or by road or marine tanker or other transportation and all operational activities related to Water transportation (including the planning, implementing, altering and/or maintaining of Connections from Premises to the relevant Water Network), and the application of Tariffs in respect of such Connections in accordance with the applicable laws and regulations;
Wholesale Supply	the Supply of Water or TE, as the case may be, by a Licensee to another Licensee pursuant to a Wholesale Supply agreement and Wholesale Supplier shall be construed accordingly ;
Wholesale Supply Tariff	the tariff charged by the Licensee for Wholesale Supply which shall be calculated in respect of each calendar year on the basis prescribed by the Authority;

7. Interpretations and Construction

For the purpose of this Licence:

- (a) where any obligation of the Licensee is required to be performed within a specified time limit that obligation shall be deemed to continue after that time limit if the Licensee fails to comply with that obligation within that time limit;
- (b) in construing a Condition, the heading or title of any Condition or paragraph shall be disregarded;
- (c) any reference to any numbered Condition is a reference to the Condition bearing that number or prefix in this Licence and any reference to a paragraph is to the paragraph bearing that number or prefix in the Condition in which the reference occurs;

- (d) terms used in this Licence shall, unless the context otherwise requires, have the same meaning as ascribed to them in the Sector Law; and
- (e) A reference to a law, regulations, directives, codes or other document issued by the Authority shall be construed to refer to such law, regulations, directives, codes or other document as may have been modified or replaced from time to time.
- (f) Unless the context requires otherwise, words importing the singular include the plural and vice versa.

PART II STANDARD CONDITIONS

Condition 1: General

The Conditions set out in Part II of this Licence shall apply, unless otherwise stated, to each Business of the Licensee.

Condition 2: Prohibited Activities and Cross-Ownership

- 2.1 The Licensee shall, in carrying out the Licensed Activities, comply at all times with the Sector Law and all regulations, decisions and directives issued by the Authority.
- 2.2 The Licensee shall not hold any economic interest, whether by the ownership of shares or otherwise, in any other Licensee unless the Authority determines otherwise, if the public interest requires that.
- 2.3 For the purposes of the paragraph 2.2 of this Condition, the Licensee shall immediately inform the Authority for any case or event may constitute a potential economic interest in any other Licensee, and adheres with any guidelines, decisions, and determinations which are issued by the Authority in this regard.

Condition 3: Implementation and Compliance With the Water Network Code

- 3.1 The Licensee shall, to the extent that the same is applicable to it, shall comply with the provisions of the Water Network Code.
- 3.2 The Authority may (following consultation with the other relevant Licensees) issue directions relieving the Licensee of its obligation under paragraph 3.1 in respect of such parts of the Water Network Code, and to such extent, as may be specified in those directions.

Condition 4: Metering and Billing Arrangements

The Licensee shall comply with the metering requirements specified in the Water Network Code or by the Authority's directives.

Condition 5: Language

Whenever a Condition of this Licence requires the preparation or publication of any code, including a code of practice or other document, then, save to the extent that the Authority agrees otherwise, each such code or document shall be so prepared, produced or published in both the Arabic and English languages.

Condition 6: Health and Safety

- 6.1 The Licensee shall comply with all laws and regulations relating to the health and safety of its employees and of the public.
- 6.2 The Licensee shall establish a written health and safety policy, together with details of the management.

Condition 7: Disposal of Assets

- 7.1 The Licensee shall not:
- (a) Transfer this Licence or its interests in this Licence or to this Licence (nor any part thereof) without the prior written consent of the Authority;
 - (b) create, or agree to create, or permit to exist, any security or encumbrance whatsoever or effect a Disposal of or relinquish operational control over any Relevant Asset, or effect a Disposal of or relinquish control over liabilities, in connection with the Licensed Activities, other than with the prior written consent of the Authority.

- 7.2 In this Condition:

Disposal includes any sale, gift, exchange, assignment, lease, licence, loan, mortgage, charge or the grant of any encumbrance or the permitting of any other encumbrance to subsist or any other disposition and **dispose** and cognate expressions shall be construed accordingly;

Relevant Asset means any asset (whether owned, leased or licenced) which is necessary to enable the Licensee to undertake the Licensed Activities in accordance with the provisions of the Sector Law and this Licence, including any interest in land upon which any such asset is situated; and

Relinquishment of

operational control includes, without limitation, entering into any agreement or arrangement whereby operational control of a Relevant Asset is not or ceases to be under the sole management of the Licensee.

- 7.3 The Authority may oblige the Licensee to transfer its relevant assets or businesses pertaining to its regulated activities to another Licensee or acquire any assets or businesses assigned to other Licensee or under the control of other Licensee in accordance with the following procedures:
- (a) The Licensee shall prepare and submit to the Authority for its approval, transfer or acquisition plan during the period specified by the Authority;
 - (b) The Licensee shall negotiate with other Licensee and endeavour to agree a transfer or acquisition agreement within the period specified by the Authority. The Licensee shall keep the Authority informed of the progress of such negotiation and notify it promptly of any issues that may hinder such negotiations and inform the Authority immediately about any progress or handicaps that may preclude conclusion the required agreement.

- (c) The Licensee shall ensure the concluded agreement shall comply with the Sector Law and shall provide to the Authority copies before execution for the Authority's approval; and furnish these agreements to the Authority.
- (d) In the event that the Licensee and other Licensee fail to reach the transfer or acquisition agreement, during the period specified by the Authority, the Authority shall issue a binding determination in this regard, including the basis and terms of any relevant transfer or acquisition.

Condition 8: Provision of Information to the Authority

- 8.1 The Licensee shall furnish to the Authority, in such manner and at such times as the Authority may require, such information and shall procure and furnish to it such reports as the Authority may consider necessary in the light of the Conditions or as it may require for the purpose of performing the functions assigned to it by or under the Sector Law.
- 8.2 Without prejudice to the generality of paragraph 8.1, the Authority may call for the furnishing of accounting information which is more extensive than, or differs from, that required to be prepared and supplied to the Authority under Condition 11.
- 8.3 In this Condition, "information" shall include any documents, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Authority) of any description and in any format specified by the Authority.

Condition 9: Co-operation With and Provision of Information to Other Licensees

- 9.1 The Licensee shall furnish to any Licensee as the Authority may direct, in such manner and at such times as the Authority may direct, such information as the Authority may consider necessary to enable such Licensee to perform the functions assigned to it under the Sector Law or its Licence.
- 9.2 The Licensee shall co-operate, to such extent as the Authority may direct, with any relevant Licensee in performing its functions under the Sector Law and this Licence so as to enable any such Licensee to perform its functions under the Sector Law and its Licence.

Condition 10: Annual Licence Fees

- 10.1 The Licensee shall, at the request of the Authority, pay the annual licence fee in the amount and at the times specified in writing by the Authority.
- 10.2 The annual licence fee in respect of each year shall:
 - (a) cover proportion levied on the Licensee of the likely operational and capital expenses of the Authority, as approved by the Authority, as well as other costs associated with the Authority carrying out its duties and functions under the Sector Law;
 - (b) be paid by the Licensee to the Authority during the year to which it relates in four equal quarterly instalments, the first such instalment being payable within thirty (30) days of the date upon which the Authority gives notice to the Licensee of its amount.

- 10.3 The difference, if any, between the annual licence fee paid by the Licensee and the actual proportion of the costs referred to in 10.2(a) shall be adjusted by the Authority when calculating the following year's annual licence fee.

Condition 11: Accounts for Separate Businesses and Regulatory Accounts

- 11.1 This Condition shall unless otherwise approved by the Authority apply to each Separate Business for the purpose of ensuring that the Licensee (and any Affiliate) maintains accounting and reporting arrangements which are prepared with such Regulatory Accounting Guidelines as may be in force from time to time and such other accounting standards as may be approved from time to time by the Authority which enable:

- (a) separate accounts to be prepared for each Separate Business showing the financial affairs of each such Separate Business; and
- (b) those accounts to be prepared in accordance with accounting standards approved from time to time by the Authority.

- 11.2 The Licensee shall unless otherwise approved by the Authority in respect of each Separate Business:

- (a) keep or cause to be kept for each of its financial years and in the manner referred to in this Condition:
 - (i) such accounting records in respect of each Separate Business as would be required to be kept in respect of each such business if it were carried on by a separate Company, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, each Separate Business are separately identifiable in the books of the Licensee (and any Affiliate) from those of any other business; and
 - (ii) such other accounting records in respect of each Business as may be required by the Authority;
- (b) prepare on a consistent basis from such accounting records in respect of:
 - (i) each financial year, accounting statements comprising a profit and loss account, balance sheet and a statement of cash flow, together with notes thereto, and showing separately in respect of each Separate Business and in appropriate detail the amounts of any revenue, cost, asset, liability, reserve or provision which has been either:
 - (A) charged from or to any other business (whether or not a Separate Business) together with a description of the basis of that charge; or
 - (B) determined by apportionment or allocation between any Separate Business and any other business (whether or not a Separate Business) together with a description of the basis of the apportionment or allocation; and
 - (ii) such other financial statements as may be required by the Authority;



- (c) ensure, in respect of the accounting statements prepared in accordance with this Condition in respect of a financial year, a report by auditors and addressed to the Authority stating whether in their opinion those statements have been properly prepared in accordance with this Condition and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the Separate Business to which the statements relate; and
 - (d) delivery to the Authority:
 - (i) the auditor's report referred to in paragraph 11.2 (c); and
 - (ii) the accounting statements referred to in paragraph 11.2 (b)(i),as soon as reasonably practicable, and in any event not later than six (6) months after the end of the financial year to which they relate in the case of the accounting statements referred to in paragraph 11.2 (b)(i) and the auditor's report referred to in paragraph 11.2 (c).
- 11.3 Unless the Authority so specifies in directions issued for the purpose of this Condition or with its prior written approval, the Licensee shall not, in relation to the accounting statements in respect of a financial year, change the basis of charge or apportionment or allocation referred to in paragraph 11.2 (b)(i) from those applied in respect of the previous financial year.
- (a) Where, in relation to the accounting statements in respect of a financial year, the Licensee has changed such bases of charge or appointment or allocation from those adopted for the immediately preceding financial year, the Licensee shall, if so directed in directions issued by the Authority, in addition to preparing accounting statements on the bases which it has adopted in respect of that financial year, prepare accounting statements on the bases applied in respect of the immediately preceding financial year.
- 11.4 Accounting statements in respect of a financial year prepared under paragraph 11.2 (b)(i) shall, unless otherwise approved by the Authority having regard to the purposes of this Condition:
- (a) have the same content and format (in relation to each Separate Business) as the annual accounts of the Licensee prepared under relevant law;
 - (b) conform to the best commercial accounting practices and accounting standards or such other standards as may be notified to the Licensee by the Authority from time to time;
 - (c) state the accounting policies adopted; and
 - (d) (with the exception of the part of such statement which shows separately the amounts charged, apportioned or allocated and describes the bases of charge or apportionment or allocation respectively), be prepared and provided with the annual accounts of the Licensee.
- 11.5 References in this Condition to costs or liabilities of, or reasonably attributable to, any Separate Business shall be construed as excluding taxation, capital liabilities which do not

relate principally to a particular Separate Business, and interest thereon and references to profit and loss account shall be construed accordingly.

Condition 12: Prohibition of Conflict of Interest and Cross-Subsidies

- 12.1 The Licensee shall ensure that none of its Business give any direct or cross subsidy to nor receive any direct or cross subsidy from any other Business of the Licensee or any Affiliate.
- 12.2 The Licensee must not, at all times, permit there to be any direct or indirect conflict of interest in its Business or the business of its subsidiaries involving any of its employees or directors or any employees or directors of the Authority, and the Board of Directors or any of the Authority's employees, and this includes all its business or the business of its subsidiaries.

Condition 13: Insurance Against Third Party Liability

- 13.1 The Licensee shall, in respect of its Licensed Activities, maintain insurance (including Self-Insurance) against third party liabilities in terms approved by the Authority (including, but without limitation, with respect to type, cover, level and identity of insurer) with any Modification.
- 13.2 In this Condition:

Self-Insurance means the Licensee's financial capacity to meet any liability to a third party in respect of which the Licensee does not otherwise have insurance.

Condition 14: Environmental Matters

- 14.1 The Licensee shall comply with the environmental laws and regulations relevant to its operations.
- 14.2 The Licensee is required to submit an annual environmental report to the Authority in such form as the Authority may prescribe evidencing its compliance with applicable environmental requirements under environmental laws and regulations.

Condition 15: Regulatory Compliance

The Licensee shall comply with all conditions of this license, regulations, decisions and directives issued by the Authority from time to time. Failing to do so, the Licensee shall be subject to any sanction stipulated in the Sector Law and this without prejudice of other sanctions provided in the licence or any relevant regulations.

Condition 16: SCADA and DCS Cyber Security

- 16.1 The Licensee shall, in carrying out the Licensed Activities, safeguard and protect its SCADA and DCS Systems from Cyber Security threats, in all circumstances in accordance with applicable law and relevant regulations from Competent Authorities.



- 16.2 The Licensee shall at all times act in accordance with guidance and directions issued to it by the Authority concerning SCADA and DCS Cyber Security and all applicable laws and regulations, and to take all necessary actions to comply with the mandatory standards.

For the purposes of this Condition:

Cyber Security means the tools, policies, security concepts, security safeguard, guidelines, risk management approaches, actions, training, best practices, assurance and technologies used to protect and safeguard SCADA and DCS from threats to the availability and integrity of those networks, and the confidentiality of data held by those networks and/or exchanged with other networks. The general security objectives comprise the following:

- availability,
- integrity, which may include authenticity and non-repudiation; and
- confidentiality;

SCADA and DCS Systems means all Supervisory Control and Data Acquisition (SCADA) and Distributed Control Networks (DCS) which directly or indirectly enable the Licensee to monitor and/or control industrial operational processes when undertaking the Licensed Activities.

Condition 17: Non-Discrimination

In carrying out the Licensed Activities, the Licensee shall not create any undue preference in favour of, and shall not unduly discriminate against, any Person or class of Persons.

Condition 18: Guaranteed and Overall Standards of Performance

18.1 The Licensee shall conduct all the Businesses in the manner that it reasonably considers appropriate to achieve the guaranteed and overall standards of performance proposed by the Licensee and approved by the Authority from time to time.

18.2 Within three (3) months of the grant of this Licence, the Licensee shall prepare and submit to the Authority for its approval, and thereafter adhere to the approved performance standards which shall:

- (a) identify the standards of overall performance to which it shall be obliged to adhere from time to time;
- (b) state the guaranteed standards of performance in relation to specific matters to which it shall be required to adhere from time to time; and
- (c) specify the financial compensation which it shall make to Customers in the event that the guaranteed standards of performance referred to in sub-paragraph 18.2(b) are not complied with.

18.3 The Licensee shall implement the approved performance standards and shall propose to the Authority, for its approval, procedures for monitoring compliance with the same. The Licensee shall comply with the approved procedures.

- 18.4 The Licensee shall review and, if appropriate, propose amendments to the standards, quality of service and/or procedures developed in accordance with this Condition as directed by the Authority.
- 18.5 The Licensee shall provide to the Authority such information and analysis as the Authority may require it to provide from time to time for the purpose of establishing whether or not the Licensee's overall performance meets the performance standards established pursuant to this Condition.
- 18.6 The Licensee shall from time to time publish in such manner as the Authority may direct statistics identifying the extent to which its performance meets, or fails to meet, the performance standards established pursuant to this Condition.
- 18.7 This Condition is without prejudice to Condition 15.

Condition 19: Economic Purchase

- 19.1 The Licensee shall do such things as are necessary to ensure that all goods, assets and services which are purchased by it or are otherwise acquired by it are purchased or otherwise acquired and managed on an Economic Purchase basis.
- 19.2 Any contracts or arrangements for the purchase of goods, assets and services from an Affiliate shall be on an arm's length basis.
- 19.3 For the purpose of this Condition, "an arm's length basis" means a basis on which a Person would, in the normal course of business, do business with an entity which is not an Affiliate of that Person.

Condition 20: Omani Content and Omanisation

- 20.1 The Licensee shall in conducting the Licensed Activities promote and encourage the employment and training of Omani nationals and otherwise comply with and procure compliance with the Government's policy and relevant legislations and regulations from time to time in respect of Omanisation and Omani Content.
- 20.2 The Licensee shall, on an annual basis (or at such other intervals as the Authority may direct from time to time) prepare and submit to the Authority a statement setting out how the Licensee is complying and proposes to continue to comply with the Government's policy for the time being in respect of Omanisation and Omani Content.
- 20.3 Without prejudice to paragraph (20.1 and 20.2) of this condition, the Licensee shall use reasonable endeavours to ensure that its contractors, suppliers, service providers and all other entities which the Licensees enter into a contracts with for the provisions of goods, services and / or labour must include provisions: (i) requiring such contractors, suppliers, service providers and / or other entities to comply at all times with applicable Omanisation requirements and regulations; (ii) making failure to comply with Omanisation requirements and regulations grounds for termination of the relevant agreement by the Licensee.

Condition 21: Settlement

The Licensee shall, for each agreement entered into by it pursuant to the Licensed Activities, prepare, process, issue and settle invoices, as required, in accordance with the terms and timescales stipulated in such agreements.

Condition 22: Customer Complaint Handling Procedures

- 22.1 The Licensee shall, within three (3) months of the grant of this Licence, establish and thereafter adhere to procedures for handling complaints from Customers about the manner in which the Licensee conducts the Supply of Water Business and/or the Wastewater collection and disposal Business and/or the Supply of Treated Effluent Business.
- 22.2 The Licensee shall, whenever requested to do so by the Authority, review the procedures established in accordance with paragraph 22.1, and the manner in which the procedures have been operated, with a view to determining whether any Modification should be made to the procedures or to the manner of their operation.
- 22.3 In establishing procedures in accordance with paragraph 22.1, and in carrying out any review (including in accordance with paragraph 22.2), the Licensee shall consult with all, or a representative sample (approved by the Authority) of, Persons likely to be affected thereby, including (i) Customers who receive a Supply of Water; (ii) Customers to whom Wastewater collection and discharge is provided; and (iii) Customers who receive a Supply of Treated Effluent, all by the Licensee. The Licensee shall have regard to any representations made about the procedures or the manner in which they are likely to be or have been operated.
- 22.4 Any procedure established in accordance with this Condition shall specify the periods within which it is intended that different descriptions of complaints should be processed and resolved.
- 22.5 The Licensee shall submit the procedures established in accordance with paragraph 22.1, and any revision of them which (after consultation in accordance with paragraph 22.3) is proposed to be made, to the Authority for its approval.
- 22.6 The Licensee shall:
- (a) send a copy of the procedures and any revision of them (in each case, after it has been approved by the Authority) to the Authority;
 - (b) make a copy of the procedures (as from time to time revised) available for inspection by the Customers and
 - (c) give or send free of charge a copy of the procedures (as from time to time revised) to any Person who requests them.

Condition 23: Co-ordination of Separate Businesses

- 23.1 The Licensee shall, within three (3) months of the grant of this Licence propose to the Authority, for its approval, procedures to ensure that:

- (a) the activities of the Businesses are co-ordinated such that any Persons dealing with one or more Businesses are, in so far as reasonably possible, able to deal with one or more Businesses via one point of contact only; and
- (b) any Persons wishing to obtain more than one service from the Licensee shall, in so far as reasonably practicable, be able to enter into one agreement with the Licensee which deals with all terms related to such services.

23.2 The Licensee shall implement such procedures as are approved by the Authority for achieving the objectives referred to at paragraph 23.1(a) and 23.1(b) and shall review, and as appropriate, modify those procedures as directed by the Authority.

Condition 24: Licensee Capabilities

The Licensee shall ensure that it retains, maintains and develops, for the duration of the Licence, the technical capabilities, personnel and financial capability necessary for the undertaking of its Licensed Activities in accordance with the Sector Law and the terms of this Licence.

Condition 25: Suspension and Revocation

25.1 The Authority may, at any time, suspend or revoke this Licence by not less than 30 days' notice in writing to the Licensee:

- (a) if the Licensee agrees in writing with the Authority that this Licence should be revoked;
- (b) if the Licensee ceases to carry on Licensed Activities for a period exceeding 30 days, except where the Authority is satisfied that this has occurred as a result of events beyond the reasonable control of the Licensee, in which case the Authority shall substitute such longer period as it considers reasonable in the circumstances;
- (c) if any amount payable under Condition 10 of this Licence is unpaid for a period of 30 days after the date it has become due and remains unpaid for a period of 30 days after the Authority has given the Licensee notice in writing that the payment is overdue;
- (d) if the Licensee fails to perform any of its Licence duties or statutory duties, or found in breach of the provisions of the Law, the conditions of the Licence or the regulations, the decisions or the directives issued pursuant to the provisions of the Law;
- (e) if the Licensee has been adjudicated insolvent;
- (f) on expiry of the duration of the existence of the Licensee as specified in its constitutional documentation;
- (g) if the Licensee suffers a change in the Control without the Authority's prior written approval, provided that, in considering whether or not to give such approval, the Authority's primary consideration shall be whether, in all the circumstances, (1) the Person acquiring Control is a fit and proper Person to do so and (2) the change of Control would necessarily cause a breach of the Sector Law or a provision of this Licence; or

- (h) It is found that the issue of this Licence was based on inaccurate and/or incorrect information provided by the Licensee and the Licensee has been convicted of such an offence in respect of the provision of such inaccurate or incorrect information in violation of the Sector Law.
- (i) If the public interest so require.

For the purpose of paragraph 25.1(g), there is a change in the Control of the Licensee whenever a Person obtains Control of the Licensee who did not have Control of the Licensee prior to that change.

- 25.2 The Authority shall give to the Licensee not less than fifteen (15) days to respond to the notice to suspend or revoke the Licence and shall consider any responses received. Where responses are made but the Authority remains satisfied that one or more of the circumstances in paragraph 25.1 applies and that it should suspend or revoke this Licence, it shall confirm this to the Licensee, and the suspension or revocation shall take effect at the end of the thirty (30) days period specified in paragraph 25.1.

PART III – WATER SECTOR LICENSED ACTIVITIES STANDARD CONDITIONS

Condition 26: General

The Conditions stipulated in Part III of this Licence shall apply to the Licensee's Water Sector Licensed Activities .

Condition 27: Water Quality Standards

- 27.1 The Licensee shall comply with Water quality standards as determined by the Authority or any standards or codes or any regulation or guidelines.
- 27.2 The Licensee shall monitor, verify and report to the Authority on an ongoing basis the compliance with the Water quality standards.



PART V – WASTEWATER SECTOR LICENSED ACTIVITIES AND TREATED EFFLUENT SECTOR LICENSED ACTIVITIES STANDARD CONDITIONS

Condition 28: General

The Conditions stipulated in Part V of this Licence shall apply to the Licensee's Wastewater Sector Licensed Activities and Treated Effluent Sector Licensed Activities only.

Condition 29: Avoidance of Public Nuisance

- 29.1 The Licensee shall take all reasonable measures to plan, design, construct, operate and maintain the Wastewater Network so as to minimise public nuisances such as wastewater flooding and odour emissions arising from the Wastewater Network.
- 29.2 The Licensee shall keep a record of customer complaints associated with public nuisance as part of the procedure established pursuant to Condition 22.
- 29.3 The Licensee shall take all necessary steps (in an efficient and timely manner) to remedy such customer complaints under paragraph 29.2.
- 29.4 The security standards prepared and approved pursuant to Condition 49 shall contain standards for the planning, design, construction, operation and maintenance of the Wastewater Network to enable the Licensee to meet its obligations under this licence.
- 29.5 The Licensee shall furnish the Authority with such information as to matters relating to compliance with this Condition as the Authority may from time to time direct.

PART VI - WATER TRANSPORTATION SPECIAL CONDITIONS

Condition 30: General

The Conditions set out in Part VI of this Licence shall apply to the Licensee's Water Transportation Business only.

Condition 31: Security Standards and Efficient and Economic Water Network

- 31.1 The Licensee shall, as soon as practicable after the date upon which this Licence is granted and in any event not later than such date as the Authority shall specify in directions issued to the Licensee for the purposes of this Condition from time to time thereafter, prepare security standards for the Licensee's Water Network and the Licensee shall send the security standards to the Authority for approval.
- 31.2 The Licensee shall, within three (3) months of the grant of this Licence, draw up and submit to the Authority for its approval a statement setting out criteria by which the performance of the Licensee in maintaining its Water Network security and availability and the quality of service it provides may be measured and assessed by the Authority. The statement shall include:
- (a) detailed definitions of the indices used, the calculations used to derive them and the procedures put in place to audit their validity; and
 - (b) criteria relating to at least the following:
 - (i) technical and non-technical losses; and
 - (ii) such other criteria as the Authority may require.
- 31.3 The Licensee shall, at such times and in such form as the Authority may require, produce to the Authority an annual report relating to the performance of the Licensee measured against the criteria established for that purpose pursuant to paragraph 31.2
- 31.4 The Licensee shall:
- (a) plan and develop its Water Network in accordance with the approved Water Network security standards, the Water Network Code and such other standards of planning as the Licensee may, following consultation (where appropriate) with any other Licensees liable to be materially affected thereby and with the approval of the Authority, adopt from time to time; and
 - (b) undertake or procure the financing operation and maintenance of the Water Network in a safe, efficient and economic manner and in accordance with the security standards prepared pursuant to paragraph 31.1, and the Water Network Code and such other standards of operation and maintenance as the Licensee may, following consultation (where appropriate) with any other Licensees liable to be materially affected thereby and with the approval of the Authority, adopt from time to time.



Condition 32: Duty to Offer Terms for Connection to the Licensee's Water Network

32.1 On application to the Licensee, by a Person who is the owner or occupier of Premises, requiring the Licensee to provide or modify a Connection to those Premises for the Supply of Water, the Licensee shall (subject to paragraph 32.5) offer to enter into an agreement for Connection, or for Modification to an existing Connection, of those Premises to the Licensee's Water Network and such offer shall make detailed provision regarding:

- (a) the carrying out of works (if any) required to Connect the Licensee's Water Network to the relevant Premises (or modify an existing Connection to the relevant Premises) for the Supply of Water and for the obtaining of any consents necessary for such purpose;
- (b) the carrying out of works (if any) in connection with the extension or reinforcement of the Licensee's Water Network rendered (in the Licensee's opinion) appropriate or necessary by reason of the making the relevant Connection or Modification to an existing Connection and for the obtaining of any consents necessary for such purpose;
- (c) the installation of appropriate metering equipment (if any) required to enable the Licensee to meter the flow of Water accepted into the Premises at the specified entry point or points or leaving such Water Network at the specified exit point or points;
- (d) the date by which any works required to permit access to the Licensee's Water Network (including for this purpose any works to reinforce or extend the Licensee's Water Network) shall be completed;
- (e) the Connection charges to be paid to the Licensee (as determined in accordance with Condition 33 ; and
- (f) such further terms as are or may be appropriate for the purpose of the agreement.

32.2 If requested by any Person in a notice pursuant to paragraph 32.1, the Licensee's offer made pursuant to paragraph 32.1 shall be made on both of the following alternative bases;

- (a) the Licensee carrying out or procuring the carrying out of all works referred to in the offer; and
- (b) the applicant carrying out or procuring the carrying out of all or some of those works referred to in the offer that are not necessarily required to be undertaken by the Licensee, as specified by the applicant in its application,

and, if paragraph 32.2(b) applies, the Licensee's offer shall contain:

- (i) a technical specifications of all works in the offer that are not necessarily required to be undertaken by the Licensee; and
- (ii) all such other information as may be required (including requirements (if any) for a representative of the Licensee to attend work carried out by the applicant), as may be necessary or desirable to enable the applicant to plan, cost and procure the carrying out of the relevant works.



- 32.3 For the purpose of determining an appropriate proportion of the costs directly or indirectly incurred in carrying out works under an agreement for making a Connection or Modification to an existing Connection, the Licensee shall have regard to:
- (a) the benefit (if any) to be obtained or likely in the future to be obtained by the Licensee or any Person other than the applicant as a result of carrying out such works whether by reason of the reinforcement or extension of the Licensee's Water Network or the provision of additional entry or exit points on such Water Network or otherwise; and
 - (b) the ability or likely future ability of the Licensee to recoup a proportion of such costs from third parties.
- 32.4 The Licensee shall offer terms for agreements in accordance with paragraph 32.1 above as soon as practicable and, in any event, taking into account any prescribed periods in the Water Network Code.
- 32.5 The Licensee shall not be obliged by this Condition to offer to enter or to enter into any agreement if:
- (a) to do so would be likely to put the Licensee:
 - (i) in breach of the Sector Law;
 - (ii) in breach of regulations made pursuant to the Sector Law;
 - (iii) in breach of the Water Network Code;
 - (iv) in breach of the Conditions; or
 - (v) the Person making the application does not undertake to be bound insofar as applicable to it, by the terms of the Water Network Code from time to time in force.
- 32.6 The Licensee shall not effect any Connection or modification without first having entered into a Connection Agreement or amend it –as the case may be- with the applicant.
- 32.7 Without prejudice to the Sector Law, any dispute between the Licensee and any Person to whom the Licensee is obliged to make an offer pursuant to paragraph 32.1 (and whether as to the making of an offer, the terms offered, the proposed charges or otherwise) may, upon the application of that Person, be determined by the Authority and the Licensee shall comply with and be bound by any such determination.

Condition 33: Charges for Connection to the Licensee's Water Network

Connection Charges

- 33.1 The Licensee shall charge only Tariffs for Connection to its Water Network which approved by the Authority. Statement of charges for Connection of Water Network
- 33.2 The Licensee shall:

- (a) as soon as practicable and in any event within three (3) months after the grant of this Licence, prepare a statement in relation to the Licensee's Water Network in a form approved by the Authority, setting out the basis upon which the charges for each Connection to the Licensee's Water Network will be made, with such detail as shall be necessary to enable any Person to make a reasonable estimate of the charges to which he would become liable for receiving such services and (without prejudice to the foregoing) including the information set out in paragraph 33.3 below, as appropriate;
- (b) update the statement referred to in paragraphs 33.2 (a) annually or as may otherwise be required by the Authority from time to time; and
- (c) ensure that the statement prepared as provided at paragraphs 33.2 (a), any updates thereof prepared in accordance with paragraph 33.2 (b).

33.3 The statement referred to in paragraph (33.2) shall:

- (a) specify the charges for Connection to its Water Network; and
- (b) shall include such detail as shall be necessary to enable a Customer of any of the categories identified by the Authority (and such classes of Customer which exist within any category of Customer) to determine which level of Tariff it would become liable to pay.

33.4 The Licensee shall send a copy of the statement prepared in accordance with paragraph 33.2 (a), and each revision of such statement in accordance with paragraph 33.2 (b), to the Authority.

33.5 The Licensee shall, give or send a copy of each statement prepared in accordance with paragraph 33.2 (a), or (as the case may be) of the latest revision of such statement in accordance with paragraph 33.2 (b) to any Person who requests a copy of such statement.

33.6 The Licensee may make a charge for each statement given or sent pursuant to paragraph 35.4 of an amount reflecting the Licensee's reasonable costs of providing such statement which shall not exceed the maximum amount specified in directions issued by the Authority for the purpose of this Condition.

Condition 34: Water Network Capability Statement

34.1 The Licensee shall, within twelve (12) months of the grant of this Licence, and thereafter, on an annual basis, prepare a Water Network capability statement, in a form approved by the Authority, in accordance with the Water Network Code, provided that the Authority may, upon application of the Licensee, relieve the Licensee from the obligation to prepare any such statement in respect of any period and any part of parts of its Water Network specified in directions issued to the Licensee by the Authority from time to time for the purpose of this Condition.

34.2 The Licensee shall include in every statement prepared in accordance with paragraph 34.1 above, the information required by that paragraph except that the Licensee may with the prior consent of the Authority omit from any such statement any details as to the capacity, flows or other information, disclosure of which would, in the view of the Authority,



seriously and prejudicially affect the commercial interests of the Licensee or any third party.

- 34.3 The Licensee may periodically revise the information set out in and, with the approval of the Authority, alter the form of the statement prepared in accordance with paragraph 34.1 and shall, at least once in every year this Licence is in force, revise such statement in order that the information set out in the statement shall continue to be accurate in all material aspects.
- 34.4 The Licensee shall, when preparing the statement referred to in paragraph 34.1 of this Condition, ensure that the statement takes due account of information required to be provided to it by Persons bound by the Water Network Code.
- 34.5 The Licensee shall send a copy of the statement prepared in accordance with paragraph 34.1 and of each revision of such statement in accordance with paragraph 34.3 to the Authority. Each such revision shall require to be approved by the Authority and shall not become effective until approved by the Authority.
- 34.6 The Licensee shall, subject to paragraph 34.6, give or send a copy of the statement prepared in accordance with paragraph 34.1 or (as the case may be) of the latest revision of such statement in accordance with paragraph 34.3 approved by the Authority pursuant to such paragraph to any Person who requests a copy of such statement.
- 34.7 The Licensee shall make a charge for any statement given or sent pursuant to paragraph 34.4 of an amount reflecting the Licensee's reasonable costs of providing such a statement which shall not exceed the maximum amount specified in directions issued by the Authority from time to time for the purposes of this Condition.

PART VII SUPPLY OF WATER SUPPLY SPECIAL CONDITIONS

Condition 35: General

The Conditions stipulated in Part VII of this Licence shall apply to the Licensee's Supply of Water Business .

Condition 36: Demand Forecasts and Customer Research

- 36.1 The Licensee shall cooperate with other Licensees to research the demand for Supply of Water in its Authorised Area in accordance with the Water Network Code and shall take receipt of information relating to the demand for the Supply of Water provided to it from other Licensees if any in its Authorised Area.
- 36.2 The Licensee shall forecast all reasonable demand for Supply of Water, within its Authorised area on an ongoing short, medium and long term basis in accordance with the requirements of the Water Network Code and taking into account information received from other Licensees if any as referred in paragraph 36.1 above. The Licensee shall use its best endeavours to ensure that any such forecast is accurate and unbiased.
- 36.3 The Licensee shall provide the forecasts referred to in paragraph 36.2 of this Condition to the Authority and Operating Company together with a description of how, and from what sources, the Licensee expects to meet such reasonable demand in respect of its Authorised Area, having considered all source options and identified the most economic, sustainable and efficient sources of meeting such reasonable demand.
- 36.4 The Licensee shall provide all information relating to the forecasts referred to in paragraph 36.2 to other Licensees in accordance with the Water Network Code.

Condition 37: Duty to Meet All Reasonable Demand Secure Capacity and Output and Obligation to Supply

- 37.1 The Licensee shall secure sufficient capacity and Output to meet all reasonable demand for Water in the most cost-effective manner within its Authorised Area as approved by the Authority.
- 37.2 The Licensee shall meet all reasonable demand for the Supply of Water to Premises located within its Authorised Area which are Connected to its Networks, on a non-discriminatory basis and in accordance with the relevant standards issued by the Authority.

Condition 38: Water Resource Allocation

- 38.1 The Licensee shall develop and implement a Water Resource Allocation plan, which accords with the requirements of the Water Network Code.
- 38.2 The Licensee shall provide to the Authority such information as the Authority shall request concerning the arrangements for Water Resource Allocation, or any aspect of its operation.

Condition 39: Leakage/Loss Control

The Licensee shall comply with Water Network Code or/and the Authority's determinations in relation to reporting to the Authority on any leakage or loss of Water from the Licensee's Water Network.

Condition 40: Emergency Plans and Outages

The Licensee shall, within three (3) months of this Licence coming into force, prepare plans to be approved by the Authority for dealing with emergency situations and unplanned outages setting out steps that the Licensee would take in such situations to mitigate any potential damage or impact on Customers and the precautions to be taken by the Licensee in this regards.

Condition 41: Wholesale Water Purchase and Bulk Water Purchase

- 41.1 The Licensee may contract with other Licensee which carries out a Wholesale Supplier of Water and shall pay to it the Wholesale Supply Tariff approved by the Authority, pursuant to a Wholesale Supply of Water agreement approved by the Authority.
- 41.2 The Licensee may contract with Operating Company for Bulk Supply of Water to the Licensee and shall pay to the Operating Company for the Bulk Supply Tariff approved by the Authority, pursuant to a Bulk Supply of Water agreement approved by the Authority.

Condition 42: Water Supply Terms

- 42.1 Within six (6) months of the grant of this Licence, the Licensee shall prepare and submit to the Authority, for its approval, standard terms and conditions of Supply of Water in respect of each category of Customer identified in the register prepared in accordance with Condition 47. The approved standard terms and conditions shall be included within the terms and conditions of each relevant Supply contract between the Licensee and a Customer.
- 42.2 The Licensee may, and shall wherever requested to do so by the Authority, review the standard terms and conditions of Supply of Water established in accordance with this Condition and the manner in which those terms and conditions have been operated, with a view to determining whether any Modifications should be made to them or any of them or the manner of their operation. Any Modification which may be made to such terms and conditions, or any aspect of them, shall require the prior approval of the Authority.
- 42.3 The Tariff specified in each Supply of Water contract and the tariff which the Licensee shall be entitled to charge each Customer for Supply of Water to such Customer buy the Licensee shall be a Tariff as specified in accordance with the Sector Law.

Condition 43: Tariffs for Water Supply

Supply Tariffs

- 43.1 The Licensee shall charge Customers a Tariff for Supply of Water determined by the Authority.

Statement of Permitted Tariffs and Cost Reflective Tariffs

- 43.2 The Licensee shall:

- (a) as soon as practicable after the grant of this Licence and in any event within twenty eight (28) days of the Tariffs for Supply of Water by the Licensee being established in accordance with the Sector Law, publish a statement setting out the Licensee's Tariffs for Supply of Water; and
- (b) as soon as practicable and in any event within twenty eight (28) days of any change to any Tariff for Supply of Water being made in accordance with the Sector Law, publish a statement setting out the revised Tariffs which are to be applied and the date from which such revised Tariffs are to apply, together with (if known) details of the date upon which such Tariffs are to be the subject of a further review.

43.3 Statements published in accordance with paragraph 43.2 above shall:

- (a) be published in a manner which shall be reasonably easily accessible by Persons who take Supply of Water from the Licensee; and
- (b) shall include such detail as shall be necessary to enable a Customer of any of the categories identified under regulations made under the Sector Law (and such classes of Customer which exist within any category of Customer) to determine which level of Tariff, it would become liable to pay.

43.4 Where the Authority considers that simplified explanatory statements would help Customers understand the detail of a Tariff, the Authority may direct the Licensee to draw up such explanatory statements either as part of or separately from the statements referred to and thereafter to publish them in the statement of Tariffs for Supply, and the Licensee shall be obliged so to do.

Condition 44: Customer Late Payment Code of Practice

- 44.1 The Licensee shall, within three (3) months of this Licence coming into force, prepare a code of practice to be approved by the Authority setting out the methods for dealing with Customers who incur obligations to pay for Water supplied by the Licensee and who have difficulty in discharging those obligations.
- 44.2 The Licensee shall, within three (3) months after the code of practice has been put in place, establish procedures for monitoring the general operation of the arrangements set out in the code of practice and the Licensee's compliance with those arrangements. Procedures in the code of practice shall be submitted to the Authority for approval.
- 44.3 The Licensee shall publish approved code of practice and make it available to the Customers.

Condition 45: Customers With Special Needs Code of Practice

- 45.1 The Licensee shall make arrangements by which special services for Customers who are disabled, chronically sick or of pensionable age, can be made available, where appropriate, for:
 - (a) providing where practicable special controls and adaptors for Water appliances and meters (including prepayment meters) and reposition meters;
 - (b) providing special means of identifying officers authorised by the Licensee;

- (c) giving advice on the use of Water; and
 - (d) arrangements to restrict the disconnection of such Customers.
- 45.2 The Licensee shall, within nine (9) months of this Licence coming into force, or within such other time period as may be stipulated by the Authority, prepare a code of practice describing the special services available and any charges made or to be made to such Customers described in paragraph 45.1 above.
- 45.3 The Licensee shall, whenever requested to do so by the Authority, review the code prepared in accordance with paragraph 45.2, and the manner in which it has been operated, with a view to determining whether any Modification should be made to it or to the manner of its operation.
- 45.4 In preparing the code, and in carrying out any review (including in accordance with paragraph 45.3), the Licensee shall consult with Customers to whom the code applies and shall have regard to any representations made by such Customers about the code or the manner in which it is likely to be or (as the case may be) has been operated.
- 45.5 The Licensee shall submit any revision of the code, which, after consulting Customers in accordance with paragraph 45.4, and such revision shall be provided to the Authority for its approval.
- 45.6 The Licensee shall:
- (a) send a copy of the code and any revision of it (in each case, in the form approved by the Authority) to the Authority;
 - (b) make a copy of the code (as from time to time revised) available for inspection by members of the public at each of the relevant premises during normal working hours; and
 - (c) give or send free of charge a copy of the code (as from time to time revised) to any Person who requests it.

Condition 46: Efficient Use of Water Codes of Practice

- 46.1 The Licensee shall, within six (6) months of the grant of this Licence, prepare a code of practice setting out the ways in which the Licensee will make available to Customers such guidance on the efficient use of Water as will, in the opinion of the Licensee, enable them to make informed judgements on measures to improve the efficiency with which Customers use the Water supplied to them.
- 46.2 The Licensee shall publish the approved code of practice and make it available to the Customers.

Condition 47: Register of Customers

- 47.1 The Licensee shall, within three (3) months of the date of this Licence, prepare and submit to the Authority for its approval a report which identifies each of the different categories of Customer whose Premises are Connected or to be Connected to its Water Network and Supplied or to be Supplied with Water by the Licensee as per applicable regulation and directive of the Authority.

- 47.2 The Licensee shall maintain in the register of all Customers and Premises Supplied by it, details of the date upon which the Supply of Water commenced and (if appropriate) ended.
- 47.3 The Register shall also include details of the category of each such Customer (as specified in regulations issued pursuant to the Sector Law) and as to the other characteristics of such Customer within that category as shall be specified in such regulations.

PART VIII WASTEWATER COLLECTION AND TRANSPORTATION SPECIAL CONDITIONS

Condition 48: General

The Conditions stipulated in Part VIII of this Licence shall apply to the Licensee's Wastewater Collection and Transportation Business only.

Condition 49: Security Standards and Efficient and Economic Wastewater Network

- 49.1 The Licensee shall, as soon as practicable after the date upon which this Licence is granted and in any event not later than such date as the Authority shall specify in directions issued to the Licensee for the purposes of this Condition from time to time thereafter, prepare security standards for the Licensee's Wastewater Network and the Licensee shall send the security standards to the Authority for approval.
- 49.2 The Licensee shall, within three (3) months of the grant of this Licence, draw up and submit to the Authority for its approval a statement setting out criteria by which the performance of the Licensee in maintaining its Wastewater Network security and availability and the quality of service it provides may be measured and assessed by the Authority. The statement shall include:
- (a) detailed definitions of the indices used, the calculations used to derive them and the procedures put in place to audit their validity; and
 - (b) criteria relating to at least the following:
 - (i) infiltration; and
 - (ii) such other criteria as the Authority may require.
- 49.3 The Licensee shall, at such times and in such form as the Authority may require, produce to the Authority an annual report relating to the performance of the Licensee measured against the criteria established for that purpose pursuant to paragraph 49.2.
- 49.4 The Licensee shall:
- (a) plan and develop its Wastewater Network in accordance with the approved Wastewater Network security standards, the Water Network Code and such other standards of planning as the Licensee may, following consultation (where appropriate) with any other Licensees liable to be materially affected thereby and with the approval of the Authority, adopt from time to time;
 - (b) finance, operate and maintain a safe, efficient and economic Wastewater Network in accordance with the security standards prepared pursuant to paragraph 49.1, and the Water Network Code and such other standards of operation and maintenance as the Licensee may, following consultation (where appropriate) with



any other Licensees liable to be materially affected thereby and with the approval of the Authority, adopt from time to time; and

- (c) comply with all laws and regulations relating to the health and safety of its employees and of the public and the Licensee shall use its best endeavors to protect persons and property from injury and damage that may be caused by the Licensee when carrying out the Wastewater and Treated Effluent activities including taking any appropriate measure to mitigate or alleviate any accidents or injuries.

Condition 50: Secure Wastewater Network

- 50.1 The Licensee shall finance, develop, operate, maintain and expand the Wastewater Network in a safe manner in order to meet all reasonable demands for Wastewater Collection and Transportation in the most cost-effective manner within its Authorised Area and in accordance with approved service levels, all in the manner approved by the Authority.
- 50.2 The Licensee shall meet all reasonable demand for the Wastewater Collection and Transportation to Premises located within its Authorised Area which are Connected to its Networks on a non-discriminatory basis and in accordance with relevant standards issued by the Authority.
- 50.3 For the exceptional cases, the Authority may issue specific directives on the case-by-case basis for the Wastewater Collection and Transportation by tankers from the sites or areas which are not connected to the wastewater network.

Condition 51: Duty to Offer Terms for Connection to the Licensee's Wastewater Network

- 51.1 On application to the Licensee, by any Person who is the owner of premises or occupier of Premises, requiring the Licensee to provide or modify a Connection to those Premises for the collection of Wastewater, the Licensee shall (subject to paragraph 51.5) offer to enter into an agreement for Connection, or for Modification to an existing Connection, of those Premises to the Licensee's Wastewater Network and such offer shall make detailed provision regarding:
 - (a) the carrying out of works (if any) required to Connect the Licensee's Wastewater Network to the relevant Premises for the collection of Wastewater and for the obtaining of any consents necessary for such purpose;
 - (b) the carrying out of works (if any) in connection with the extension or reinforcement of the Licensee's Wastewater Network render (in the Licensee's opinion) appropriate or necessary by reason of the making the Connection or modification to an existing Connection and for the obtaining of any consents necessary for such purpose;
 - (c) the installation of appropriate metering equipment (if any) required to enable the Licensee to meter the flow of active and reactive wastewater accepted into the Licensee's Wastewater Network at the specified entry point or points or leaving such Wastewater Network at the specified exit point or points;

- (d) the date by which any works required to permit access to the Licensee's Wastewater Network (including for this purpose any works to reinforce or extend the Licensee's Wastewater Network) shall be completed;
- (e) the Connection charges to be paid to the Licensee (as determined in accordance with Condition 52); and
- (f) containing such further terms as are or may be appropriate for the purpose of the agreement.

51.2 If requested by any Person in its application, the Licensee's offer made pursuant to paragraph 51.1 shall be made on each of the following alternative bases;

- (a) that the Licensee carrying out or procuring the carrying out of all works referred to in the offer;
- (b) the applicant carrying out or procuring the carrying out of all or some part of the works referred to in the offer that are not necessarily required to be undertaken by the Licensee, as specified by the applicant in its application; and
- (c) if paragraph 51.2(b) applies, the Licensee's offer shall contain:
 - (i) a technical specifications of all works in the offer that are not necessarily required to be undertaken by the Licensee; and
 - (ii) all such other information as may be required (including requirements -if any- for a representative of the Licensee to attend work carried out by the applicant), as may be necessary or desirable to enable the applicant to plan, cost and procure the carrying out of the relevant works.

51.3 For the purpose of determining an appropriate proportion of the costs directly or indirectly incurred in carrying out works under an agreement for making a Connection or Modification to an existing Connection, the Licensee shall have regard to:

- (a) the benefit (if any) to be obtained or likely in the future to be obtained by the Licensee or any other Person as a result of carrying out such works whether by reason of the reinforcement or extension of the Licensee's Wastewater Network or the provision of additional entry or exit points on such Wastewater Network or otherwise; and
- (b) the ability or likely future ability of the Licensee to recoup a proportion of such costs from third parties.

51.4 The Licensee shall offer terms for agreements in accordance with paragraph 51.1 above as soon as practicable and (save where the Authority consents to a longer period) in any event:

- (a) not more than two (2) weeks after receipt of an application by the Licensee from any Person which requires no work associated with the requested Connection and contains all such information as the Licensee may reasonably require for the purpose of formulating the terms of the offer; and



- (b) not more than two (2) months after receipt of an application by the Licensee from any Person which requires work to be done to effect the Connection and contains all such information as the Licensee may reasonably require for the purpose of formulating the terms of the offer.
- 51.5 The Licensee shall not be obliged by this Condition to offer or to enter into any agreement if:
- (a) to do so would be likely to involve the Licensee:
 - (i) in a breach of the Sector Law;
 - (ii) in a breach of regulations issued pursuant to the Sector Law;
 - (iii) in a breach of the Water Network Code;
 - (iv) in breach of the licence Conditions; or
 - (v) the Person making the application does not undertake to be bound insofar as applicable to it, by the terms of the Water Network Code from time to time in force.
- 51.6 The Licensee shall not effect any Connection or modification without first having entered into a Connection Agreement or amend it-as the case may be- with the applicant.
- 51.7 Without prejudice to the Sector Law, any dispute between the Licensee and any Person to whom the Licensee is obliged to make an offer pursuant to paragraph 51.1 (and whether as to the making of an offer, the terms offered, the proposed charges or otherwise) may, upon the application of that Person, be determined by the Authority and the Licensee shall comply with and be bound by any such determination.

Condition 52: Charges for Connection to the Licensee's Wastewater Network

Connection Charges

- 52.1 The Licensee shall charge only Tariffs for Connection to its Wastewater Network which are determined by the Authority.

Statement of charges for Connection to Water Network

- 52.2 The Licensee shall:
- (a) as soon as practicable and in any event within three (3) months after the grant of this Licence, prepare a statement in relation to the Licensee's Wastewater Network in a form approved by the Authority, setting out the basis upon which the charges for each Connection to the Licensee's Wastewater Network will be made, with such detail as shall be necessary to enable any Person to make a reasonable estimate of the charges to which he would become liable for the provision of such services and (without prejudice to the foregoing) including the information set out in paragraphs 52.4 or 52.5 below, as appropriate; and
 - (b) update the statement referred to in paragraphs 52.2 (a) annually or as may otherwise be required by the Authority from time to time.

- 52.3 The Statement referred to in paragraph 52.2 (a) shall:
- (a) specify the Tariffs for Connection; and
 - (b) shall include such detail as shall be necessary to enable a Customer of any of the categories identified by the Authority (and such classes of Customer which exist within any category of Customer) to determine which level of Tariff it would become liable to pay.
- 52.4 Permitted Tariffs for Connection will be determined in accordance with regulations made under the Sector Law.
- 52.5 The Licensee may periodically revise the information set out in and, with the approval of the Authority, alter the form of the statement prepared in accordance with paragraph 52.2 (a) and shall, at least once in every year this Licence is in force, revise such statement in order that the information set out in such statements shall continue to be accurate in all material respects.
- 52.6 The Licensee shall send a copy of each statement prepared in accordance with paragraph 52.2, and of each revision of such statements in accordance with paragraph 52.5, to the Authority.
- 52.7 The Licensee shall give or send a copy of each statement prepared in accordance with paragraph 52.2 , or (as the case may be) of the latest revision of such statement in accordance with paragraph 52.8 to any Person who requests a copy of such statement or statements.
- 52.8 The Licensee may make a charge for each statement given or sent pursuant to paragraph 52.7 of an amount reflecting the Licensee's reasonable costs of providing such statement which shall not exceed the maximum amount specified in directions issued by the Authority for the purpose of this Condition.

Condition 53: Requirement to Issue Consent for Discharge of Trade Effluent into Licensee's Network

- 53.1 The Licensee shall not allow any person to discharge its Trade Effluent into the Wastewater Network without a prior consent of the Licensee, such consent shall ensure that the discharge is complied with conditions and stipulations prepared by the Licensee and approved by the Authority.
- 53.2 The Licensee will hold a register of all Customers discharging Trade Effluent to the Wastewater Network in accordance with Condition 58.
- 53.3 Any consent issued by the Licensee with respect to the discharge of Trade Effluent into the Wastewater Network may impose conditions in respect of:
- (a) the location within the Wastewater Network where the Trade Effluent may be discharged;
 - (b) the nature of composition of the Trade Effluent;
 - (c) the maximum quantity of the Trade Effluent to be discharged on any one day;

- (d) the highest rate at which the Trade Effluent may be discharged;
 - (e) the period or periods of the day during which the Trade Effluent may be discharged;
 - (f) the elimination or diminution of any constituent of the Trade Effluent specified by the Licensee before it enters the Wastewater Network;
 - (g) the temperature of the Trade Effluent at the time when it is discharged into the Wastewater Network, and its acidity or alkalinity at that time;
 - (h) the provision and maintenance of such an inspection chamber or manhole as will enable a person readily to take samples, at any time, of what is passing to the Wastewater Network from the Trade Premises;
 - (i) the provision, testing and maintenance of such meters as may be required to measure the volume and rate of discharge of any Trade Effluent being discharged from the Trade Premises into the Wastewater Network in accordance with Condition 56;
 - (j) the keeping of records of the volume rate of discharge, nature and composition of any Trade Effluent and, in particular, the keeping of records of readings of meters and other recording apparatus provided in compliance with any condition attached to the consent;
 - (k) the making of returns and giving of other information to the Licensee concerning the volume, rate of discharge, nature and composition of the Trade Effluent discharged from the Trade Premises into the Wastewater Network; and
 - (l) the time period for which the consent applies, such period not to be limited by the Licensee without good reason (unless with the agreement of the applicant).
- 53.4 The Licensee may request any information in respect of the factors mentioned in paragraph 53.3 and any other relevant information reasonably necessary for it to assess the application for a consent to discharge Trade Effluent into the Wastewater Network.
- 53.5 The Licensee shall make a charge in accordance with Condition 54 for the connection of any Trade Effluent customer to the Wastewater Network, to include any additional requirements in relation to the connection of a Trade Effluent customer compared to a connection in respect of domestic sewage, including but not limited to items which may be specified pursuant to paragraph 53.3.
- 53.6 The Licensee shall make a charge in accordance with the provision of Condition 55 for the provision of Wastewater Collection and Transportation in respect of Trade Effluent discharged into the Wastewater Network which shall take account of, inter alia, the volume, rate of discharge, nature and composition of the Trade Effluent so discharged.
- 53.7 Any person aggrieved by:
- (a) the refusal of the Licensee to give a consent for the discharge of Trade Effluent into the Wastewater Network;



- (b) the failure of the Licensee to give such a consent within a period of two (2) months beginning on the date of application;
- (c) any condition attached by the Licensee to such consent; or
- (d) any charges applied, may appeal to the Authority, whose determination shall be binding on the Licensee.

53.8 Every application or consent made or given under this Condition shall be made in writing.

53.9 The Licensee shall keep records of all consents issued under this Condition and shall make such records available to the Authority and any member of the public free of charge on request.

Condition 54: Wastewater Network Capability Statement

54.1 The Licensee shall, within twelve (12) months of the grant of this Licence, and thereafter, on an annual basis, prepare a Wastewater Network capability statement, in a form approved by the Authority, and in accordance with the Water Network Code, provided that the Authority may, upon application of the Licensee, relieve the Licensee from the obligation to prepare any such statement in respect of any period and any part of parts of its Wastewater Network specified in directions issued to the Licensee by the Authority from time to time for the purpose of this Condition.

54.2 The Licensee shall include in every statement prepared in accordance with paragraph 54.1 above, the information required by that paragraph except that the Licensee may with the prior consent of the Authority omit from any such statement any details as to the capacity or other information, disclosure of which would, in the view of the Authority, seriously and prejudicially affect the commercial interests of the Licensee or any third party.

54.3 The Licensee may periodically revise the information set out in and, with the approval of the Authority, alter the form of the statement prepared in accordance with paragraph 54.1 and shall, at least once in every year this Licence is in force, revise such statement in order that the information set out in the statement shall continue to be accurate in all material aspects.

54.4 The Licensee shall, when preparing the statement referred to in paragraph 54.1 of this Condition, ensure that the statement takes due account of information required to be provided to it by Persons bound by the Water Network Code.

54.5 The Licensee shall send a copy of the statement prepared in accordance with paragraph 54.1 and of each revision of such statement in accordance with paragraph 54.3 to the Authority. Each such revision shall require to be approved by the Authority and shall not become effective until approved by the Authority.

54.6 The Licensee shall, subject to paragraph 54.7, give or send a copy of the statement prepared in accordance with paragraph 54.1 or (as the case may be) of the latest revision of such statement in accordance with paragraph 54.3 approved by the Authority pursuant to such paragraph to any Person who requests a copy of such statement.

54.7 The Licensee shall make a charge for any statement given or sent pursuant to paragraph 54.4 of an amount reflecting the Licensee's reasonable costs of providing such a

statement which shall not exceed the maximum amount specified in directions issued by the Authority from time to time for the purposes of this Condition.

Condition 55: Collection Terms

- 55.1 Within six (6) months of the grant of this Licence, the Licensee shall prepare and submit to the Authority for its approval, standard terms and conditions of collection of Wastewater in respect of each category of Customer identified in the register prepared in accordance with Condition 58. The approved standard terms and conditions shall constitute or be included within the terms and conditions of each relevant Collection contract between the Licensee and a Customer.
- 55.2 The Licensee may, and shall whenever requested to do so by the Authority, review the standard terms and conditions of Wastewater collection established in accordance with this Condition and the manner in which those terms and conditions have been operated, with a view to determining whether any Modifications should be made to them or any of them or the manner of their operation. Any Modification which may be made to such terms and conditions, or any of them, shall require the approval of the Authority.
- 55.3 The tariff specified in each Wastewater collection contract and the Tariff which the Licensee shall be entitled to charge each Customer for Wastewater collected from such Customer by the Licensee shall be a Tariff as specified by the Authority in accordance with the Sector Law.

Condition 56: Tariffs for Collection of Wastewater

Collection Tariffs

- 56.1 The Licensee shall charge Customers a Tariff for Wastewater Collection and Transportation determined by the Authority.

Statement of Tariffs

- 56.2 The Licensee shall:
- (a) as soon as practicable after the grant of this Licence and in any event within twenty eight (28) days of the Permitted Tariffs for supply by it being established, publish a statement setting out the Tariffs for Wastewater Collection and Transportation; and
 - (b) as soon as practicable and in any event within twenty eight (28) days of any change to any Tariff for Collection being made in accordance with the Sector Law, publish a statement setting out the revised Tariffs which are to be applied and the date from which such revised Tariffs are to apply, together with (if known) details of the date upon which such Tariffs are to be the subject of a further review.
- 56.3 Statements published in accordance with paragraph 56.2 above shall:
- (a) be published in a manner which shall be reasonably easily accessible by Persons who are Connected to the Licensee's Wastewater Network; and
 - (b) shall include such detail as shall be necessary to enable a Customer of any of the categories (and such classes of Customer which exist within any category of Customer) to determine which level of Tariff, it would become liable to pay.



- 56.4 Where the Authority considers that simplified explanatory statements would help Customers understand the detail of a Tariff, the Authority may direct the Licensee to draw up such explanatory statements either as part of or separately from the statements referred to and thereafter to publish them in the statement of Tariffs for Collection.
- 56.5 The Licensee shall comply with the arrangements for the determination and disbursement of subsidy developed in accordance with the Sector Law.

Condition 57: Customer Late Payment Code of Practice

- 57.1 The Licensee shall, within three (3) months of this Licence coming into force, prepare a code of practice to be approved by the Authority setting out the methods for dealing with Customers who incur obligations to pay for Wastewater Collection and Transportation by the Licensee and who have difficulty in discharging those obligations.
- 57.2 The Licensee shall, within three (3) months after the code of practice has been put in place, establish procedures for monitoring the general operation of the arrangements set out in the code of practice and the Licensee's compliance with those arrangements. Procedures in the code of practice shall be submitted to the Authority for approval.
- 57.3 The Licensee shall publish the approved code of practice in the manner specified by the Authority and make it available to the public.

Condition 58: Register of Customers

- 58.1 The Licensee shall, within three (3) months of the date of this Licence, prepare and submit to the Authority for its approval a report which identifies each of the different categories of Customer whose Premises are Connected or to be Connected to its Wastewater Network and whose Premises Wastewater is Collected by the Licensee.
- 58.2 The Licensee shall maintain in the register of all Customers and Premises from which Wastewater Collection and Transportation is carried out by it, details of the date upon which the Wastewater Collection and Transportation commenced and (if appropriate) ended.
- 58.3 The Register shall also include details of the category of each such Customer (as specified in regulations issued pursuant to the Sector Law and as to the other characteristics of such Customer within that category as shall be specified in such regulations).

PART IX WASTEWATER TREATMENT AND DISPOSAL SPECIAL CONDITIONS

Condition 59: General

The Conditions stipulated in Part IX of this Licence shall apply to the Licensee's Wastewater Treatment and Disposal Business only.

Condition 60: Safe and Secure Wastewater Treatment Facilities

The Licensee shall construct, own, finance, procure, operate and maintain, whether itself or through third parties all Wastewater treatment Facilities in a safe and secure manner.

Condition 61: Compliance with Standards

The Licensee shall comply with all standards published by Competent Authorities or by the Authority from time to time for the treatment and disposal of Wastewater.

Condition 62: Demand Forecasts and Customer Research

- 62.1 The Licensee shall cooperate with the other Licensees to research into the demand for Wastewater Treatment and Disposal in its Authorised Area in accordance with the Water Network Code and shall receive information relating to the demand for Wastewater Treatment and Disposal from other Licensees in its Authorised Area.
- 62.2 The Licensee shall forecast all reasonable demand for Wastewater Treatment and Disposal, within its Authorised area on an ongoing short, medium and long term basis in accordance with the requirements of the Water Network Code and taking into account information received from other Licensees as referred to in paragraph 62.1 above for the purposes of an accurate estimate on forecasts for Wastewater services and Treated Effluent. The Licensee shall use its best endeavours to ensure that any such forecast is accurate and unbiased.
- 62.3 The Licensee shall provide the forecasts referred to in paragraph 62.2 of this Condition to the Authority and other Licensees.

Condition 63: Treated Effluent and Biosolids

- 63.1 The Licensee shall ensure that all Treated Effluent and biosolids conform to and comply with relevant standard issued by the relevant authorities, including the Authority, from time to time.
- 63.2 The Licensee shall ensure safe discharge or transfer of the Treated Effluent and biosolids to the point of their use or disposal with minimal risk of contact with Water supplies.
- 63.3 The Licensee shall maintain appropriate records, including the location of the disposal sites for Treated Effluent and Biosolids.

PART X SUPPLY OF TREATED EFFLUENT SPECIAL CONDITIONS

Condition 64: General

The Conditions set out in Part X of this Licence shall apply to the Licensee's Supply of Treated Effluent Business only.

Condition 65: Demand Forecasts and Customer Research

- 65.1 The Licensee shall cooperate with the Licensees to research into the demand for Treated Effluent in its Authorised Area in accordance with the Water Network Code and shall receive information relating to the demand for Treated Effluent from other Licensees in its Authorised Area.
- 65.2 The Licensee shall forecast all reasonable demand for Treated Effluent, within its Authorised area on an ongoing short, medium and long term basis in accordance with the requirements of the Water Network Code and taking into account information received from other Licensees as referred to in paragraph 65.1 above. The Licensee shall use its best endeavours to ensure that any such forecast is accurate and unbiased.
- 65.3 The Licensee shall provide the forecasts referred to in paragraph 65.2 of this Condition to the Authority and other Licensees whenever its required.

Condition 66: Wholesale Treated Effluent Purchase and Bulk Treated Effluent Purchase

The Licensee may contract with other Licensee which carries out a Wholesale Supplier of Treated Effluent and shall pay to it the Wholesale Supply Tariff approved by the Authority, pursuant to a Wholesale Supply of treated Effluent agreement approved by the Authority.

Condition 67: Supply of Treated Effluent Terms

- 67.1 Within six (6) months of the grant of this Licence, the Licensee shall prepare and submit to the Authority, for its approval, standard terms and conditions of Supply of Treated Effluent in respect of each category of Customer identified in the register prepared in accordance with Condition 69 of this Licence. The approved standard terms and conditions shall constitute or be included within the terms and conditions of each relevant Supply of Treated Effluent contract between the Licensee and a Customer.
- 67.2 The Licensee may, and shall whenever requested to do so by the Authority, review the standard terms and conditions of Supply of Treated Effluent established in accordance with this Condition and the manner in which those terms and conditions have been operated, with a view to determining whether any Modification should be made to them or any of them or the manner of their operation. Any Modification which may be made to such terms and conditions, or any of them, shall require the approval of the Authority.

Condition 68: Customer Late Payment Code of Practice

- 68.1 The Licensee shall, within three (3) months of this Licence coming into force, prepare a code of practice to be approved by the Authority setting out the methods for dealing with Customers who incur obligations to pay for Treated Effluent supplied by the Licensee and who have difficulty in discharging those obligations.
- 68.2 The Licensee shall, within three (3) months after the code of practice has been put in place, establish procedures for monitoring the general operation of the arrangements set



out in the code of practice and the Licensee's compliance with those arrangements. Procedures in the code of practice shall be submitted to the Authority for approval.

- 68.3 The Licensee shall publish the approved code of practice, in the manner specified by the Authority and make it available to the public.

Condition 69: Register of Customers

- 69.1 The Licensee shall, within three (3) months of the date of this Licence, prepare and submit to the Authority for its approval a report which:
- (a) identifies each of the different categories of Customer whose Premises are Connected or to be Connected to Treated Effluent Network and to whom a Supply of Treated Effluent is, or will be, made by the Licensee.
 - (b) distinguishes between different classes of Customer and, within categories of Customer, between different groups or types of Customer on the basis of the level of consumption, the pattern of consumption over time and the geographical location of the Customers.
- 69.2 The Licensee shall maintain in the register of all Customers and Premises Supplied by it, details of the date upon which the Supply of Treated Effluent commenced and (if appropriate) ended.

PART XI TREATED EFFLUENT TRANSPORTATION SPECIAL CONDITIONS

Condition 70: General

The Conditions set out in Part XI of this Licence shall apply to the Licensee's Treated Effluent Transportation Business .

Condition 71: Security Standards and Efficient and Economic Treated Effluent Network

- 71.1 The Licensee shall, as soon as practicable after the date upon which this Licence is granted and in any event not later than such date as the Authority shall specify in directions issued to the Licensee for the purposes of this Condition from time to time thereafter, prepare security standards for the Licensee's Treated Effluent Network and the Licensee shall send the security standards to the Authority for approval.
- 71.2 The Licensee shall, within three (3) months of the grant of this Licence, draw up and submit to the Authority for its approval a statement setting out criteria by which the performance of the Licensee in maintaining its Treated Effluent Network security and availability and the quality of service it provides may be measured and assessed by the Authority. The statement shall include:
- (a) detailed definitions of the indices used, the calculations used to derive them and the procedures put in place to audit their validity; and
 - (b) criteria relating to at least the following:
 - (i) technical and non-technical losses; and
 - (ii) such other criteria as the Authority may require.
- 71.3 The Licensee shall, at such times and in such form as the Authority may require, produce to the Authority an annual report relating to the performance of the Licensee measured against the criteria established for that purpose pursuant to paragraph 71.2.
- 71.4 The Licensee shall:
- (a) plan and develop its Treated Effluent Network in accordance with the approved Treated Effluent Network security standards, the Water Network Code and such other standards of planning as the Licensee may, following consultation (where appropriate) with any other Licensees liable to be materially affected thereby and with the approval of the Authority, adopt from time to time; and
 - (b) finance, operate and maintain a safe, efficient and economic Treated Effluent Network in accordance with the security standards prepared pursuant to paragraph 71.1, and the Water Network Code and such other standards of operation and maintenance as the Licensee may, following consultation (where appropriate) with any other Licensees liable to be materially affected thereby and with the approval of the Authority, adopt from time to time.

Condition 72: Duty to offer terms for Connection to the Licensee's TE Network

- 72.1 On application to the Licensee, by any Person who is the owner of premises or occupier of Premises, requiring the Licensee to provide or modify a Connection to those Premises for the supply of TE, the Licensee shall (subject to paragraph 72.5) offer to enter into an

agreement for Connection, or for Modification to an existing Connection, of those Premises to the Licensee's TE Network and such offer shall make detailed provision regarding:

- (a) the carrying out of works (if any) required to Connect the Licensee's TE Network to the relevant Premises for the Supply of TE and for the obtaining of any consents necessary for such purpose;
- (b) the carrying out of works (if any) in connection with the extension or reinforcement of the Licensee's TE Network render (in the Licensee's opinion) appropriate or necessary by reason of the making the Connection or Modification to an existing Connection and for the obtaining of any consents necessary for such purpose;
- (c) the installation of appropriate metering equipment (if any) required to enable the Licensee to meter the flow of TE accepted into the Licensee's TE Network at the specified entry point or points or leaving such TE Network at the specified exit point or points;
- (d) the date by which any works required to permit access to the Licensee's TE Network (including for this purpose any works to reinforce or extend the Licensee's TE Network) shall be completed;
- (e) the Connection charges to be paid to the Licensee (as determined in accordance with Condition 52); and
- (f) containing such further terms as are or may be appropriate for the purpose of the agreement.

72.2 If requested by any Person in its application, the Licensee's offer made pursuant to paragraph 72.1 shall be made on each of the following alternative bases:

- (a) that the Licensee carrying out or procuring the carrying out of all works referred to in the offer; and
- (b) the applicant carrying out or procuring the carrying out of all or some part of the works referred to in the offer that are not necessarily required to be undertaken by the Licensee, as specified by the applicant in its application,

and, if paragraph 72.2(b) applies, the Licensee's offer shall contain:

- (a) a technical specifications of all works in the offer that are not necessarily required to be undertaken by the Licensee; and
- (b) all such other information as may be required (including requirements (if any) for a representative of the Licensee to attend work carried out by the applicant),

as may be necessary or desirable to enable the applicant to plan, cost and procure the carrying out of the relevant works.

72.3 For the purpose of determining an appropriate proportion of the costs directly or indirectly incurred in carrying out works under an agreement for making a Connection or Modification to an existing Connection, the Licensee shall have regard to:



- (a) the benefit (if any) to be obtained or likely in the future to be obtained by the Licensee or any other Person as a result of carrying out such works whether by reason of the reinforcement or extension of the Licensee's TE Network or the provision of additional entry or exit points on such TE Network or otherwise; and
 - (b) the ability or likely future ability of the Licensee to recoup a proportion of such costs from third parties.
- 72.4 The Licensee shall offer terms for agreements in accordance with paragraph 72.1 above as soon as practicable and (save where the Authority consents to a longer period) in any event:
- (a) not more than two (2) weeks after receipt by the Licensee from any Person of an application which requires no work associated with the requested Connection and contains all such information as the Licensee may reasonably require for the purpose of formulating the terms of the offer;
 - (b) not more than two (2) months after receipt by the Licensee from any Person of an application which requires work to be done to effect the Connection and contains all such information as the Licensee may reasonably require for the purpose of formulating the terms of the offer.
- 72.5 The Licensee shall not be obliged by this Condition to offer to enter or to enter into any agreement if:
- (a) to do so would be likely to involve the Licensee:
 - (i) in a breach of the Sector Law;
 - (ii) in a breach of regulations issued pursuant to the Sector Law;
 - (iii) in a breach of the Water Network Code; or
 - (iv) in breach of the Licence Conditions; or
 - (v) the Person making the application does not undertake to be bound insofar as applicable to it, by the terms of the Water Network Code from time to time in force.
- 72.6 The Licensee shall not effect any Connection without first having entered into a Connection Agreement with the applicant.
- 72.7 Without prejudice to the Sector Law, any dispute between the Licensee and any Person to whom the Licensee is obliged to make an offer pursuant to paragraph 72.1 (and whether as to the making of an offer, the terms offered, the proposed charges or otherwise) may, upon the application of that Person, be determined by the Authority and the Licensee shall comply with and be bound by any such determination.

SCHEDULE 1 AUTHORISED AREA

The Authorised Area of the Licensee shall extend to Khazaen Economic City as contemplated in maps enclosed with Royal Decree 44/2023 .

**Chairman of Authority for Public Services Regulation
On Behalf of the Authority For Public Service Regulation
25 August 2025**