



مكتب التنظيم و الرقابة
Regulation & Supervision Bureau

Law No (19) of 2007 Amending Certain Provisions of Law No (2) of 1998 Concerning the Regulation of Water and Electricity Sector in the Emirate of Abu Dhabi

IMPORTANT NOTE

This is an unofficial English translation and should not be relied upon in the event of any dispute or legal proceedings. Where there is a conflict between the Regulation and Supervision Bureau's unofficial translation and the original Arabic Law, the Arabic Law will prevail

Law No (19) of 2007

**Law No (19) of 2007
Amending Certain Provisions of Law No (2) of 1998
Concerning the Regulation of Water and Electricity Sector
in the Emirate of Abu Dhabi**

WE KHALIFA BIN ZAYED AL NAHYAN, RULER OF ABU DHABI

Having perused Law No. (1) of 1974 Concerning the Re-organisation of the Government System in the Emirate of Abu Dhabi and the amendments thereof;

AND Law No. (2) of 1971, Concerning the National Consultative Council and its amendments thereof;

AND Law No. (2) of 1998, Concerning the Regulation of Water and Electricity Sector in the Emirate of Abu Dhabi;

AND Law No. (17) of 2005, Concerning the Establishment of Abu Dhabi Sewerage Services Company, which was amended by Law No. (18) of 2007;

And in accordance with what has been submitted to the Executive Council and approved by the Executive Council;

WE issue the following LAW –

ARTICLE (1)

The following definition shall be added to Article (1) of Law No. (2) of 1998, concerning the Regulation of the Water and Electricity Sector in the Emirate:

““Executive Council”: Executive Council of the Emirate of Abu Dhabi;”

ARTICLE (2)

Article (28) of Law No. (2) of 1998 shall be deleted and replaced by the following:

“The Abu Dhabi Power Corporation may sell all or any of its shares in the Abu Dhabi Transmission and Despatch Company or the Abu Dhabi Company for Servicing Remote Areas only after six months from the date of notifying the Regulation and Supervision Bureau of its intention and grant the Regulation and Supervision Bureau’s approval of such sale. The Regulation and Supervision Bureau may shorten the period in consultation with the relevant bodies operating in the water and electricity sector.”

ARTICLE (3)

Paragraph (2) of Article (35) of Law No. (2) of 1998, referred to, shall be replaced by the following:

“In coordination with the Authority and the Regulation and Supervision Bureau and after the Executive Council has granted its approval to the Authority, the Abu Dhabi Water and Electricity Company shall prepare any such invitation to such persons who have the financial capacity and technical and managerial competence to provide such production capacity.”

ARTICLE (4)

A new Article shall be added to Law No. (2) of 1998 following Article 42, stating the following:

- “(1) Each sewerage company, licensed by the Regulation and Supervision Bureau, shall undertake the following duties and responsibilities:*
- (a) develop, maintain and operate safe, efficient and economical networks for collecting, treatment, discharge and disposal of sewerage;*
 - (b) offer to enter into an agreement with relevant persons for connection to sewerage networks;*
 - (c) establish, develop and modify codes and procedures of sewerage collection, treatment, discharge and disposal, and providing all related services in an efficient and economical manner.*
- (2) Any licensed sewerage services operator shall not unduly create a preference in favour of, or unduly discriminate against, any natural and juristic persons concerning its sewerage services including connection to its sewerage networks.*
- (3) Sewerage services under this Article (42A) are defined as collection, treatment, discharge and disposal of sewerage, including domestic and industrial wastewater and sewerage or any sewerage or wastewater disposed through the sewerage networks.”*

ARTICLE (5)

Article (44) of Law No. (2) of 1998 shall be deleted and replaced by the following:

“There is hereby established a bureau called the Regulation and Supervision Bureau for the Water and Electricity Sector in the Emirate of Abu Dhabi and it shall have separate legal personality and full legal capacity to act as such in accordance with this Law.”

ARTICLE (6)

Article (45) of Law No (2) of 1998 shall be deleted and replaced by the following:

- “(1) The Regulation and Supervision Bureau shall be managed by no less than three and not more than seven members, including the Chairman. The Board shall be headed by the Chairman of the Regulation & Supervision Bureau. The Board members shall set out and determine its procedures, voting process, meetings and management system.*
- (2) The Chairman of the Board and the Board members shall be appointed by the Chairman of Executive Council, and such members shall be persons of appropriate competency and experience.*
- (3) The period of appointment of a member of the Board shall be for a period of five years and may be renewed.”*

ARTICLE (7)

The words "*Chairman of Abu Dhabi Water and Electricity Authority*", where they appear in Articles No. (46) and (47) of Law No. (2) of 1998 shall be replaced by the words "*Chairman of Executive Council*".

ARTICLE (8)

Article (49) of Law No. (2) of 1998 shall be deleted and replaced by the following:

"The Board of Directors of the Regulation and Supervision Bureau may appoint employees and establish sub-committees as it sees fit for the carrying out its duties".

ARTICLE (9)

Article (50) of Law No. (2) of 1998 shall be deleted and replaced by the following:

"(1) Members of the Board and employees of the Regulation and Supervision Bureau shall conduct its business in accordance with the rules and procedures determined by it.

(2) Schedule (1) of this Law shall be deleted."

ARTICLE (10)

Article (51) of Law No. 2 of 1998 shall be deleted and replaced by the following:

"The Members of the Board of the Regulation and Supervision Bureau shall determine and set rules and procedures for managing the Regulation and Supervision Bureau and for regulating the affairs of its employees."

ARTICLE (11)

The words "*after consultation with the Chairman of the Board of Management of the Authority*" shall be deleted where they appear in Article (52) of Law No. (2) of 1998.

ARTICLE (12)

Article (54) of Law No. (2) of 1998 shall be deleted and replaced by the following:

"The Regulation and Supervision Bureau when performing its functions under this Law, shall have a duty to exercise its functions in manner which is best calculated to:

- (1) ensure the security of the supply of water and electricity and provide sewerage services in the Emirate;*
- (2) ensure the connection and supply of water and electricity and the connection to sewerage network for all customers;*
- (3) ensure the provision of special health and safety regulations related to supply of water, wastewater services and electricity to the general public;*
- (4) publish information relating to the standards of performance by licensed operators;*

- (5) *take into account national and international environmental standards as they affect the water, wastewater and electricity sector and consult with relevant bodies in the Emirate and the state when necessary and expedient to do so in interest of the consumer and sector;*
- (6) *have special regard to the interests of those persons whose lives may be endangered by the lack of potable water, sewerage services or electricity and others with special needs in connection with the cost and method of supply of water and/or electricity, or through the use of appliances and fittings;*
- (7) *promote competition in the water, wastewater and electricity sector;*
- (8) *ensure the operation and development of a safe, efficient and economic water, wastewater and electricity sector in the Emirate;*
- (9) *protect the interest of consumers of water and electricity as to terms and conditions and price of supply (whether consumption is are domestic, commercial or industrial);*
- (10) *protect the interests of users of sewerage services in the Emirate;*

ARTICLE (13)

The Paragraphs (1), (4), (6), (7), and (8) of Article (55) of Law No. (2) of 1998, shall be deleted and replaced by the following:

- “(1) reviewing the provision of water and electricity supplies and sewerage services in the Emirate;*
- (4) the establishment, maintenance, review and monitoring of safety standards for the water, electricity and sewerage services sector and monitoring and enforcing compliance with such safety standards;*
- (6) the regulation of prices charged to consumers of water and electricity and users of sewerage services and the method by which they are charged;*
- (7) approving, modifying, monitoring and the enforcement of terms and conditions for the supply of water and electricity, and the provision of sewerage services to domestic consumers;*
- (8) approving and proposing modifications to transmission and distribution codes and operating codes in respect of sewerage services.”*

ARTICLE (14)

In Article (58) of Law No. (2) of 1998, the words “*Chairman of the Board of Management of the Authority*” shall be replaced where they appear by the words “*Chairman of the Executive Council*”.

ARTICLE (15)

In Article (62) of Law No. (2) of 1998 the words “*in consultation with the Authority*” shall be replaced where they appear by the words “*in consultation with whom it sees fit*”.

ARTICLE (16)

Paragraph (1) and (2) of Article (63) of Law No. (2) of 1998 shall be deleted and replaced by the following:

- “(1) secure regular and efficient supplies of water, electricity and provide sewerage services;*
- “(2) protect the general public from danger related to water, electricity and sewerage works and installation;”*

A new Paragraph (10) as follows shall be added Article (63) of Law No. (2) of 1998:

- “(10) ensure sewerage network fittings comply with the standards determined by the Regulation and Supervision Bureau.”*

ARTICLE (17)

Paragraphs (2), (4), and (14) of Article (65) of Law No. (2) of 1998 shall be deleted and replaced by the following:

- “(2) require notification of accidents, failures of supply and/or transmission or distribution, and/ or when sewerage services is provided;”*
- “(4) relieve the Abu Dhabi Water and Electricity Company and classes of licensed operators specified in the regulations from obligations to supply water, electricity and sewerage services in specified circumstances;”*
- “(14) require water, electricity and wastewater fittings to be of a prescribed size, nature, strength and workmanship”*

ARTICLE (18)

Article (66) in Law No. (2) of 1998 shall be deleted and replaced by the following:

- “Failure of any person to comply with regulations made under Article (62) of this Law shall be punishable with a fine of not less than AED 250,000. In case the same failure is repeated by such person, the fine is doubled.”*

ARTICLE (19)

Article (70) of Law No. 2 of 1998 shall be deleted and replaced by the following:

- “Failure of any person to comply with streetworks regulations shall be punishable with a fine of not less than AED 50,000 and not more than AED 1,000,000. In case the same failure is repeated by such person, the fine is doubled.”*

ARTICLE (20)

Article (71) of Law No. (2) of 1998 shall be deleted and replaced by the following:

”**‘Regulated activity’** means one of the following activities—

- (1) *the desalination of water;*
- (2) *the generation of electricity;*
- (3) *the combined generation of electricity and desalination of water;*
- (4) *the performance of the duties of the Abu Dhabi Water and Electricity Company;*
- (5) *the transmission of water by trunk mains pipeline;*
- (6) *the distribution of water by mains pipeline;*
- (7) *the supply of water to premises;*
- (8) *the storage of water;*
- (9) *the bulk supply of water by an unlicensed operator to the connection grid of a licensed transmission operator;*
- (10) *the bulk supply of electricity by an unlicensed operator to the connection grid of a licensed transmission operator;*
- (11) *the transmission of electricity;*
- (12) *the distribution of electricity;*
- (13) *the supply of electricity to premises;*
- (14) *the collection of sewerage from premises;*
- (15) *the treatment and processing of sewerage and wastewater; and*
- (16) *the disposal of wastewater and sewerage.”*

ARTICLE (21)

In Article No. (76) of Law No.(2) f 1998 the words “*and after not less than six months consultation with all licensed operators and the Regulation and Supervision Bureau*” shall be deleted and replaced by the words “*after not less than six month consultation with all licensed operators and grant of approval of the Regulation and Supervision Bureau*”.

ARTICLE (22)

In Articles (79) and (80) of Law No. (2) of 1998 the words “*after consultation with Authority*” shall be deleted and replaced by the following words “*after the approval of the Executive Council*”.

ARTICLE (23)

Article (82) of Law No. (2) of 1998 shall be deleted and replaced by the following:

“The Regulation and Supervision Bureau has the exclusive right and power to license any person to conduct any regulated activity.”

ARTICLE (24)

A new Article (94A) as follows shall be inserted following Article (94) of Law No. (2) of 1998:

“Article (94A)

Conditions of wastewater licences

Without prejudice to the provisions of Article (89) of this Law, a licence authorising the conduct of collection of wastewater, treatment, processing and/or disposal of wastewater, shall include conditions:

- (1) requiring the licensed operator to engage in economic purchase;*
- (2) prohibiting the licensed operator from engaging in designated activities other than licensed activities;*
- (3) relating to the establishment of tariffs which the licensed operator may charge sewerage services customers and the method for calculation of such tariffs;*
- (4) requiring the licensed operator to maintain separate accounts in respect of distinct parts of its business and prohibiting cross subsidy between those parts;*
- (5) requiring the licensed operator to offer terms to persons requiring connection to sewerage networks or wastewater collection or wastewater treatment;*
- (6) requiring the licensed operator to publish codes of practice in relation to the payment of bills by customers, the disconnection of customers, the provision of services to the elderly and disabled, the efficient use of sewerage services by consumers and the handling of complaints; and*
- (7) requiring the licensed operator to prepare sewerage services operation codes and regulations.”*

ARTICLE (25)

In Article (100) of Law No. (2) of 1998 the words “*and the Authority*” shall be deleted.

ARTICLE (26)

In Article No. (133) of Law No. (2) of 1998 the words “*consent to the creation and maintenance of security interests in the relevant assets, required for the financing of independent water and power projects*” shall be deleted and replaced by the words “*consent to the creation and maintenance of security interests in the relevant assets, required to be given by a licensed operator for the financing of independent water and power projects.*”

ARTICLE (27)

In Article 135 of Law No. 2 of 1998 the first paragraph shall be deleted and replaced by the following:

“Without prejudice to any other stricter punishment in the Law, a person shall be punished with imprisonment of more than one year and/or a fine of not less than AED 200,000 if he —“

ARTICLE (28)

In Article (1) of Schedule (2) in Law No. (2) of 1998, the words *“the Chairman of the Board of Management of the Authority”* in the definition of *“Relevant Authority”* shall be deleted and replace with the words *“Executive Council”*.

ARTICLE (29)

Anything that contravenes this law shall be null and void.

ARTICLE (29)

This law shall become effective on the date of issue and shall be published in the official Gazette.

KHALIFA BIN ZAYED AL NAHYAN

RULER OF ABU DHABI

Issued in Abu Dhabi
01 July 2007