

Variation of ESP Water Limited's appointment to include The Grange, Bideford

On 26 September 2022, Ofwat began a [consultation](#) on a proposal to vary ESP Water Limited's ("ESP Water") appointment to become the water and sewerage services provider for a development in South West Water Limited's ("South West Water") water supply area and sewerage services area called The Grange, Bideford ("the Site"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 24 October 2022. During the consultation period, we received representations from three organisations, which are summarised in Section 1 of this document.

We will only make an appointment or variation if our assessment concludes that the application meets the criterion it has been made under; that customers or future customers on the site will be no worse off than if the site had been served by the existing appointee; and if the applicant will be able to finance the proper carrying out of its functions as a water and/or sewerage company. As set out in our consultation we are satisfied this is the case. The responses we have received to the consultation have not changed that view.

Having assessed ESP Water's application and having taken account of the responses we received to our consultation, we decided to grant a variation to ESP Water's area of appointment to allow it to serve the Site for water and sewerage services. This appointment became effective on 11 November 2022.

The Site Maps for the variation can be found in Section 2 of this document.

The Variation Notice legally making the variation can be found in Section 3 of this document.

1. Responses received to the consultation

We received responses to our consultation from three organisations: the Consumer Council for Water (“**CCW**”), Drinking Water Inspectorate (“**DWI**”) and South West Water. We considered these responses before making the decision to vary ESP Water's appointment.

The Drinking Water Inspectorate and South West Water had no comments or objections to make in response to this application. CCW's comments are outlined below.

CCW

CCW advised that in matching South West Water's charges, it would expect ESP Water to also ensure customers on the Site benefit from the £50 government contribution currently given to South West Water's household customers against their annual water and sewerage bills. If this discount is not matched by ESP Water then customers on the Site would be financially worse off than if served by South West Water.

CCW advised other than the above it had no additional comments to make and that its position was outlined in our consultation document.

ESP Water's response

ESP Water has confirmed to us that it would match this £50 benefit to customers and that it has updated its charges statement to reflect this. The updated charges scheme has now been made available to CCW and we have received a finalised copy of this.

2. Site Maps

Water:



Sewerage:



3. Variation Notice

WATER SERVICES REGULATION AUTHORITY

WATER INDUSTRY ACT 1991, SECTIONS 6 TO 9

Variation of the Appointments of ESP Water Limited and South West Water Limited as Water and Sewerage Undertakers

Made on 10 November 2022

Coming into effect on 11 November 2022

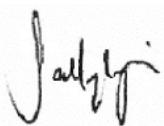
1. ESP Water Limited ("ESP Water") and South West Water Limited ("South West Water") hold Appointments as water and sewerage undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of ESP Water and South West Water as water and sewerage undertakers relate ("Water Supply Area" and "Sewerage Services Area") are set out in their Instruments of Appointment.
2. The site called The Grange, Bideford, in North Devon, which is shown edged in red on the plan attached to this variation, ("the Site") is within South West Water's Water Supply Area and Sewerage Services Area. The Site is being developed by Devonshire Homes Limited.
3. ESP Water has applied under section 7(4)(b) of the Water Industry Act 1991 ("the Act") for a variation of its Appointment as a water and sewerage undertaker to include the Site and for a consequential variation of South West Water's Appointment to exclude the Site.
4. On 27 June 1995, the Secretary of State for the Environment and the Secretary of State for Wales acting jointly and pursuant to sections 6(1) and 7(2) of the Act authorised the Director General of Water Services² to make variations such as those contained in paragraph 5 below. After public consultation, as required by section 8 of the Act, the Water Services Regulation Authority has decided that it should grant ESP Water's application.
5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Devonshire Homes Limited, the Water Services Regulation Authority **varies**—

¹ South West Water's original Appointment as a water and sewerage undertaker was made by the Secretary of State for the Environment under sections 11 and 14 of the Water Act 1989, now replaced by sections 6 and 11 of the Water Industry Act 1991. ESP Water's original Appointment was made by the Water Services Regulation Authority under sections 6 and 11 of the Water Industry Act 1991.

² With effect from 1 April 2006 the functions of the Director General of Water Services were transferred to the Water Services Regulation Authority in accordance with section 36 of, and Schedule 3 to, the Water Act 2003.

- (a) the Appointment of ESP Water as a water and sewerage undertaker so that the Site is included in ESP Water's Water Supply Area and Sewerage Services Area; and
- (b) the Appointment of South West Water as a water and sewerage undertaker so that the Site is excluded from South West Water's Water Supply Area and Sewerage Services Area.

Signed for and on behalf of the Water Services Regulation Authority



Sally Irgin
Director of Enforcement