

Variation of Icosa Water Services Limited's appointment to include The Airfields, Deeside

On 6 September 2022, Ofwat began a [consultation](#) on a proposal to vary Icosa Water Services Limited's ("Icosa Water") appointment to become the water provider for a development in Dŵr Cymru Cyfyngedig's ("Dŵr Cymru") water supply area called The Airfields, Deeside ("the Site"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 4 October 2022. During the consultation period, we received a representation from one organisation, which is 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 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 Icosa Water's application and having taken account of the response we received to our consultation, we decided to grant a variation to Icosa Water's area of appointment to allow it to serve the Site for water. This appointment became effective on 7 December 2022.

The Site Map 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 a response to our consultation from Natural Resources Wales. We considered this response before making the decision to vary Icosa Water's appointment.

Natural Resources Wales

Natural Resources Wales responded to the consultation. It noted that it had had some engagement with Icosa Water on the application prior to the consultation. It reiterated that it had a number of points it would like Icosa Water to address prior to Ofwat proceeding to grant the variation.

These points included further information regarding the population anticipated to be on the Site; details of how Icosa Water has forecast the expected water demand on the Site; and further details regarding the water efficiency measures Icosa Water will take on the Site. Natural Resources Water noted that the bulk supply agreement Icosa Water will rely on to serve the Site was not yet in place. It stated it would need assurance that it was in place to ensure security of supply to customers on the Site. It also noted that Icosa Water had not provided details about how the best options regarding new infrastructure for the new customers, although they state they will work with the developers.

Icosa Water's response

We passed Natural Resources Wales' comments onto Icosa Water.

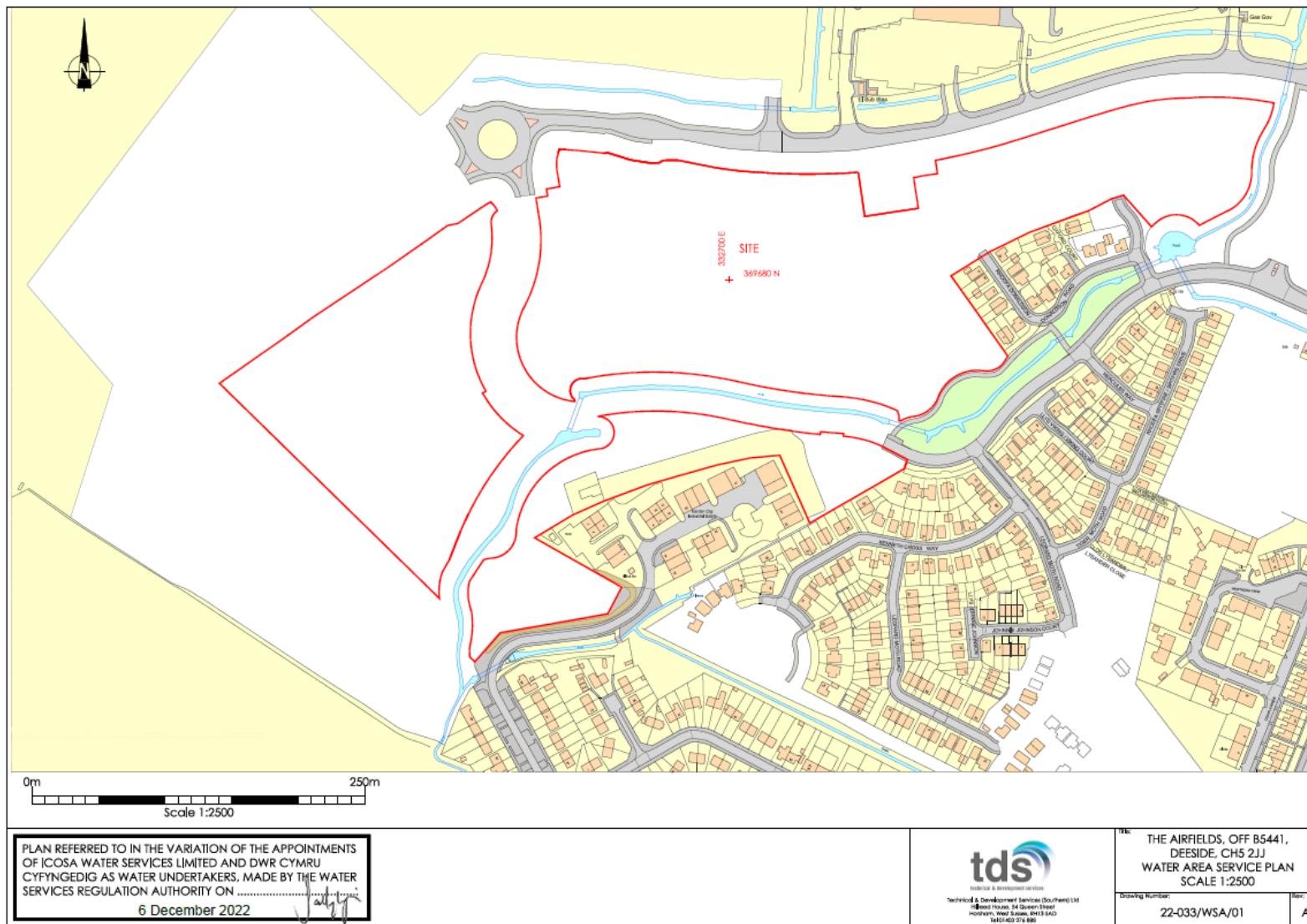
Icosa Water confirmed that the anticipated population size for the Site is expected to be approximately 920 people and that it has agreed a bulk supply agreement with Dŵr Cymru which allows for maximum demands of 138.03m³ per day and 50,381m³ per annum for the Site.

Icosa Water has also confirmed that it will work with consumers and developers to reduce household consumption through both behavioural changes by existing consumers and through the installation of water efficiency measures on future developments. It noted that developers Icosa Water is currently working with are installing efficiency measures to benefit from charging incentives. It notes that in addition to the developer installing a range of water efficient fixtures and fittings in the properties, Icosa Water will be using a range of technologies to monitor customer use and network performance, currently including the use of the latest AMI meters, remote meter readings and flow and pressure data loggers.

In addition, Icosa Water communicates with all new customers on sites and distributes literature introducing the company to new customers and outlining the function of the NAV market.

This further information was shared with Natural Resources Wales and on 30 November 2022 it confirmed it was comfortable with the response and had no further queries.

2. Site Map



3. Variation Notice

**WATER SERVICES REGULATION AUTHORITY
WATER INDUSTRY ACT 1991, SECTIONS 6 TO 9**

**Variation of the Appointments of Icosa Water Services Limited and Dŵr Cymru Cyfyngedig
as Water Undertakers**

Made on 6 December 2022

Coming into effect on 7 December 2022

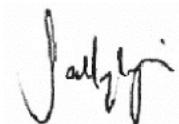
1. Icosa Water Services Limited ("Icosa Water") and Dŵr Cymru Cyfyngedig ("Dŵr Cymru") hold Appointments as water undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Icosa Water, and Dŵr Cymru as water undertakers relate ("Water Supply Area") are set out in their Instruments of Appointment.
2. The site called The Airfields, Deeside in Cheshire, which is shown edged in red on the plan attached to this variation, ("the Site") is within Dŵr Cymru's Water Supply Area. The Site is being developed by Bellway Homes Limited.
3. Icosa 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 undertaker to include the Site and for a consequential variation of Dŵr Cymru'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 Icosa Water's application.
5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Bellway Homes Limited, the Water Services Regulation Authority **varies**–
 - (a) the Appointment of Icosa Water as a water undertaker so that the Site is included in Icosa Water's Water Supply Area; and

¹ Dŵr Cymru's original Appointment as a water 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. Icosa 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.

- (b) the Appointment of Dŵr Cymru as a water undertaker so that the Site is excluded from Dŵr Cymru's Water Supply Area.

Signed for and on behalf of the Water Services Regulation Authority



Sally Irgin
Director of Enforcement