Variation of Independent Water Networks Limited's appointment to include Tinkers Cross, Fordingbridge

On 15 February 2023, Ofwat began a <u>consultation</u> on a proposal to vary Independent Water Networks Limited's ("Independent Water Networks") appointment to become the water provider for a development in South West Water Limited's ("South West Water") water supply area called Tinkers Cross, Fordingbridge ("the Site"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 14 March 2023. During the consultation period, we received a representation from South West Water, 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/or sewerage company. As set out in our consultation we are satisfied this is the case. The response we have received to the consultation have not changed that view.

Having assessed Independent Water Networks' application and having taken account of the response we received to our consultation, we decided to grant a variation to Independent Water Networks' area of appointment to allow it to serve the Site for water services. This appointment became effective on 23 March 2023.

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 one organisation: South West Water.

We considered this response before making the decision to vary Independent Water Networks' appointment.

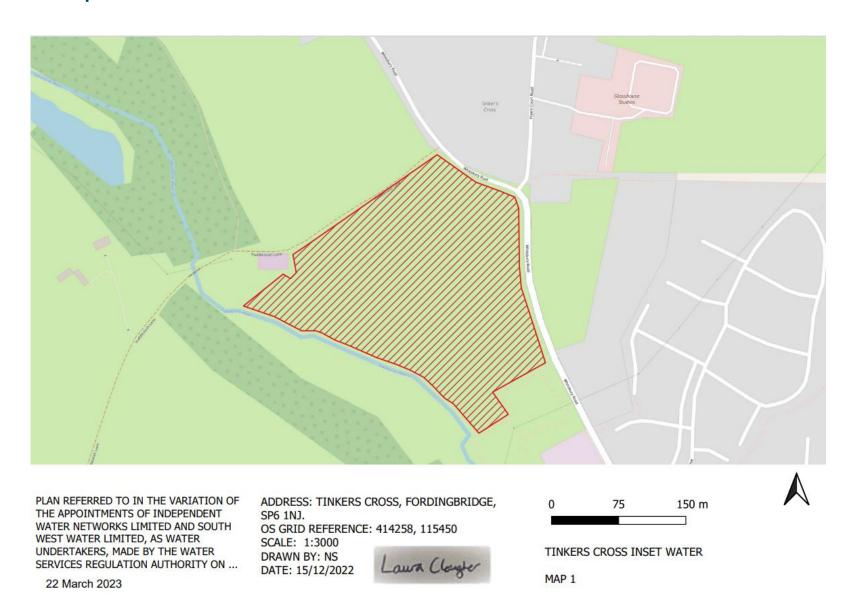
South West Water

South West Water said its supports the development of markets where customers could benefit, or in the least suffer no detriment and note that it is estimated that there will be no financial impact on the annual water bills of existing South West Water customers. It also noted that this estimate does not take account of potential spill-over benefits.

In addition, it recognises that Independent Water Networks proposes to offers a 2.5% discount against South West Water's charges, subject to annual review and that savings will be available for customers opting to pay by direct debit or e-billing.

Given the above, South West Water confirmed that it does not have any objection to granting this variation.

2. Site Map



3. Variation Notice

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

Variation of the Appointments of Independent Water Networks Limited and South
West Water Limited as Water Undertakers

Made on 22 March 2023
Coming into effect on 23 March 2023

- Independent Water Networks Limited ("Independent Water Networks") and South West Water Limited ("South West Water") hold Appointments as water undertakers for their respective areas ("the Appointments"). The areas to which the Appointments of Independent Water Networks and South West Water as water undertakers relate ("Water Supply Area") are set out in their Instruments of Appointment.
- The site called Tinkers Cross, Fordingbridge, which is shown edged in red on the plan attached to this variation, ("the Site") is within South West Water's Water Supply Area. The Site is being developed by Pennyfarthing Homes Ltd.
- Independent Water Networks 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 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 Independent Water Networks' application.
- Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Pennyfarthing Homes Ltd, the Water Services Regulation Authority varies-
 - the Appointment of Independent Water Networks as a water undertaker, so that the Site is included in Independent Water Networks' Water Supply Area; and

¹ South West Water'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. Independent Water Networks' original appointment as a water undertaker 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 South West Water as a water undertaker, so that the Site is excluded from South West Water's Water Supply Area.

Signed for and on behalf of the Water Services Regulation Authority

Laura Clayler

Laura Clougher Principal, Casework and Enforcement