Variation of Independent Water Networks Limited's appointment to include Palmerston Height (Parcel 13), Plymouth, Devon

On 20 March 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 services provider for a development in South West Water Limited's ("**South West Water**") water supply area called Palmerston Height (Parcel 13), Plymouth, Devon ("**the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 17 April 2023. During the consultation period, we received a response from one organisation, South West Water, which is outlined in Section 1.

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 company. As set out in our consultation we are satisfied this is the case.

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 17 May 2023.

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

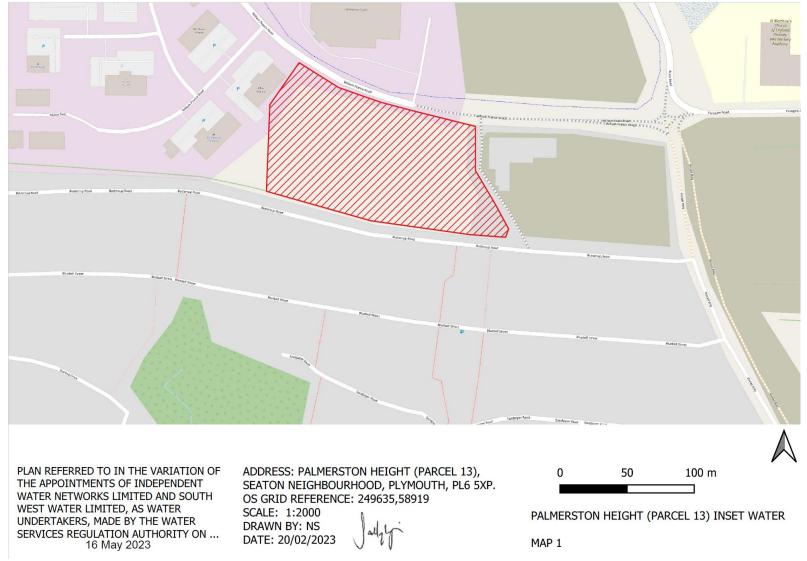
The Variation Notice legally making the variation can be found in Section 3 of this document.

1. Responses received to the consultation

We received on response to our consultation from South West Water

South West Water stated that it does not have any objections to the proposed variation and supports the development of markets where customers could benefit, or in the least suffer no detriment. South West Water notes our estimate that there will be no financial impact on the water annual bills for existing South West Water customers as a result of this variation and that this estimate does not take account of potential spill-over benefits. It also notes that Independent Water Networks proposes to offer a 2.5% discount against South West Water's charges, subject to annual review and that savings will be available for those opting to pay by Direct Debit or e-billing.

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 16 May 2023

Coming into effect on 17 May 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").¹ The areas to which the Appointments of Independent Water Networks and South West Water as the water undertakers relate ("Water Supply Area") are set out in their Instruments of Appointment.
- 2. The site called Palmerston Height (Parcel 13), Plymouth in 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. The Site is being developed by Persimmon Homes Limited.
- 3. 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 Appointments 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.
- 5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Persimmon Homes Limited, the Water Services Regulation Authority **varies**–

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 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 Independent Water Networks as a water undertaker so that the Site is included in Independent Water Networks' Water Supply Area; and
- (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

Sally Irgin Director of Enforcement