# Variation of Independent Water Networks Limited's appointment to include Egerton Avenue, Swanley, Kent

On 3 July 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 Thames Water Utilities Limited's ("Thames Water") water supply area called Egerton Avenue, Swanley in Kent ("the Site"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 1 August. During the consultation period, we received no responses to our consultation.

The application for this variation was initially submitted for both water and sewerage services and on 7 August 2023 Independent Water Networks informed us that they would be proceeding with the water application only and that the sewerage services for the Site will stay with the incumbent water company. We informed the statutory stakeholders of the change on 8 August 2023 and provided them with a week to respond. The response we received from the Consumer Council for Water confirmed they had no concerns or objections. We also completed a new financial assessment of the Site following this change and are comfortable that it does not change our previous view set out in the consultation that if the incumbent's bulk charges are set at the correct level and adjusted to ensure that they remain cost reflective, we consider that granting this variation to Independent Water Networks would have no financial impact on the bills of the incumbent's customers and could have potential benefits for customers.

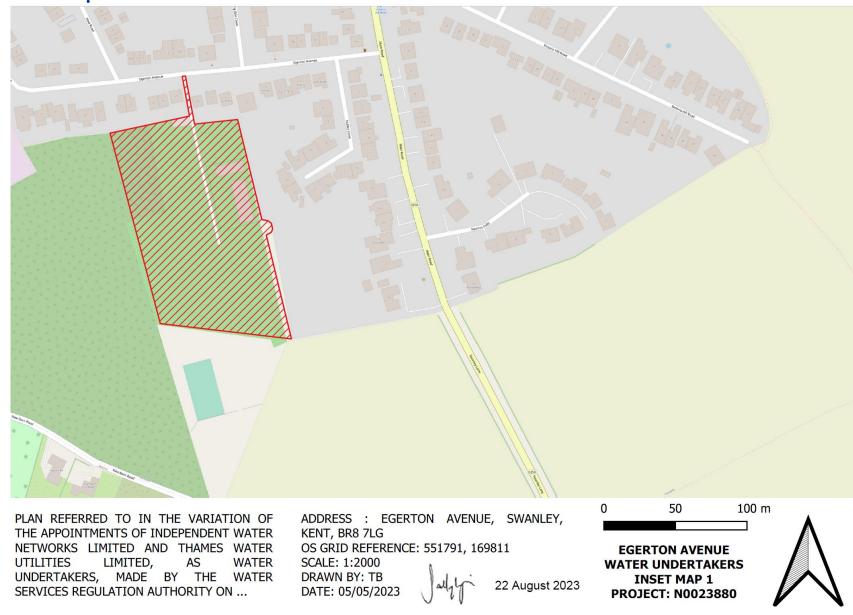
We will only make an appointment or variation if our assessment concludes that the application meets the criterion it has been made under; that customers or future customers on the site will be no worse off than if the site had been served by the existing appointee; and if the applicant will be able 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. We have received no responses that have changed that view.

Having assessed Independent Water Networks' application and having taken account of the responses 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 August 2023.

The Site Map for the variation can be found in Section 1 of this document.

The Variation Notice legally making the variation can be found in Section 2 of this document.

## 1. Site Map



## 2. Variation Notice

#### WATER SERVICES REGULATION AUTHORITY

#### WATER INDUSTRY ACT 1991, SECTIONS 6 TO 9

### Variation of the Appointments of Independent Water Networks Limited and Thames Water Utilities Limited as Water Undertakers

Made on 22 August 2023

Coming into effect on 23 August 2023

- Independent Water Networks Limited ("Independent Water Networks") and Thames Water Utilities Limited ("Thames Water") hold Appointments as water undertakers for their respective areas ("the Appointments").<sup>1</sup> The areas to which the Appointments of Independent Water Networks and Thames Water as water undertakers relate ("Water Supply Area") are set out in their Instruments of Appointment.
- 2. The site called Egerton Avenue, Swanley in Kent, which is shown edged in red on the plan attached to this variation, ("the Site") is within Thames Water's Water Supply Area. The Site is being developed by King & Johnston Developments 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 Thames 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 Services<sup>2</sup> 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 King & Johnston Developments Limited the Water Services Regulation Authority varies-
  - (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

<sup>&</sup>lt;sup>1</sup> Thames 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.

<sup>&</sup>lt;sup>2</sup> 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.

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

Signed for and on behalf of the Water Services Regulation Authority

Sally Irgin Director of Enforcement