Variation of ESP Water Limited's appointment to include Hampden Fields, Aylesbury

On 3 April 2023, Ofwat began a <u>consultation</u> on a proposal to vary ESP Water Limited's (**"ESP Water**") appointment to become the water and sewerage services provider for a development in Thames Water Utilities Limited's (**"Thames Water**") water supply area and sewerage services area called Hampden Fields, Aylesbury (**"the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 5 May 2023. During the consultation period, we received no responses to our consultation.

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.

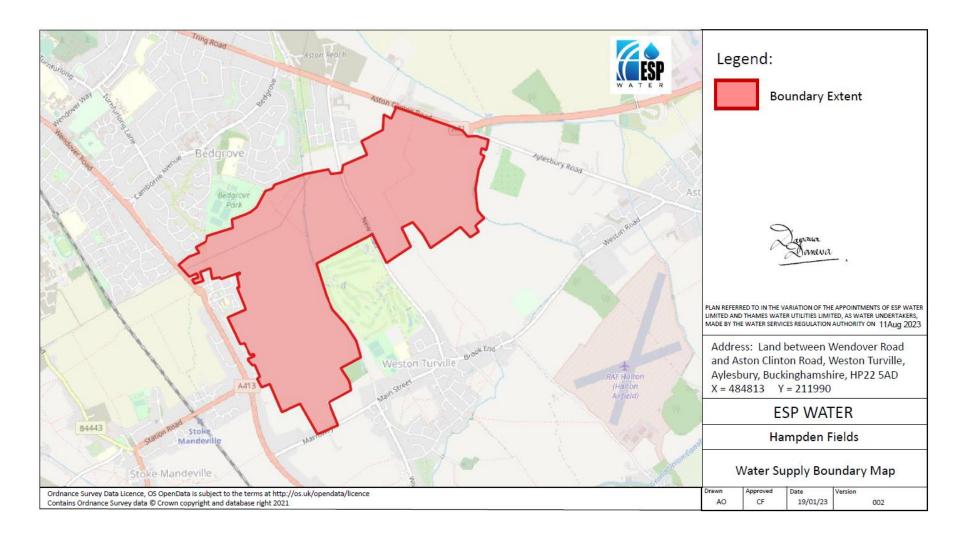
Ofwat has engaged with the Environment Agency as part of the application process. For this application, the Environment Agency has flagged that the water supply and demand forecasts in ESP Water's application do not reflect the assumptions set out in its draft Water Resources Management Plan (the statutory water resources management plan water companies are required to prepare to set out their planning approach for at least the next 25 years), and that this could pose a potential risk of a supply deficit in the future. Where a risk of deficit exists, applicants are expected to assure the Environment Agency, via statutory processes, that there is not a risk of deficit or, that any deficit will be resolved. The risk has been flagged to ESP Water to action. The Environment Agency has confirmed to us that it is comfortable for the variation to proceed ahead of those discussions being concluded.

Having assessed ESP Water's application, and having received no responses 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 August 2023.

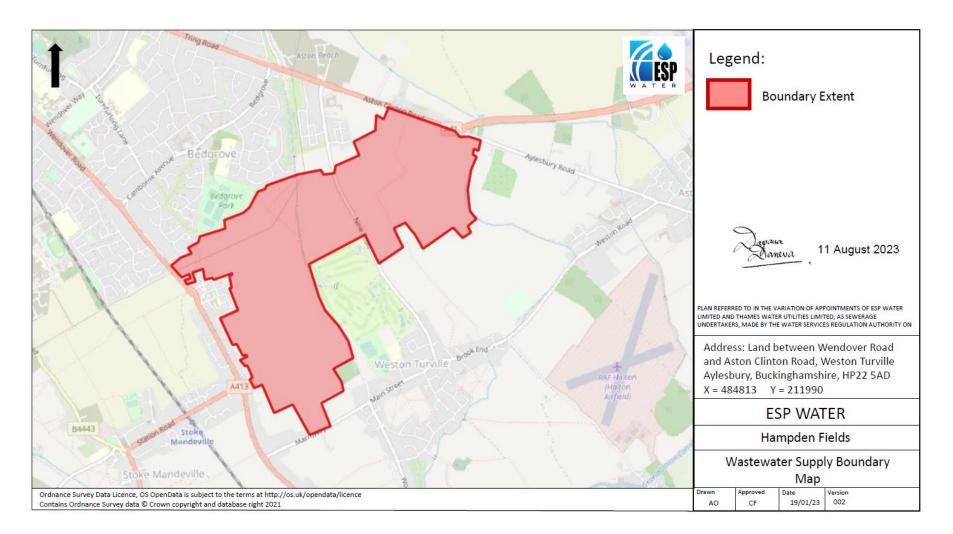
The site maps for the variation can be found in Section 1 of this document.

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

1. Site Maps Water



Sewerage



2. Variation Notice

WATER SERVICES REGULATION AUTHORITY

WATER INDUSTRY ACT 1991, SECTIONS 6 TO 9

Variation of the Appointments of ESP Water Limited and Thames Water Utilities Limited as Water and Sewerage Undertakers

Made on 10 August 2023

Coming into effect on 11 August 2023

- ESP Water Limited ("ESP Water") and Thames Water Utilities Limited ("Thames 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 Thames 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 Hampden Fields, Aylesbury which is shown edged in red on the plan attached to this variation ("the Site") is within Thames Water's Water Supply Area and Sewerage Services Area. The Site is being developed by Taylor Wimpey UK 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 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 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 Taylor Wimpey UK Limited, the Water Services Regulation Authority **varies**–

¹ Thames 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 Thames Water as a water and sewerage undertaker so that the Site is excluded from Thames Water's Water Supply Area and Sewerage Services Area.

Signed for and on behalf of the Water Services Regulation Authority

paua Saneva

Dayana Daneva Principal, Casework, Enforcement & Customers