Variation of Independent Water Networks Limited's appointment to include Hermitage Lane 2, Maidstone

On 25 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 South East Water Limited ("South East Water") water supply area called Hermitage Lane 2, Maidstone, Kent ("the Site"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 23 August 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.

Having assessed Independent Water Networks' application and having not received any responses to the 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 30 August 2023.

The Site map for the variation can be found in Section 1 of this document. Independent Water Networks was <u>granted a variation</u> for a water only Site known as Hermitage Lane on 2 November 2022. The Site is adjacent to the Hermitage Lane 2 Site.

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





2. Variation Notice

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

Made on 29 August 2023

Coming into effect on 30 August 2023

- 1. Independent Water Networks Limited ("Independent Water Networks") and South East Water Limited ("South East Water") hold Appointments as water undertakers for their respective areas ("the Appointments"). The areas to which the Appointments of Independent Water Networks and South East Water as water undertakers relate ("Water Supply Area") are set out in their Instruments of Appointment.
- 2. The site called Hermitage Lane 2, Maidstone which is shown edged in red on the plan attached to this variation ("the Site") is within South East Water's Water Supply Area. The Site is being developed by Croudace 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 East 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.
- 5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Croudace Homes 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

¹ South East 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.

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(b) The appointment of South East Water as a water undertaker so that the Site is excluded from South East Water's Water Supply Area.

Signed for and on behalf of the Water Services Regulation Authority

Laura Clayter

Laura Clougher Principal, Casework and Enforcement