

Variation of Independent Water Networks Limited's appointment to include Rush Lane 2 (Water), Market Drayton

On 25 July 2023 Ofwat began a [consultation](#) on a proposal to vary Independent Water Networks Limited's ("Independent Water Networks") appointment to become the water and sewerage services provider for a development in Severn Trent Water Limited's ("Severn Trent Water") water supply area Rush Lane, Market Drayton (Water) ("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 representations from United Utilities Water Limited ("United Utilities") which is summarised in Section 1 of this document.

Following the consultation closing Independent Water Networks informed us that it needed water services on the Site by 1 December 2023. Independent Water Networks informed us that the arrangements for bulk discharge agreements it required to provide sewerage services on the Site were yet to be agreed and that it needed water on the Site by the time of the first property being occupied. As a result, this application has been split into two: one for water services and one for sewerage services. We are satisfied that this does not alter our previous assessment that it would be appropriate to make this proposed variation for water services.

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 sewerage company. As set out in our consultation we are satisfied this is the case. The response we received to the consultation has 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 November 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. Consultation Responses

United Utilities Response

United Utilities responded to the consultation and raised a concern that this Site provides an example of the potential for wider market complexities which it would like to discuss with Ofwat. The complexities of this Site are due to the fact that there is an adjacent site on Rush Lane for which Icosa Water Services Limited ("**Icosa Water**") was granted a variation to its appointment in order to provide sewerage services in 2018. As a result, the closest point of connection for sewerage services for this Site – Rush Lane 2, Market Drayton – and Independent Water Networks will require two bulk discharge agreements: one with Icosa Water and a second with United Utilities in order to serve the Site.

Our response

Ofwat understands that this is an unusual scenario in the NAV market and that it has taken the parties involved time to finalise the bulk discharge agreements Independent Water Networks will require to serve the Site for sewerage services. These agreements will be required before Ofwat can grant a variation to serve the Site for sewerage services. It does not affect our decision on this variation with respect to water services.

2. Site Map

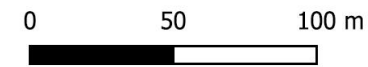


PLAN REFERRED TO IN THE VARIATION OF THE APPOINTMENTS OF INDEPENDENT WATER NETWORKS LIMITED AND SEVERN TRENT WATER LIMITED, AS WATER UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON ...

ADDRESS: RUSH LANE, MARKET DRAYTON, SHROPSHIRE, TF9 3QX
OS GRID REFERENCE: 366312, 334589

SCALE: 1:2000
DRAWN BY: SC
DATE: 20/06/2023

22 November 2023



**RUSH LANE (2)
INSET WATER BOUNDARY MAP 1**

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 Severn Trent
Water Limited as Water Undertakers**

Made on 21 November 2023

Coming into effect on 22 November 2023

1. Independent Water Networks Limited ("Independent Water Networks") and Severn Trent Water Limited ("Severn Trent Water") hold Appointments as water undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Independent Water Networks and Severn Trent Water as water undertakers relate ("Water Supply Area") are set out in their Instruments of Appointment.
2. The site called Rush Lane 2 (Water), Market Drayton, which is shown edged in red on the plan attached to this variation, ("the Site") is within Severn Trent Water's Water Supply Area. The Site is being developed by BDW Trading 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 Severn Trent 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 BDW Trading 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

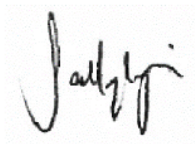
¹ Severn Trent Water's original Appointment as a water undertaker was made by the Secretary of State for the Environment under sections 11 and 14 of the Water Act 1989, now replaced by sections 6 and 11 of the Water Industry Act 1991. Independent Water Networks' original Appointment was made by the Water 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 Severn Trent Water as a water undertaker so that the Site
is excluded from Severn Trent Water's Water Supply Area.

Signed for and on behalf of the Water Services Regulation Authority

A handwritten signature in black ink, appearing to read 'Sally Irgin', is positioned above the printed name and title.

Sally Irgin
Director of Enforcement