

Variation of Independent Water Networks Limited's appointment to include Exmouth Junction 2, Exeter

On 27 February 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 South West Water Limited's (“**South West Water**”) water supply and sewerage services area called Exmouth Junction 2, Exeter (“**the Site**”). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 28 March 2023. During the consultation period, we received representation from one organisation, which is summarised in Section 1 of this document.

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. The response we have 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 and sewerage services. This appointment became effective on 31 October 2023.

The Site Maps 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.

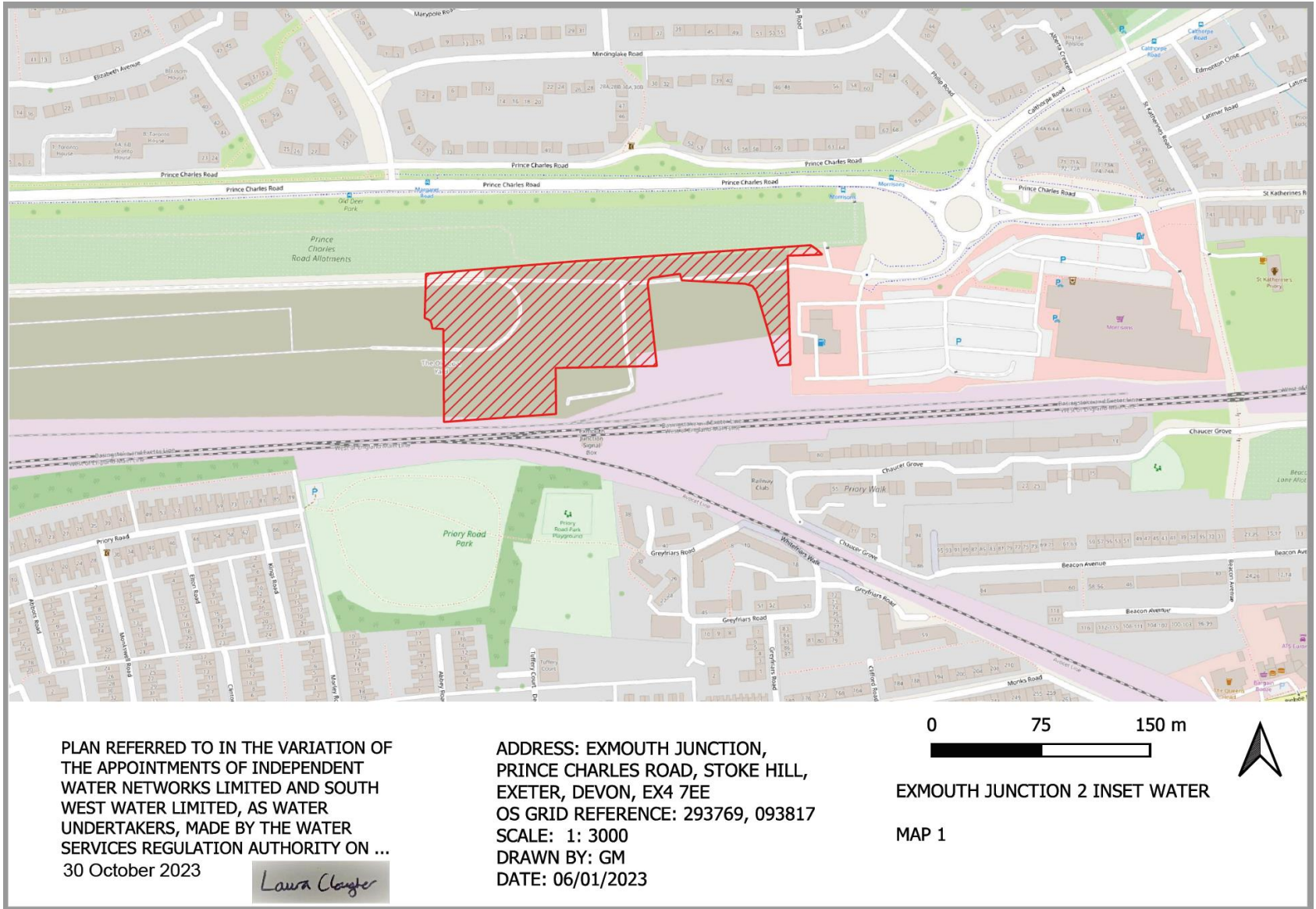
1. Response received to the consultation

We received one response to our consultation from South West Water. We considered this response before making the decision to vary Independent Water Networks' appointment.

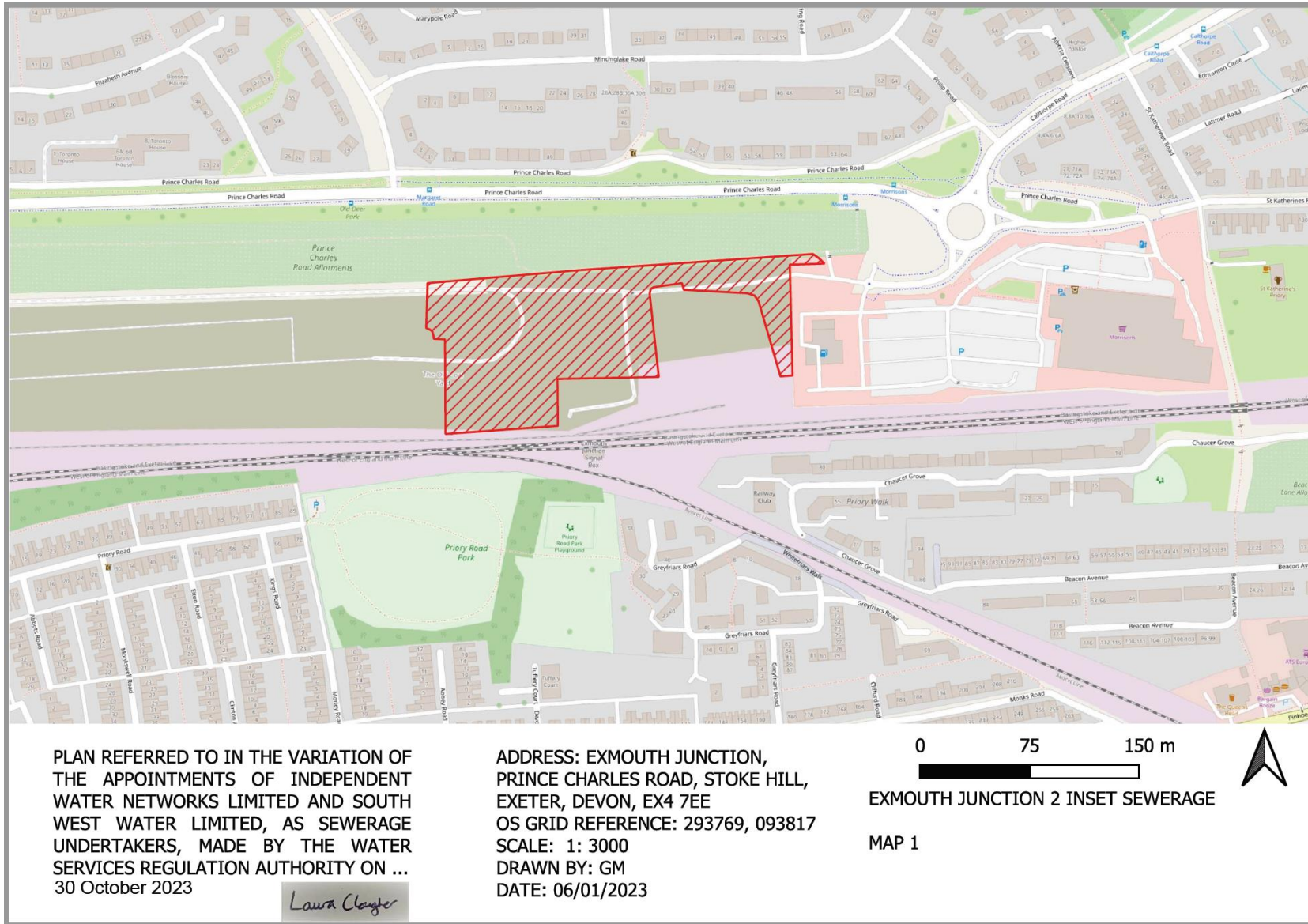
South West Water stated that it supports the development of markets where customers could benefit, or in the least suffer no detriment. It notes that there is an estimated £0.01 financial impact on the annual water bills and a £0.02 impact on annual wastewater bills of existing South West Water customers. It also notes that this estimate does not take account of potential spillover benefits, and 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.

South West Water had no other comments to make with regards to this consultation, and did not have any objections to the variation being granted.

2. Site Map - Water



Site Map – Sewerage



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 and Sewerage Undertakers

Made on 30 October 2023

Coming into effect on 31 October 2023

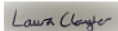
1. Independent Water Networks Limited ("Independent Water Networks") and South West Water Limited ("South West Water") hold Appointments as water and sewerage undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Independent Water Networks and South West 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 Exmouth Junction 2, Exeter which is shown edged in red on the plan attached to this variation ("the Site") is within South West Water's Water Supply Area and Sewerage Services Area. The Site is being developed by Grainger Residential 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 and sewerage undertaker to include the Site and for a consequential variation of South West 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 Services¹ 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 Grainger Residential Limited, the Water Services Regulation Authority **varies**–

¹ South West 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. Independent Water Networks' original Appointment was made by the Water Services Regulation Authority under sections 6 and 11 of the Water Industry Act 1991.

¹ 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 and sewerage undertaker so that the Site is included in Independent Water Networks' Water Supply Area and Sewerage Services Area; and
- (b) the Appointment of South West Water as a water and sewerage undertaker so that the Site is excluded from South West Water's Water Supply Area and Sewerage Services Area.

Signed for and on behalf of the Water Services Regulation Authority



Laura Clougher
Principal, Casework and Enforcement