Variation of ESP Water Limited's appointment to include Hollingworth Road, Littleborough

On 31 January 2024, Ofwat began a <u>consultation</u> on a proposal to vary ESP Water Limited's ("**ESP Water**") appointment to become the water services provider for a development in United Utilities Water Limited's ("**United Utilities**") water supply area called Hollingworth Road, Littleborough in Rochdale, Greater Manchester ("**the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 27 February 2024. During the consultation period, we did not receive any comments or representations in response to our proposal.

In our consultation for this variation, we noted that ESP Water had a subcontracted arrangement with Castle Water Limited ("Castle Water") to provide services to retail customers. ESP Water has advised Ofwat that as a result of it exiting the business retail market it is no longer in contract with Castle Water to provide interim arrangements to its business customers. We understand that now that its contract with Castle Water has expired, ESP Water is only providing wholesale services to non-household customers on its sites.

The map included in this notice differs slightly from the map included in our consultation. There was a small discrepancy between the original map and the map provided with the bulk supply agreement. ESP Water has provided an updated map and confirmed that this does not impact the facts of the Site, including financial projections or property numbers.

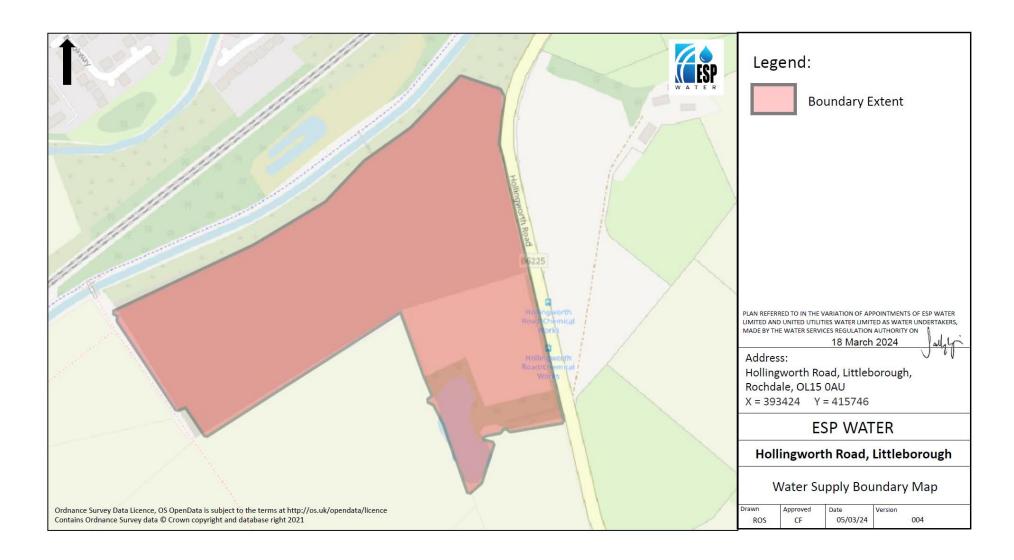
We will only make an appointment or variation if our assessment concludes that the application meets the criterion it has been made under; that customers or future customers on the site will be no worse off than if the site had been served by the existing appointee; and if the applicant will be able 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 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 services. This appointment became effective on 19 March 2024.

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 ESP Water Limited and United Utilities Water Limited as Water Undertakers

Made on 18 March 2024

Coming into effect on 19 March 2024

- ESP Water Limited ("ESP Water") and United Utilities Water Limited ("United Utilities")
 hold Appointments as water undertakers for their respective areas ("the
 Appointments").¹ The areas to which the Appointments of ESP Water and United
 Utilities as water undertakers relate ("Water Supply Area") are set out in their
 Instruments of Appointment.
- 2. The site called Hollingworth Road, Littleborough in Rochdale, which is shown edged in red on the plan attached to this variation, ("the Site") is within United Utilities' Water Supply Area. The Site is being developed by Vistry Partnerships 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 undertaker to include the Site and for a consequential variation of United Utilities' 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 Vistry Partnerships Limited, the Water Services Regulation Authority varies—
 - (a) the Appointment of ESP Water as a water undertaker so that the Site is included in ESP Water's Water Supply Area; and

¹ United Utilities' 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. 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.

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

Signed for and on behalf of the Water Services Regulation Authority

Sally Irgin

Director of Enforcement