

Variation of Independent Water Networks Limited's appointment to include Rush Lane 2 (Sewerage), 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 and United Utilities Water Limited's ("United Utilities") sewerage services area called Rush Lane 2, Market Drayton ("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 a representation from 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 noted that there were complexities involved with securing its bulk discharge arrangements for serving the Site for sewerage services and requested that its application be split into two applications, one for water services and one for sewerage services, to allow it to resolve this. This did not alter our previous assessment of the application and we did not need to reconsult on our proposal to grant the variation. On 21 November 2023 Ofwat [granted a variation](#) to Independent Water Networks to provide water services to the Site, known as Rush Lane 2 (Water), Market Drayton. Independent Water Networks has subsequently concluded its bulk discharge arrangements to serve the Site for sewerage services enabling us to progress this variation.

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 sewerage services. This appointment became effective on 5 April 2024.

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. The complexities of the Site are due to the fact that there is an adjacent site to Rush Lane 2 (Sewerage) called Rush Lane for which Icosa Water Services Limited ("**Icosa Water**") was granted a variation [in March 2018](#) to provide sewerage services. Icosa Water's Rush Lane Site is the closest point of connection for sewerage services for Rush Lane 2 (Sewerage) and, therefore Independent Water Networks requires multiple bulk discharge agreements in order to serve the Site, that is, with both Icosa Water and with United Utilities.

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. Ofwat assured United Utilities that it was in the position to work with both Independent Water Networks and Icosa Water to determine the most effective arrangements. These agreements have been received by Ofwat and Ofwat can now grant a variation to Independent Water Networks to serve the Site for sewerage services.

2. Site Map

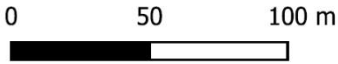
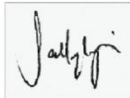


PLAN REFERRED TO IN THE VARIATION OF THE APPOINTMENTS OF INDEPENDENT WATER NETWORKS LIMITED AND UNITED UTILITIES WATER LIMITED, AS SEWERAGE UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON ...

4 April 2024

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

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



**RUSH LANE 2
INSET SEWERAGE BOUNDARY MAP 1**

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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 United Utilities
Water Limited as Sewerage Undertakers**

Made on 4 April 2024

Coming into effect on 5 April 2024

1. Independent Water Networks Limited ("Independent Water Networks") and United Utilities Water Limited ("United Utilities") hold Appointments as sewerage undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Independent Water Networks and United Utilities as sewerage undertakers relate ("Sewerage Services Area") are set out in their Instruments of Appointment.
2. The site called Rush Lane 2 (Sewerage), Market Drayton, which is shown edged in red on the plan attached to this variation, ("the Site") is within United Utilities' Sewerage Services 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 sewerage 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 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**–

¹ United Utilities' original Appointment as a 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.


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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(a) the Appointment of independent Water Networks as a sewerage undertaker so that the Site is included in Independent Water Networks' Sewerage Services Area; and

(b) the Appointment of Independent Water Networks as a sewerage undertaker so that the Site is excluded from United Utilities' Sewerage Services Area.

Signed for and on behalf of the Water Services Regulation Authority

A handwritten signature in black ink, appearing to read 'Sally Irgin', written in a cursive style.

**Sally Irgin
Director of Enforcement**