Variation of Icosa Water Services Limited's appointment to include Halwill Junction, Devon

On 13 November 2023, Ofwat began a <u>consultation</u> on a proposal to vary Icosa Water Services Limited's ("Icosa Water") appointment to become the water and sewerage services provider for a development in South West Water Limited's ("South West Water") water supply area and sewerage services area called Halwill Junction in Devon ("the Site"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 11 December 2023. During the consultation period, we received a 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 Icosa Water's application and having taken account of the response we received to our consultation, we decided to grant a variation to Icosa Water's area of appointment to allow it to serve the Site for water and sewerage services. This appointment became effective on 11 April 2024.

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 Icosa Water's appointment.

South West Water

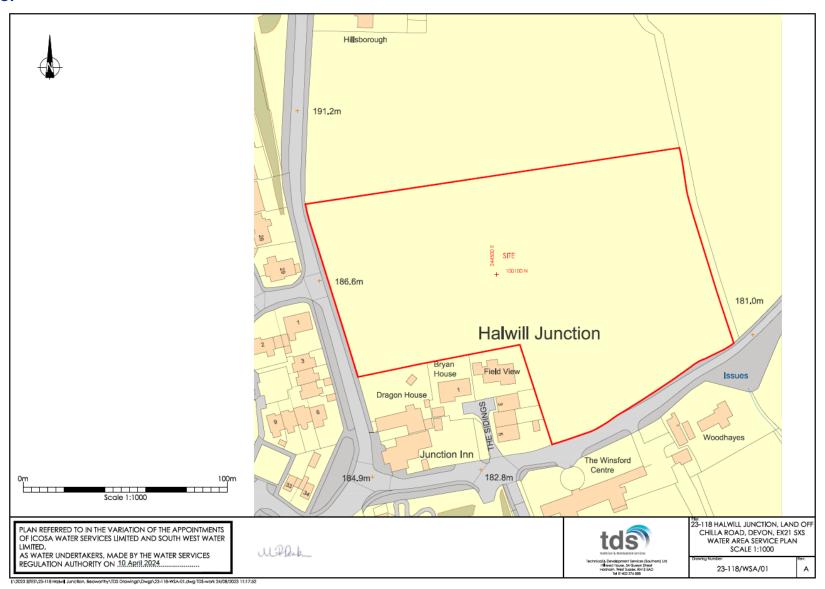
South West Water responded to our consultation stating that it supports the development of markets where customers could benefit, and whilst in principle it did not have any objection to the proposal to grant this variation, it had not yet agreed on a bulk supply or discharge agreement for the Site with Icosa Water.

Therefore, at the time South West Water provided the response, it did not believe this variation should be granted until these issues are resolved. South West Water went onto say that once resolved, it did not anticipate having any further objections to the proposal to grant this variation.

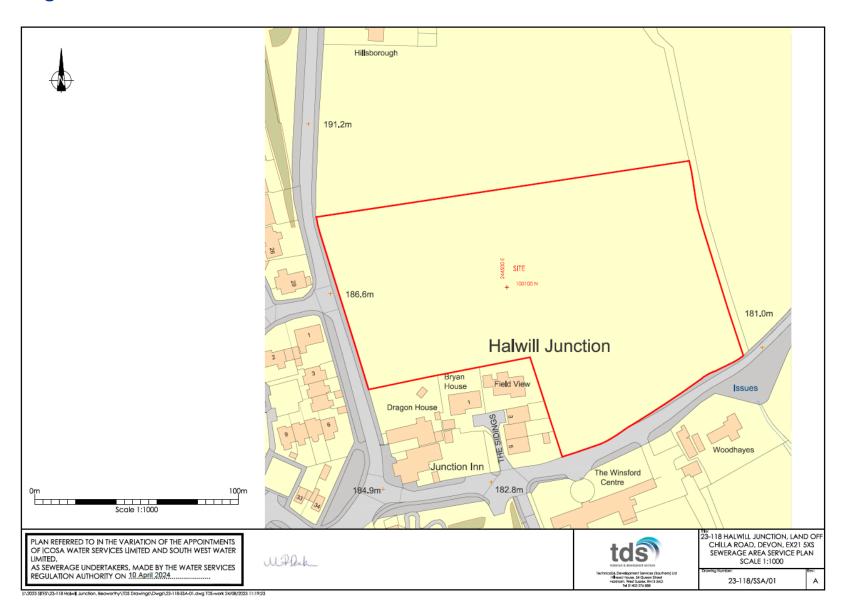
Our response

Once we received the bulk agreements from Icosa Water, we contacted South West Water to confirm that it had no further issues now that the agreements had been signed. South West Water responded on 4 April 2024 advising it had no further concerns with the variation being granted.

2. Site Maps Water



Sewerage



3. Variation Notice

WATER SERVICES REGULATION AUTHORITY WATER INDUSTRY ACT 1991, SECTIONS 6 TO 9

Variation of the Appointments of Icosa Water Services Limited and South West Water Limited as Water and Sewerage Undertakers

Made on 10 April 2024

Coming into effect on 11 April2024

- 1. Icosa Water Services Limited ("Icosa Water") 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 Icosa Water 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 Halwill Junction, Land off Chilla Road in Devon, which is shown edged in red on the plan attached to this variation, ("the Site") is within Icosa Water's Water Supply Area and Sewerage Services Area. The Site is being developed by Devonshire Homes Limited.
- 3. Icosa 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 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 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 Icosa Water's application.
- 5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Devonshire Homes Limited, the Water Services Regulation Authority varies-

- (a) the Appointment of Icosa Water as a water and sewerage undertaker so that the Site is included in Icosa Water's 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

Michael Deakin Principal,

Casework, Enforcement and Customers

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. Icosa 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.