

Gate three query process

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| Strategic solution(s) | London Water Recycling |
| Query number | LWR012 |
| Date sent to company | 28/01/2025 |
| Response due by | 30/01/2025 |

Query

Please clarify the application of Water Resources South-East (WRSE) Best Value Assessment to the solution progression of the Teddington Direct River Abstraction (DRA) scheme.

- How were WRSE best value metrics integrated into the Teddington DRA best value assessment?
- What trade-offs were made between cost, environmental benefits, and operational resilience?
- How were these weighted for the best value assessment between the strategic resource options; Teddington DRA, Beckton and Mogden Water Recycling schemes?
- Did stakeholder and public consultations affect metric scoring, weight adjustments or preferred solution selection?
- How has financial cost been considered and how will this achieve overall benefit to customers, the wider environment, and overall society?

Solution owner response

This response has been written in line with the requirements of the RAPID Gate 3 Guidance and to comply with the regulatory process pursuant to Thames Water's statutory duties. The information presented relates to material or data which is still in the course of completion. Should the solution presented be taken forward, Thames Water will be subject to the statutory duties pursuant to the necessary consenting

process, including environmental assessment and consultation as required. This response should be read with those duties in mind.

- How were WRSE best value metrics integrated into the Teddington DRA best value assessment?

All of the WRSE Best Value metrics were assessed for the Teddington DRA option, and all other water recycling options. These are summarised in Appendix X of our WRMP24.

- What trade-offs were made between cost, environmental benefits, and operational resilience?

Our WRMP24 programme appraisal process and decision making is summarised in Sections 10 & 11 of our WRMP24. Annex 2 of Section 10 specifically discusses TDRA and its alternatives, linked to the relevant sensitivity testing (paras 10.251-257 and 10.285-287).

- How were these weighted for the best value assessment between the strategic resource options; Teddington DRA, Beckton and Mogden Water Recycling schemes?

The WRSE programme appraisal approach did not explicitly weight different Best Value metrics. Previous experience has shown that formal weighting places too much attention on the weights and their justification. We use unweighted modelling as a decision support tool, but decision making is justified narratively supported by modelled outputs.

- Did stakeholder and public consultations affect metric scoring, weight adjustments or preferred solution selection?

Metric scoring was not generally influenced by consultation, as metric scoring was a technical process. Metrics were not weighted as described above. Consultation input was considered in preferred option selection decisions.

- How has financial cost been considered and how will this achieve overall benefit to customers, the wider environment, and overall society?

Financial costs are part of the metric suite and are considered at the individual option level and also at programme level (should the option be selected). Cost estimates for each option (initial and replacement capex, fixed and variable opex, carbon) were fed into the options appraisal process

(WRMP24 Section 7). The programme appraisal process begins with an identification of the "least cost" programme (representing the lowest cost plan to our customers) before being compared to alternative plans based on best value.

Thames Water WRMP4 was approved for publication in August 2024, the Secretary of State concluded that the strategic need for the Teddington Direct River Abstraction project had been demonstrated. The scheme included for our RAPID Gate 3 submission remains the best value solution to deliver 1:200 drought resilience in the early 2030's.

<https://www.thameswater.co.uk/about-us/regulation/water-resources>

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| Date of response to RAPID | 30/01/2025 |
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