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## Gate three query process

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| Strategic solution(s) | LWR        |
| Query number          | LWR016     |
| Date sent to company  | 03/02/2025 |
| Response due by       | 04/02/2025 |

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### Query

We have reviewed the gate report and Annex A2 and have been unable to identify any specific information relating to cost scalability and tipping points for project costs.

Please can you direct us to where this information has been included.

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### 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.*

The Teddington DRA scheme's feasibility has been investigated through the London Water Recycling SRO programme. As part of this programme, environmental investigation and river modelling have been carried out. Through this investigation, and as a result of dialogue with the Environment Agency, it has been determined that a Teddington DRA scheme of larger than 75 Ml/d should not currently be considered as being promotable. The Teddington DRA

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scheme is therefore not considered scalable above 75 Ml/d. This information is set out in paragraph 2.43–2.44 of the Gate 3 report.

Annex A2 (TDRA Cost & Carbon Report), Section 8 outlines the tipping point of scheme costs for Teddington DRA to be not cost effective as “least cost” plan against the other LWR scheme options, specifically Beckton Water Recycling. This is also summarised in the paragraph 8.16–8.17 of the Gate 3 report which sets out that; *‘it was found that Teddington DRA would need to cost between £844m and £929m (in 2022/23 prices, indexed according to the BCIS CE Cost Index, i.e., in a “like for like” cost basis as presented in the Gate 3 reporting) for a different solution (Beckton Recycling) to be included within a “least cost” plan’*

Further information on the assessment of alternatives can be found in WRMP24, section 10, Annex 2 – Teddington DRA vs alternatives<sup>1</sup>.

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| <b>Date of response to RAPID</b> | 04/02/2025 |
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<sup>1</sup> WRMP24, section 10 Programme Appraisal and Scenario Testing  
<https://www.thameswater.co.uk/media-library/home/about-us/regulation/water-resources/wrmp24/technical-report/programme-appraisal.pdf>