

Centre City Tower, 7 Hill Street, Birmingham B5 4UA
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By email

Sarah Bentley
Chief Executive
Thames Water

28 June 2023

Dear Sarah,

Strategic regional water resource solution: gate two final decision for Thames Water

I am writing to inform you that we have published the final decisions in respect of the following strategic regional water resource solutions:

- London Water Recycling
- River Severn to River Thames Transfer (STT)
- South East Strategic Reservoir Option (SESRO)
- Thames to Affinity Transfer (T2AT)
- Thames Water to Southern Water Transfer (T2ST)

The solution owners and other interested parties had the opportunity to respond to the draft decisions during the representation period, which followed the publication of the decisions on 30 March 2023. We have taken all relevant representations into account in making our final decisions.

Final decision summary in respect of Thames Water-sponsored solutions

Recommendation item	London Water Recycling	Severn to Thames Transfer	SESRO	Thames to Affinity Transfer	Thames Water to Southern Water Transfer
Solution owners	Thames Water	United Utilities Severn Trent Thames Water	Thames Water Affinity Water	Thames Water Affinity Water	Thames Water Southern Water
Should further funding be allowed for the solution to progress to gate three?	Yes	Yes, subject to any decisions taken at a Conditional Review Point.	Yes	Yes	Yes

Recommendation item	London Water Recycling	Severn to Thames Transfer	SESRO	Thames to Affinity Transfer	Thames Water to Southern Water Transfer
Is there evidence all expenditure is efficient and should be allowed?	Yes	Yes	Yes	Yes	Yes
Delivery incentive penalty?	No	No	No	No	No
Is there any change to partner arrangements?	No	Yes	No	No	No
Are there priority actions for urgent completion?	Yes	Yes	No	No	Yes

The RAPID partner regulators would like to thank Thames Water for submission timeliness, collaborative approach and positive engagement which has helped drive the quality and speed of progression of this solution.

Both this letter and the enclosed final decision documents were published on our website on 28 June 2023.

Should you have any questions about the final decision, please e-mail rapid@ofwat.gov.uk and someone from the team will be in touch.

Once again, Ofwat would like to thank Thames Water for the work that it has carried out over the gate two period.

Yours sincerely

David Black
Chief Executive Officer

Encs