



Thames Water to Affinity Water Transfer SRO

12 October 2022

Attention: [REDACTED]

Managing Director
Regulators' Alliance for Progressing Infrastructure Development
Ofwat
City Centre Tower
7 Hill Street
Birmingham, B5 4UA

Thames Water to Affinity Water Transfer (T2AT) SRO Clarification on request for additional funding for Gate 2 and beyond

Dear [REDACTED],

Further to our letter of the 25th May, we would like to confirm that the September forecast for T2AT has been produced using our latest assessment of the cost to completion of Gate 2. We are pleased to confirm that in that forecast the Gate 2 costs are now £50k below the Gate 2 development allowance and no additional funding will be required.

In addition, we have considered whether there is value in splitting the two leading solutions in the current SRO into two separate SROs at this stage and concluded that it is not currently worthwhile, for the reasons set out below.

In the draft WRSE Regional Plan:

- The T2AT solution in west London is selected in the preferred (reported) pathway and first used in 2040, making it a critical part of the plan in the medium term.
- The T2AT option in east London, linked to the London Recycling SRO, is only selected in one future adaptive pathway, in 2056. Therefore, the scheme does not require further development within the current WRMP24 planning period (2025 – 2050).

Therefore, in our Gate 2 submission we propose to continue the west London solution, and not continue the development of the east London scheme beyond Gate 2. Should the east London scheme be needed sooner we would seek to delegate it as a new SRO, following liaison with yourselves.

We would be pleased to discuss this matter with you further, should that be required.

Yours sincerely

[REDACTED]

Director of Regulation and Strategy, Affinity Water

[REDACTED]

Director of Strategic Resource Options, Thames Water