



14th November 2022

Attention: Mr Paul Hickey

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

Thames to Southern Transfer (T2ST)

Strategic regional resource option: Gate 2 submission

Dear Paul

We have pleasure in submitting the Gate 2 report for the Thames to Southern Transfer strategic regional resource option.

Attached is a copy of our T2ST joint board assurance statement and our Gate 2 submission report.

The companies have worked diligently and efficiently together through the Gate 2 stage and we very much hope the submission demonstrates this and meets your requirements.

We look forward to receiving your comments in anticipation that the T2ST scheme will progress forward to the proposed Gate 3 Checkpoint 1.

Yours sincerely

Sarah Bentley, Chief Executive Officer,
Thames Water

Malcolm Cooper, Independent Non-Executive
Director and Chair of the Audit Committee,
Southern Water



Board Assurance Statement

Each of the Thames Water and Southern Water Boards are satisfied that the data and approaches used to develop the concept design and decision-making information included within the gate two submission:

- meets the requirements set out in Ofwat's Final Determination, and subsequent additional feedback from Ofwat;
- have been subject to sufficient processes and internal systems of control to ensure that the information on design, costs and benefits contained in this submission are reliable;
- have been appropriately assured to give our stakeholders, including customers, trust and confidence in this gate two submission;
- and have appropriately considered the feedback and opinion of independent external assurance partners.

The Thames Water and Southern Water Boards confirm that they understand their roles in this joint scheme.

The Thames Water and Southern Water Boards confirms, subject to any material circumstances or issues noted, that:

- the Boards support the recommendation for the solution progression made in this submission and the recommendations for which solution options should be progressed;
- it is satisfied that progress on solution is commensurate with the solution being "construction-ready" for 2025-2030, should it be required
- it is satisfied that the work carried out to date is of sufficient scope, detail and quality as would be expected of a large infrastructure scheme of this nature at this stage.
- is satisfied that expenditure has been incurred on activities that are appropriate for gate two and is efficient.

The Thames Water and Southern Water Boards support the proposal that Southern Water becomes accountable for T2ST promotion post Gate 2. It is proposed that the 50:50 split in development costs between Southern Water and Thames Water is continued through to the end of AMP7 at which point Southern Water would pay for 100% of the development.

Thames Board Signature

I, Sarah Bentley, on behalf of the Thames Water Board with their delegated authority, am pleased to submit our Gate 2 documentation.

Sarah Bentley, Chief Executive Officer, Thames Water
Thames Water

Southern Board Signature

I, Malcolm Cooper, on behalf of the Southern Water Board with their delegated authority, am pleased to submit our Gate 2 documentation.

Malcolm Cooper, Independent Non-Executive Director
and Chair of the Audit Committee,
Southern Water

Board Assurance Considerations

The following table provides details the main factors the Board have taken into account in support the Board Assurance Statement.

Statements	Considerations
It supports the recommendations for solution progression made in this submission and the recommendations for which options with the solution should be progressed.	The recommendations and methodology regarding scheme progress for the solution have been agreed by the scheme partners and discussed with RAPID.
	The Executive Programme Board and Board reviewed and discussed the conclusions and approved the recommendations for the solution.
	Independent external assurance was completed on behalf of the SRO with findings reported to the Board.
It is satisfied that progress on solution is commensurate with the solution being "construction-ready" for 2025-2030, should it be required	The Executive Programme Board reviewed the detailed project plan and the sources of data used to carry out the assessment
	The detailed project plan showing when the solution will be construction ready is in place and has been reported to the Board
	Independent external assurance was completed on behalf of the SRO with findings reported to the Board.
It is satisfied that the work carried out to date is of sufficient scope, detail and quality as would be expected of a large infrastructure scheme of this nature at this stage.	Technical teams drafted Concept Design Reports which were reviewed and approved by the Executive Programme Board
	Peer review of documents focused on scope, detail and quality was completed with findings reported to the Executive Programme Board
	Independent external assurance was completed on behalf of the SRO with findings reported to the Board.
The Board is satisfied that expenditure has been incurred on activities that are appropriate for gate two and is efficient .	A detailed review on activity expenditure has been shared and reviewed at Executive Programme Board with key findings reported to the Board.
	A separate document providing evidence of efficient cost expenditure was drafted and approved by finance teams and reported to the Board.
	Independent external assurance was completed on behalf of the SRO with findings reported to the Board.