

Dear [REDACTED]

29th October 2021

THE ANGLIAN TO AFFINITY TRANSFER (A2AT) STRATEGIC RESOURCE OPTION (SRO) – RESPONSE TO GATE 1 DRAFT DECISION

This letter follows the recommendation by RAPID to Ofwat that the Anglian to Affinity Transfer (A2AT) strategic regional water resource solution should progress through the gated process to gate two. In conjunction with the appended statement of response, it forms Affinity Water and Anglian Water’s joint representation in respect of the Gate 1 draft decision published on 14 September 2021.

Costs

Section 2.2 of the draft decision reiterates the amount of expenditure published in our gate one submission. We are delighted to read that the draft decision proposes that all gate one expenditure is deemed efficient and no adjustments to the costs claimed are made. We are similarly pleased to learn that it is proposed that the gate two funding be allowed and that, as solution sponsors, neither Affinity Water nor Anglian Water should incur any delivery incentive penalty.

Quality

Section 2.3 of the aforementioned draft decision document shows that the overall assessment for the solution submission is ‘good’ (meets expectations), with all of the assessment areas showing good progress and quality of investigation at gate one. Whilst this is very pleasing, we notice that the score for the environment assessment area, while rated “good”, is somewhat lower than that for the other areas. We would welcome further discussion to understand the details behind this, to ensure a “good” rating is maintained for gate two. Our forward plan looks to build on the initial assessment carried out at gate one and address any gaps which

remain, and we look forward to continuing our engagement with the Environment Agency and Natural England to identify and address potential environmental risks.

Actions & Recommendations

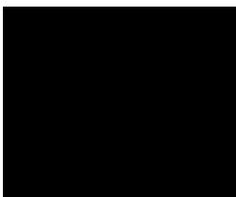
We are pleased to note that RAPID have not identified any priority actions for the A2AT SRO, and therefore do not expect a remediation action plan.

A list of actions and recommendations has been listed in the appendices of the draft decision document. We have reviewed this and are able to confirm that we have no concerns with any of the items listed and have provided our response to each of them in our statement of response attached to this letter.

Summary

We would like to take this opportunity to thank RAPID, EA, Ofwat and DWI for their engagement and collaborative working throughout gate one, and for their positive draft decision in respect of our gate one submission.

Yours sincerely,



Director of Asset Strategy, Affinity Water)



(Director of Strategy & Regulation, Anglian Water)