

**From:** RAPID  
**Subject:** FW: Southern and Portsmouth response to draft determination accelerated Gate 2  
**Attachments:** Gate 2 - draft determination response FINAL 12042022.pdf

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**From:** [redacted]  
**Sent:** 12 April 2022 17:47  
**To:** RAPID <RAPID@ofwat.gov.uk>; [redacted]; [redacted]  
**Cc:** [redacted]; [redacted]; [redacted]; [redacted]; [redacted]  
**Subject:** Southern and Portsmouth response to draft determination accelerated Gate 2

Dear RAPID team,

On behalf of Southern Water and Portsmouth Water we are pleased to provide our response to the accelerated Gate 2 draft decisions.

The accelerated gates continue to break new ground for the Industry with RAPID, Southern Water and Portsmouth Water identifying areas for refinement which can be shared with the standard gate participants. We recognise the accelerated gate does not easily fit into the model expected for RAPID gates and continue to work with the relevant regulators to manage and try to align the requirements of multiple statutory processes.

We ask that RAPID take into account the additional evidence we provide in our response and our proposed re-allocation of common costs to support the hard work completed to date to mature the SROs and progress towards Gate 3. We also ask RAPID to review our proposal for recalculation of forward costs for Gate 3 and Gate 4 with phasing aligned to the delivery expenditure forecasted against the PR19 indicative gate requirements.

Southern Water continue to work across the industry to inform customers on water recycling technology which will ramp up as the solution matures. Our customer engagement plan is closely aligned with the consenting process associated with the development of the water recycling plant in order to maintain consistency of messaging and evolution of feedback from customers, stakeholders and regulatory bodies. Our customer strategy is intended to engage with both Southern Water's and Portsmouth Water's customers as water recycling will impact, whether directly or indirectly, both companies and we are keen to continue to engage with customers to continue to mitigate any concerns on the new technology.

Southern Water are part of an industry wide initiative to create and enact upon customer engagement plans for changes to water sources to demonstrate learnings from others, globally, who have introduced new technologies to resolve water resources issues in order to protect the environment. We are also leading an industry water recycling working group where we share our learnings from our ongoing customer engagement feedback and understanding of the technical advancements now available.

We welcomed the news that the Gate 3 guidance will be shared in Q1 and thank RAPID for advancing the provision of Gate 4 guidance that will allow improved forward planning and engagement plans of the accelerated gates. The Gate 3 guidance will allow the formal conclusion of arrangements between Portsmouth Water and Southern Water and reduce the risk on delivery timescales.

We look forward to your feedback and our teams look forward to continuing to work with you, and your teams, as we continue towards accelerated Gate 3.

Kind Regards

(sent on behalf of)

[redacted]

Director of Asset Strategy – Southern Water

[redacted]

CEO – Portsmouth Water

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