

27 May 2022

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Strategic Resource Options for
West Country Water Resources Group



By email

West Country North source and transfer and Poole effluent recycling source and transfer – Solution Option Changes – RAPID response

Dear Julian

Thank you for your letter dated 5 April 2022 requesting changes to West Country North sources and transfers and Poole effluent recycling sources and transfers solutions.

RAPID have discussed proposed changes with West Country solution partners during recent site visits (including Cheddar two on 2nd February and Poole / Bournemouth area on 16th February). Following these meetings, we welcome this formal request to change the scope of the solutions which we have responded to here.

Response to request to eliminate unfeasible or sub-optimal solution options

Solutions to progress as intra-regional options only

We support the inter-regional options not progressing to gate two based on the evidence presented linking to regional plans and best value.

The evidence from regional plans at this stage, and work completed on West Country solutions to date, supports the solutions progressing as intra-regional transfers only and for the inter-regional options to be removed from the RAPID gated process.

The emerging regional plans are currently least cost plans and there is still work ongoing to produce draft best value regional plans by Autumn 2022. However, at this stage we agree that these two West Country solutions are unlikely to generate a better value programme of options than those currently selected within the emerging WRSE plan. This is due to the transfer distances involved and associated cost and wider impacts. The emerging WCWR emerging plan also demonstrates a need within the WCWR region, which these solutions are fundamental to solve.

West Country North sources and transfers solution options

We support the following options not progressing to gate two based on the evidence presented that these are not currently feasible and / or that inter-regional elements are not appropriate at this stage linking to regional plans and best value (as described above):

- 16Ml/d Cheddar two reservoir to Testwood treated water transfer
- 65Ml/d Cheddar two reservoir to Testwood raw water transfer
- Cascade option through the existing companies network with network reinforcement where necessary

We support the following option progressing to gate two based on the evidence presented that this option remains feasible and that it is most appropriate to take forward to gate two on an intra-regional basis supported by links to regional plans and best value plan assessment (described above).

- 16 Ml/d Cheddar two reservoir to Wessex Water treated water transfer

We suggest that the West Country North sources and transfers solution is renamed at gate two to 'Cheddar two source and transfer'.

Poole effluent recycling source and transfer solution options

We support the following options not progressing to gate two based on the evidence presented that the inter-regional element is not appropriate at this stage linking to regional plans and best value plan assessment (as described above):

- Re-abstraction downstream, pumping station and raw water transfer to Testwood

We support the following option progressing to gate two based on the evidence presented that this option remains feasible and that it is most appropriate to take forward to gate two on an intra-regional basis supported by links to regional plans and best value plan assessment (described above).

- Diversion of effluent from Poole to the River Stour for abstraction at Longham and treated water transfer to Bournemouth and Poole

Solution partners

As requested, and in line with the solutions progressing as intra-regional solutions only, the solution partners can now be changed to exclude Southern Water.

The solutions partners going forward will be as follows:

- Poole effluent recycling source and transfer – Wessex Water and South West Water
- Cheddar two source and transfer – Wessex Water and Bristol Water

Cost allocation

We do not expect any costs to be incurred by any of the solution partners on the removed options after the date of this letter.

Southern Water's allowance relates to inclusion of the inter-regional transfer options and this work is no longer required. Southern Water's allowance in respect of this solution less any efficient expenditure incurred by Southern Water prior to the date of this letter will therefore be returned to its customers via the PR24 reconciliation process.

The scope of the solution has reduced moving from inter-regional to intra-regional solutions with fewer assets needed however the solution yield remains unchanged and additional mitigations may be needed which are unknown at this stage. We therefore agree that the funding for the solution should remain unchanged and that this funding will be allocated between the two remaining solution partners as proposed in the appendix to your letter dated 5 April 2022.

Assessment at Gate Two

Work completed to date on all solution options, and reasoning for options not progressing past this interim stage, should be included within the gate two submission. We will assess the quality of the work carried out on the removed options between gate one and the date of this letter at gate two. We will also assess the efficiency of spend on these options at gate two.

Assurance at Gate Two

We understand that the Boards of the companies agree with the proposed solution changes at this stage. We will expect Southern Water to provide Board assurance in respect of work carried out on and costs incurred on the solutions prior to removal of the inter-regional transfer options.

Conclusion

The reduced cost and best value benefits of the two remaining solutions described, especially from an in-region environmental perspective, means that this solution change is a positive step forward.

By RAPID agreeing to these changes at this stage we hope that ongoing work and resource to gate two can be better focused and that efficiencies result.

We also recognise the pro-active engagement by solution partners with regulators, including coordination of site visits, to date, and the effective collaborative working relationships which have resulted, and that this should continue to positively support solution development going forward.

We encourage ongoing engagement with relevant regulators to resolve any emerging issues and ongoing liaison with the WCWR regional planning group to develop a robust evidence base to demonstrate that these are the best value options at gate two.

This response letter has been published on RAPID's website today and we look forward to receiving and reviewing the solution submissions at gate two.

Yours sincerely

Paul Hickey