

Centre City Tower, 7 Hill Street, Birmingham B5 4UA
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By email

Susan Davy
Group Chief Executive
Bristol Water

14 July 2023

Dear Susan,

Strategic regional water resource solution: gate two final decision for Bristol Water

I am writing to inform you that we have published the final decisions in respect of the following strategic regional water resource solution:

- Cheddar 2 Source and Transfer

The solution owners and other interested parties had the opportunity to respond to the draft decisions during the representation period, which followed the publication of the decisions on 10 May 2023. We have taken all relevant representations into account in making our final decision.

Final decision summary in respect of Bristol Water-sponsored solution

| Recommendation item | Cheddar 2 Source and Transfer |
|---|--|
| Solution owners | Bristol Water Wessex Water |
| Should further funding be allowed for the solution to progress to gate three? | Continued development funding will be available to progress the solution up to the Conditional Review Point referred to the section below. The funding for progression of the solution to gate three will depend on the outcome of the conditional review. |
| Is there evidence all expenditure is efficient and should be allowed? | Yes |
| Delivery incentive penalty? | No |
| Is there any change to partner arrangements? | No |
| Are there priority actions for urgent completion? | Yes |

The RAPID partner regulators would like to thank Bristol Water for submission timeliness, collaborative approach and positive engagement which has helped drive the quality and speed of progression of this solution.

Both this letter and the enclosed final decision document were published on our website on 14 July 2023.

Should you have any questions about the final decision, please e-mail rapid@ofwat.gov.uk and someone from the team will be in touch.

Once again, Ofwat would like to thank Bristol Water for the work that it has carried out over the gate two period.

Yours sincerely

David Black
Chief Executive Officer

Encs