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RAPID, Ofwat Office

11 Westferry Circus
Canary Wharf
London
E14 4HD

cc. Simon Parker, Mark Wintringham, Adrian Shepherd

Registered Office:
Portsmouth Water Ltd
PO Box 8
Havant
Hampshire PO9 1LG

Tel: 023 9249 9888

Web: www.portsmouthwater.co.uk

Please ask for Bob Taylor
Our Ref LET-BTAS-240702

Dear RAPID

PW's team of relevant SME's, supported by consultants, have reviewed the overall strategy for the approach to the RAPID Gate Three submission in relation to the aspects of the scheme as they affect PW's existing and planned assets. The PW Board have been informed of this strategy and have received feedback from the teams via appropriate governance forums such as the internal PW Steering Committee and JPAG. On the basis of information presently available to the Board, the overall strategy is appropriate and consistent with the existing plans to develop and build HTR.

Table 10-5 of this document contains the PW Board statement, as signed by the Board. It has been agreed with RAPID (October 2023) that PW will only assure works which are required to enable the integration of the HWTWRP and HTR. These cover any changes required to PW's existing and planned assets and any works or agreements required to meet PW's statutory obligations and the expectations of its customers and wider stakeholders. For Security purposes, the names and signatures of members of the Board have been removed for publication purposes.

Table 10-5 - PW Board statement and supporting assurance steps to be taken.

Board Statements	Assurance activities undertaken to support Board statement
The Board supports the recommendations for solution progression made in the submission at Gate Three and the recommendations for which option within the solution should be progressed.	<ul style="list-style-type: none">• The recommendations regarding scheme progress have been agreed with the scheme partners SWS and discussed with RAPID and other regulators ahead of the Gate.• The PW Board has been briefed on the progress, relevant to PW's interaction with HWTWRP, to Gate Three, and the recommendations for progressing the solution, as relevant to PWs interaction with HWTWRP.• Third party assurance has been conducted by Jacobs, an external assurance provider.
The Board is satisfied that a realistic and achievable programme for the solution, with regards to the interface between HWTWRP and HTR, is in place. There are no insurmountable obstacles to the delivery of the HWTWRP and HTR interface aspects of	<ul style="list-style-type: none">• Each supporting annex sets out the data used to carry out the assessment and these have been reviewed by PW where appropriate to PW's interaction with HWTWRP.

<p>the solution in accordance with that programme and that progress on the interface aspects of the solution at Gate Three in accordance with that programme is commensurate with facilitating the overall solution being “construction ready” for 2025-2030 and “operational ready” for 2030-2035;</p>	<ul style="list-style-type: none"> • A detailed project plan has been prepared and reviewed by SWS and PW Subject Matter Experts. • Third party assurance has been conducted by Jacobs, an external assurance provider.
<p>The Board is satisfied that all significant risks to the delivery of the solution, with regards to the interface between HWTWRP and HTR, in accordance with the programme and within current cost projections have been identified and that those risks are managed well.</p>	<ul style="list-style-type: none"> • Documents relevant to PW’s interaction with HWTWRP have been peer reviewed by PW Subject Matter Experts. • Third party assurance has been conducted by Jacobs, an external assurance provider.
<p>The Board is satisfied that the work carried out at Gate Three, with regards to the interface between HWTWRP and HTR, is of sufficient scope, detail and quality to ensure that applications can be made for development consent orders, planning applications and other necessary statutory consents and permits in accordance with the programme and the work carried out at the interface between HWTWRP and HTR is commensurate with the solution being “construction ready” for 2025-2030.</p>	<ul style="list-style-type: none"> • Supporting Annex 6: Programme and Planning sets out the detail and provides evidence that this is the case as agreed with SWS. • A detailed project plan has been prepared and reviewed. • Documents relevant to PWs interaction with HWTWRP have been peer reviewed by PW and SWS Subject Matter Experts. • Third party assurance has been conducted by Jacobs, an external assurance provider.
<p>The Board is satisfied that expenditure with regards to the interface between HWTWRP and HTR, has been incurred only on activities that are appropriate for Gate Three and is efficient and cost effective.</p>	<ul style="list-style-type: none"> • A separate document providing evidence of efficient cost expenditure has been provided by SWS in addition to supporting tables. • Compliance with the Collaboration Agreement between PW and SWS, including provision of forecasts and detailed invoices to SWS.

For information only, PW’s Board Statements above are made in the context of the current, and evolving, commercial agreements between PW and SWS. Currently, PW is working with SWS within the scope and spirit of Clause 37 of the Bulk Supply Agreement and is engaged in negotiations to agree a further bulk supply agreement that will set out the basis on which the two water companies can deliver (and fund) changes to the HTR project. For the PW Board, the key areas to agree relate to satisfactory agreement of the operational arrangements of the reservoir, including water quality, safety and ensuring PW maintain control of the reservoir, and an appropriate risk/reward balance in those negotiations.

We would be happy to discuss any aspect of the RAPID Gate 3 submission with you in more detail.

Yours sincerely

Portsmouth Water Chief Executive Officer

Signed for and on behalf of the Portsmouth Water Board