From: [redacted]@anglianwater.co.uk>
Sent: 26 February 2025 16:44
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>
Subject: RE: Growth Portfolio Review

Hi [redacted] yes I've lined Jacobs up for a second opinion. We'll need someone (you or can you nominate someone) to write up a description of these types of schemes and a justification for why they are within scope to test with Jacobs (see attached). The excerpt you found below is helpful!

My view is the unfunded sites are part of the PCD and if they are not delivered Ofwat will clawback some of the overarching allowance in line with the PE not delivered.

I'm talking to Jacobs tomorrow PM about practicalities. If you can pull together some info we could have a discussion with them next week.

Regards,

[redacted]

From: [redacted]@anglianwater.co.uk>
Sent: 26 February 2025 13:49
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>
Subject: RE: Growth Portfolio Review

Hi [redacted]

Just re-reading the commentary in ANH29 in the investment option selection overview we do highlight transfers between catchment and infiltration reduction as options for Growth. Without knowing how much Ofwat have read the full commentary this is probably still an area of risk. Is it worth asking for a second opinion or is the commentary enough?

Group	Option	Rules/Prompt
Combined Foul and Sewer Systems	Proactive maintenance - rehabilitation.	Does anything suggest sewer deterioration?
	Transfer between catchments.	Is there a catchment with spare capacity within 3km? Is the site at/near technically achievable limit?
	Reduce infiltration.	Are unaccounted for flows >25%?
	Improved maintenance.	Could this be managed through increase maintenance?
Wastewater Treatment	Process optimisation.	Can we adjust the operation of the works slightly?
	Increased capacity - new streams.	Do we need to meet a new FFT?
	Increased capability - new process.	Are there any capacity bottlenecks?
	New treatment works.	Is the WRC in poor condition? Or, would it be better suited to serve the growth elsewhere?

Within the PCD Ofwat state “We apply a PCD on the growth at sewage treatment work schemes that we have provided an allowance for. We will track delivery at the scheme level and claw back allowed investment in the case of non-delivery. We apply time incentives on the cumulative process capacity added companies deliver”.

As we are treating the pot of money as a portfolio the current plan is to progress with a scheme at the unfunded sites. Do you have a view as to how Ofwat with view the completion of these schemes and if they are still part of the PCD?

Regards,

[redacted]

[redacted]

[redacted]

Anglian Water Services Limited

Thorpe Wood House, Thorpe Wood, Peterborough, PE3 6WT

From: [redacted]@anglianwater.co.uk>
Sent: 24 January 2025 16:58
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>
Subject: RE: Growth Portfolio Review

Hi all,

We heard back from Reckon earlier this week, I've attached a link below to their note. Their view aligns with [redacted] and [redacted] that the PCD reconciles on the basis of the cost driver, not the expenditure. This means that from a PCD point of view the important thing is delivering the output. I hope that helps [redacted]

20250122 - Draft note on PCDs in FDs.docx

I still think the pump away, catchment transfer and possible infiltration solutions are a risk. Be good to understand how explicit we were with Ofwat about those but I'd be tempted to get a second opinion. I think what we'd need to enable that is a description of the alternative proposals you are considering and a justification that they represent secondary treatment (this must be defined in the RAGs somewhere?). We can ask Jacobs or similar for an opinion about whether they think it would qualify if they were doing assurance.

Regards,

[redacted]

From: [redacted]
Sent: 20 January 2025 16:01
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>
Subject: RE: Growth Portfolio Review

Hi [redacted]

Thanks for sharing. Is this an extract from an Ofwat model? If it is then I think that gives us a bit more comfort. Might also be worth looking at the table guidance for any submissions we made to Ofwat about what constitutes added capacity. Was it a data table or a query response where we gave Ofwat this information?

Ideally we'd be able to say, Ofwat we told you these schemes were infiltration, pump away etc, you accepted them on that basis and that's what we've delivered. I think that has a reasonable prospect of passing assurance and may not want to clarify the position. If this isn't the case I'd be a lot less optimistic and we may want to clarify with Ofwat so we can make decisions about how those schemes will be treated so at least we know.

Regards,

[redacted]

From: [redacted]@anglianwater.co.uk>
Sent: 20 January 2025 15:39
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>
Subject: RE: Growth Portfolio Review

Hi [redacted]

I have just had a catch up with [redacted] in TWH and we discussed the following schemes in the growth portfolio that are categorised as infiltration studies, transfers between catchments and pump away solutions. In the PCD there are no details about these types of solutions qualify as "added capacity", I feel it is a risk when we need to prove how we have added the required capacity through a capital scheme. The 2 highlighted schemes do not have any allowances against them from the FD.

Investment	Investment Name	Recommended Alternative	Added Process Capacity in PE
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]

[redacted]	[redacted]		[redacted]
[redacted]	[redacted]	[redacted]	[redacted]

Regards,

[redacted]

[redacted]

[redacted]

Anglian Water Services Limited

Thorpe Wood House, Thorpe Wood, Peterborough, PE3 6WT

From: [redacted]@anglianwater.co.uk>
Sent: 17 January 2025 17:02
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]
Subject: RE: Growth Portfolio Review

Hi all,

I have had another read of a few PCDs today, including growth. I share [redacted] view. Ofwat talk about only updating cost drivers e.g. PE when reconciling the PCD, they explicitly say they won't redo the model. On page 98 for growth they say:

Non-delivery PCD payment calculation

When calculating the PCD, we will rerun this process using updated cost drivers for all relevant schemes. We are going to implement several steps: • plug in the new cost drivers (for existing schemes that change); • add new schemes with their cost drivers if relevant; and • remove schemes that are no longer due to be delivered

The growth PCD does have the following wording which gives me pause:

Substituted schemes must not: • have a change in the FFT permit without a corresponding change in the DWF permit; and • use any expenditure funded via the PCD to address previous non-compliance with DWF or FFT permits or reduce storm overflows spills.

However this is explicitly in relation to substituted schemes added, not schemes already identified in the PCD which is what I think we were concerned about.

That being said, I have asked for a second opinion from a consultancy called Reckon who have supported us in the past on this. I've only just asked for this advice so at the earliest I don't think we'll hear back until late next week.

I hope this help,

Regards,

[redacted]

From: [redacted]@anglianwater.co.uk>
Sent: 16 January 2025 17:09
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>
Subject: RE: Growth Portfolio Review

Hi [redacted]

Thanks for the update, this is positive. I will await confirmation before we look to promote the schemes to delivery.

Regards

[redacted]

From: [redacted]@anglianwater.co.uk>
Sent: 16 January 2025 09:49
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>
Subject: Re: Growth Portfolio Review

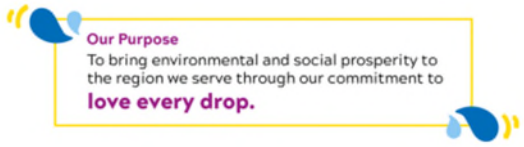
Apologies for the typos

Hi [redacted]

Having revisited the wording nothing suggests that we cannot treat the growth schemes at a portfolio level when it comes to allowances. [redacted] will also be reviewing again within the next two days and will get back to you with [redacted] view.

Regards,

[redacted]



[redacted]

[redacted]

[redacted]

Anglian Water Services Limited

Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU

From: [redacted]@anglianwater.co.uk>
Sent: 16 January 2025 09:46

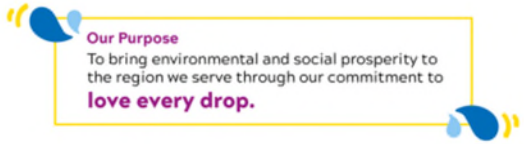
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>
Subject: Re: Growth Portfolio Review

Hi [redacted]

Having revisited the wording nothing suggests that we cannon treat the how the schemes at a portfolio level when it comes to allowances. [redacted] will also be reviewing again within the next two days and will get back to you with [redacted] view.

Regards,

[redacted]



[redacted]

[redacted]

[redacted]

Anglian Water Services Limited

Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU

From: [redacted]@anglianwater.co.uk>
Sent: 15 January 2025 13:06
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>
Subject: RE: Growth Portfolio Review

Hi All,

Following on from our PCD review last week, can we have confirmation that we are treating the Growth schemes at a portfolio level rather than a scheme by scheme FD allowance.

Regards,

[redacted]

[redacted]

Mobile [redacted]

Anglian Water Services Limited

Thorpe Wood House, Thorpe Wood, Peterborough, PE3 6WT

From: [redacted]@anglianwater.co.uk>
Sent: 13 January 2025 13:13
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>
Subject: Re: Growth Portfolio Review

Hi [redacted]

I've responded to [redacted] comment in the doc on the DWF non-compliance point. But in short, yes, they removed £23m from our allowance at seven sites. These are the seven sites where failures in 2019-2023 have an average exceeded the future DWF permit:

- Aisthorpe
- Buckingham
- Edenham
- Horning
- Manae
- Melbourn
- Rowston

Thanks,

[redacted]

[redacted]

Mobile: [redacted]

Anglian Water Services Limited

Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU

From: [redacted]@anglianwater.co.uk>
Sent: 10 January 2025 15:51
To: [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>; [redacted]@anglianwater.co.uk>
Subject: RE: Growth Portfolio Review

Hi everyone,

Please find attached the word doc notes around the Growth at STW's PCD's. Growth at STW FD PCDs Extract.docx

[redacted] have included you as we had some questions around the Ofwat models- have any DWF non-compliance factors we made in the allowance (in terms of reducing it)?

Thanks again for this afternoon

Have a good weekend,

[redacted]

[redacted]

Asset delivery Planning
Mobile: [redacted]

Anglian Water Services Limited
Thorpe Wood House, Thorpe Wood, Peterborough, Cambridgeshire, PE3 6WT

-----Original Appointment-----
From: [redacted]@anglianwater.co.uk>
Sent: 06 January 2025 17:26
To: [redacted]
Cc: [redacted]
Subject: Growth Portfolio Review
When: 10 January 2025 14:30-15:30 (UTC+00:00) Dublin, Edinburgh, Lisbon, London.
Where: Microsoft Teams Meeting

Microsoft Teams Need help?

Join the meeting now

Meeting ID: [redacted]

Passcode: [redacted]

Dial in by phone

[redacted]United Kingdom, City of London

Find a local number

Phone conference ID: [redacted]

For organizers: Meeting options | Reset dial-in PIN

Org help