The voice for water consumers
Llais defnyddwyr dŵr

MCC Economics & Finance

A review of CMA's PR24 Provisional Determinations

from MCC Economics & Finance

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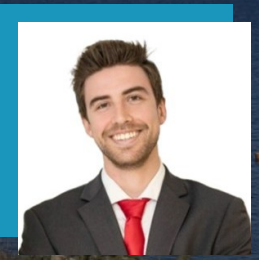

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MCC suggestions for the CMA (1)

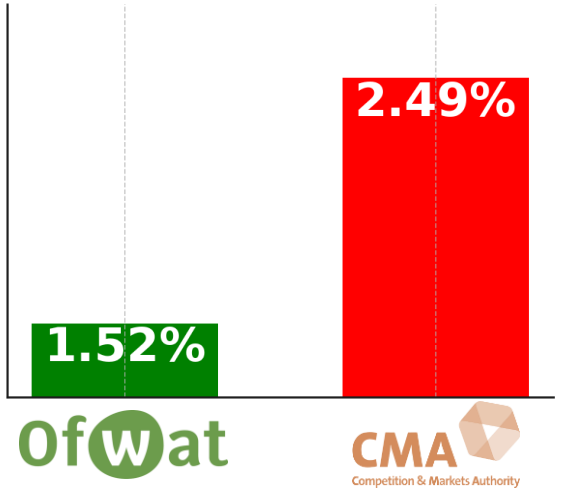
1. Customers do not want to make substantial contributions to support the financial resilience of highly geared **actual** companies. Customers face a price shock, due to many factors, including:
   - a higher WACC to reflect "low investor sentiment"
   - funding large increases in allowances
   - bringing forward cash flows
   - material risk reductions for companies and investors
2. If the companies had been operating efficiently and in-line with the notional financial structure, a price shock would not be needed:
   - customers should not be exposed to the consequences of company actions and inactions
3. Set an unbiased cost of capital allowance:
   - give the Disputing Companies a lower WACC to prevent the moral-hazard-problem
   - preserve the integrity of the sector, avoid allegations and perceptions of rewarding failure
   - tackle investment problems directly (e.g. totex with caveats) not indirectly via WACC
   - allocate risk to those best placed to manage it – companies, not consumers or regulators
   - give weight to key duties: protecting customers; financial resilience; and growth

MCC suggestions for the CMA (2)

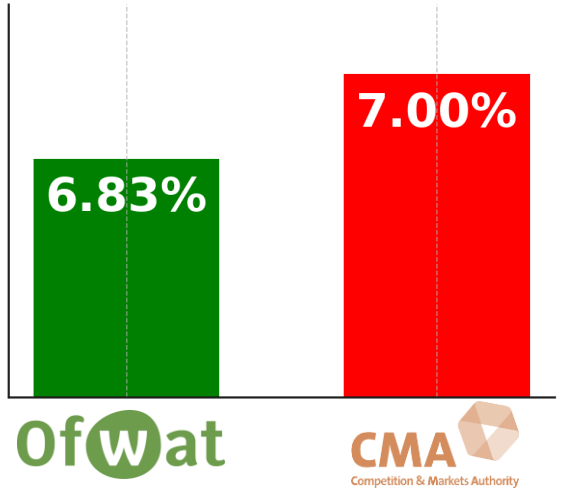
4. Address the problem(s) directly
   - Gearing issues were foreshadowed but kicked down the road
     - previous reviews identify risks and solutions (without having the evidence we now have)
       - see Oxera (2002), Smith & Hannon (2003), HMT (2004), Helm et al. (2009)
     - "The concerns expressed at the time were that **regulators would be less able to act to protect consumers** if highly geared companies were to become subject to financial distress. As a consequence, risk might be transferred from shareholders and lenders to consumers. Ofwat sought to make it clear that it would not allow this to happen".
       - Ofwat and Ofgem (February 2006), Financing Networks: A discussion paper
   - We now have clear evidence that customers are bearing financial risks
     - "investor sentiment" reference (Ofwat and CMA) exposes customers to actual financial risks
     - markets have failed and costs have increased
     - we think it's time to tackle the root cause(s) of each issue using targeted method(s)
     - a higher WACC allowance makes things worse, not better
     - thus, we suggest consideration of financial restrictions, such as a cap on gearing with audit assurance, applied progressively via a glide-path. Picking up from CMA (2021)
       - CMA (17 March 2021), para. 9.1224

CMA's WACC is higher than Ofwat's in almost every respect

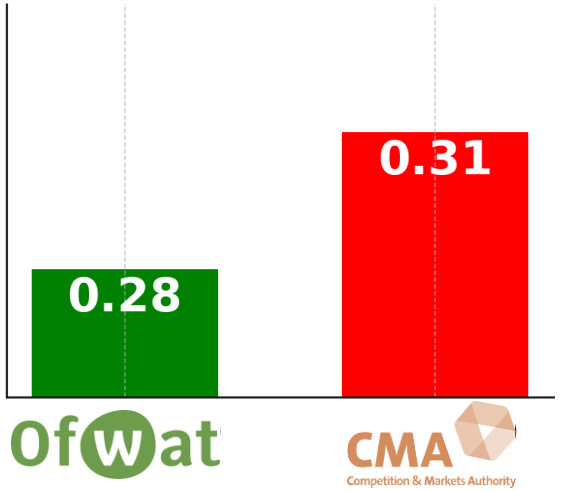
RFR



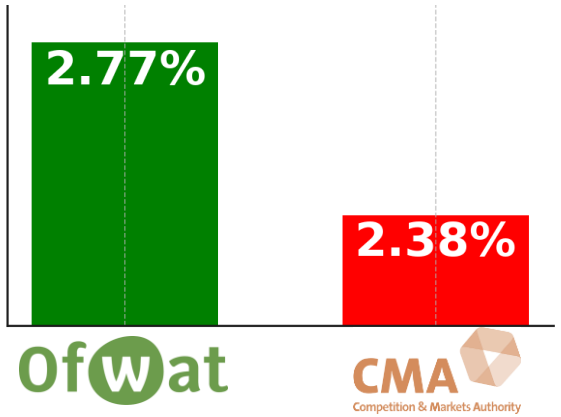
TMR



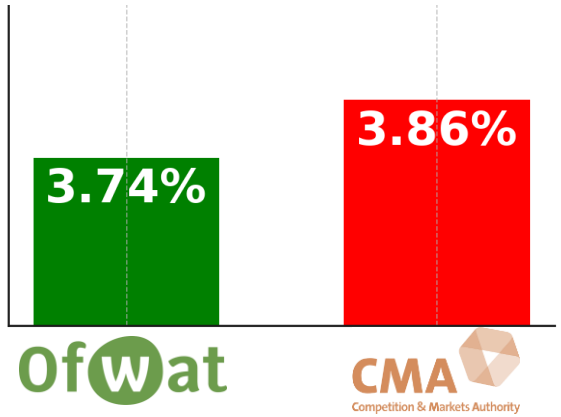
Unlevered beta



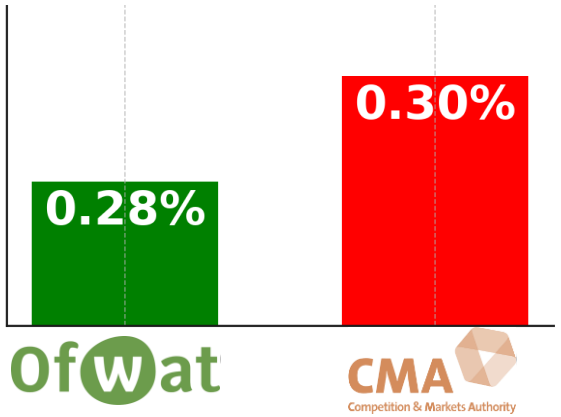
Cost of embedded debt



Cost of new debt

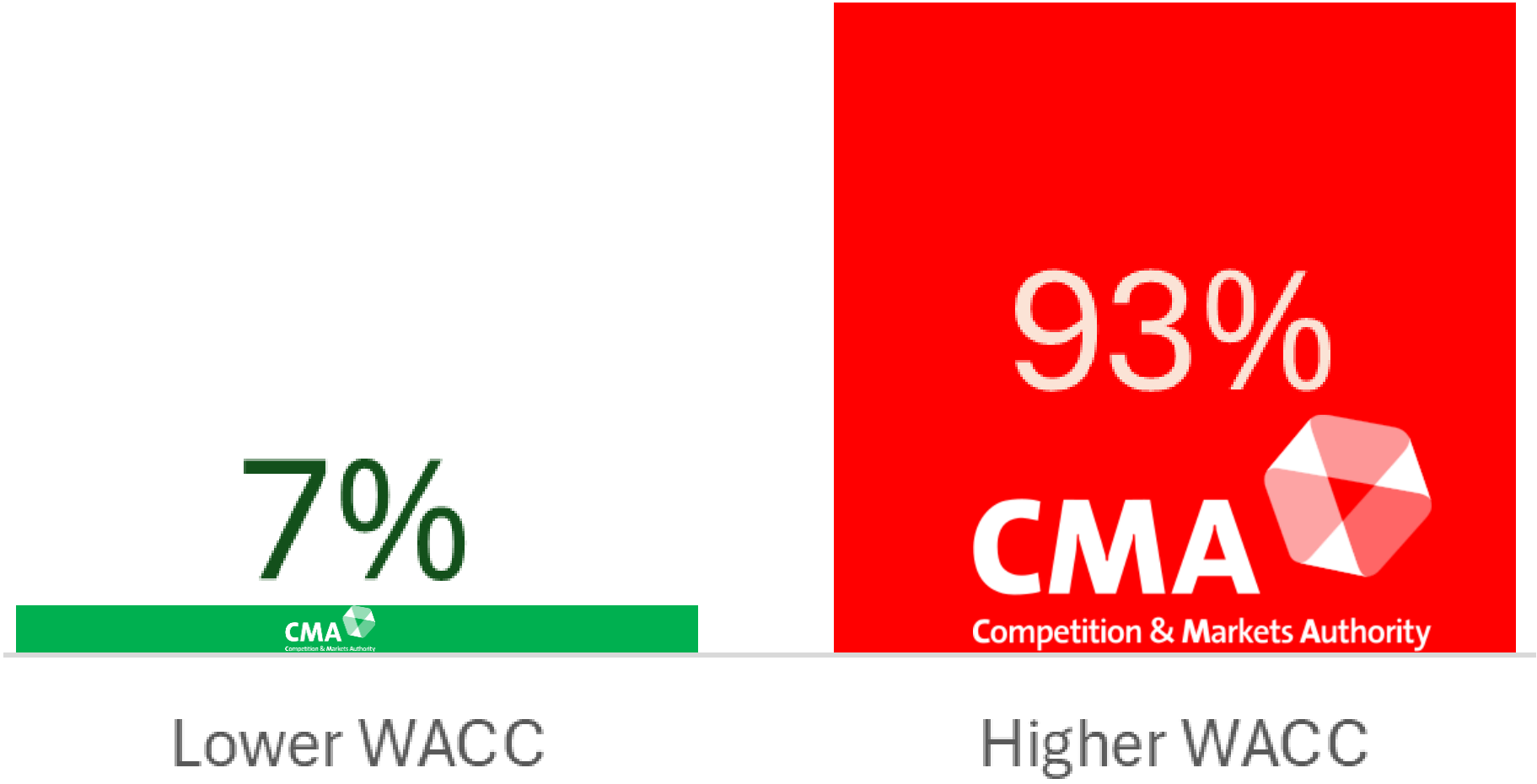


Aiming up



Source: MCC Economics analysis of CMA's PR24 PD, Volume 4, Table 7.1

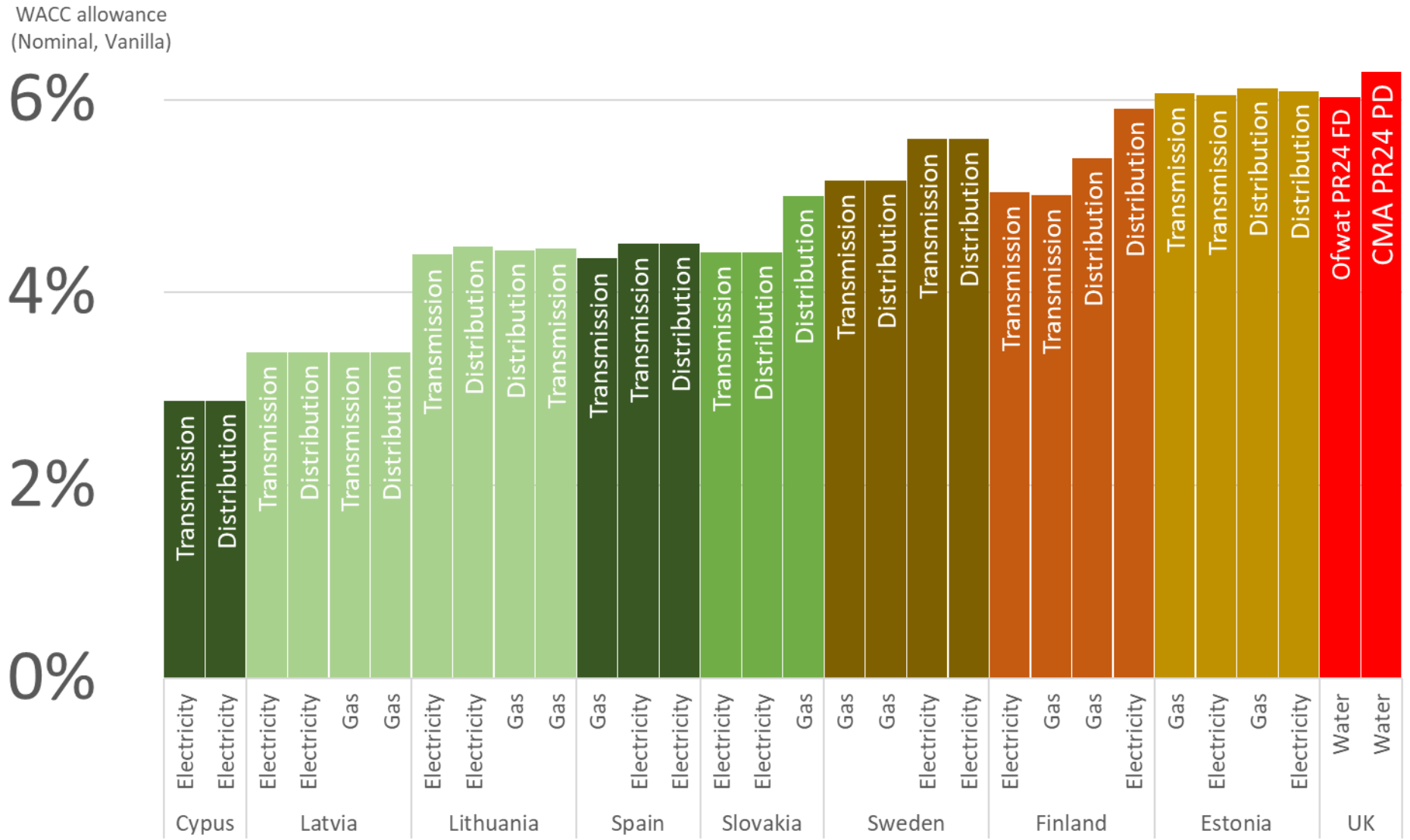
One-way-bet? Higher WACC for 93% of water company appellants



Since privatisation in 1989, approximately 14 appeals have been made by water companies seeking higher WACC allowances. Of these, only one (7%) - Bristol Water (2009) - resulted in a lower WACC allowance. All others (93%) show higher WACC decisions, even though most were made during falling interest rate cycles. CMA's PR24 decision is provisional so the balance could be (somewhat) restored. This is quite astonishing, as, since April 2005, Ofwat (and therefore the appeal body) has a primary duty to protect consumers.

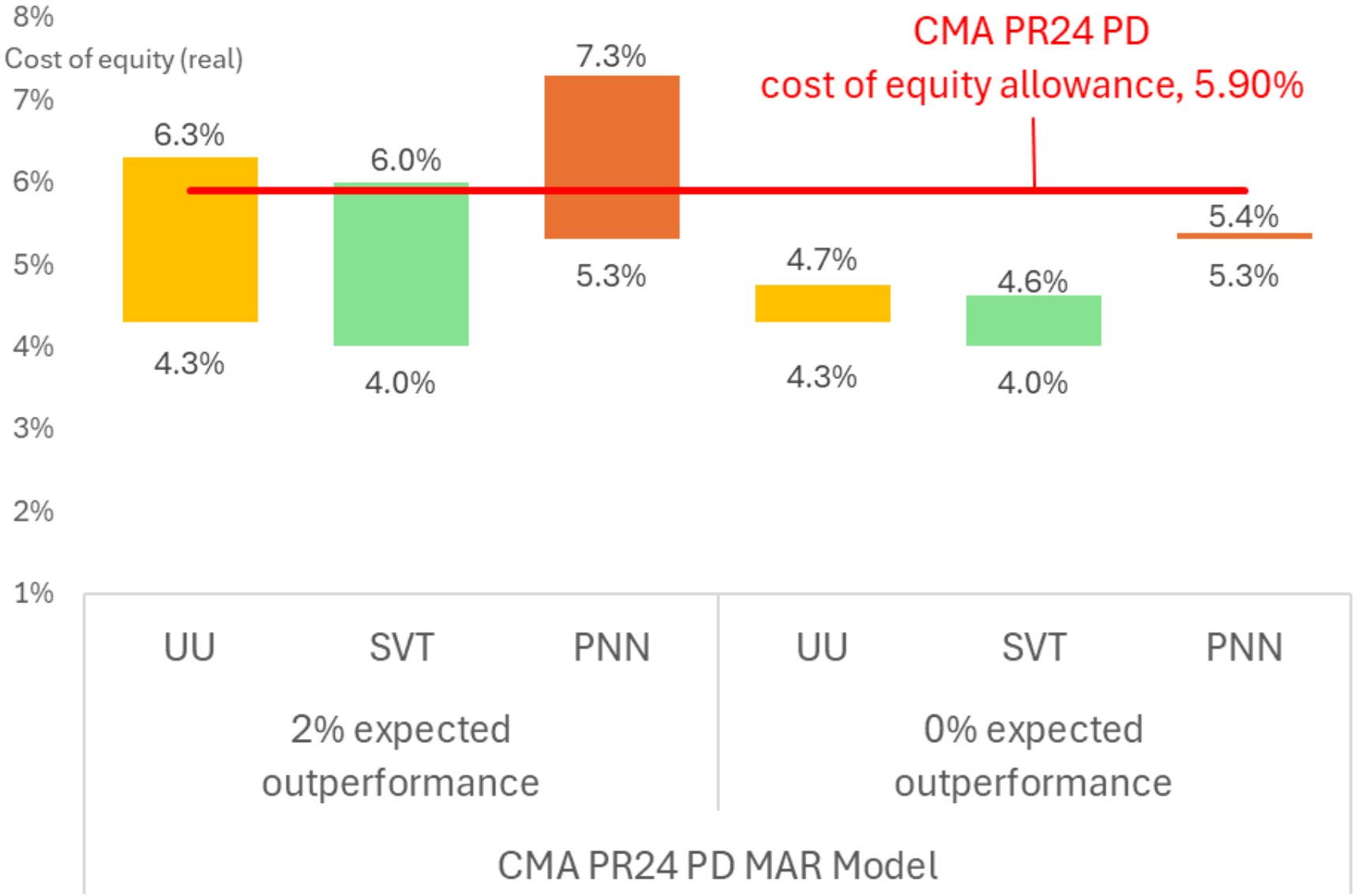
Source: MCC Economics analysis of water sector appeal decisions by CMA and predecessor appeal bodies (Competition Commission and Monopolies and Mergers Commission)
Values exclude Thames Water's PR24 appeal – if included the count would be 14 out of 15, rather than 13 out of 14, resulting in higher WACC allowances.

CMA's WACC is higher than European peers



Source: MCC Economics analysis of CEER data and determinations from Ofwat & CMA. FY24 used as base year, as reported by CEER. All WACC figures are enforced during FY25, according to CEER. UK WACC allowances are based in FY25. CPIH = 2.0% as per Ofwat's estimate. Nominal Vanilla WACC allowances. Expected inflation was calculated by each country's regulator. Some countries were excluded due to missing or insufficient data in CEER's dataset, namely: Austria, Belgium, Czech Republic, Germany, Denmark, France, Greece, Croatia, Hungary, Ireland, Iceland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovenia, Albania, Georgia, Montenegro, North Macedonia, Ukraine. The diversity between economies means that exclusions should not meaningfully impact the assessment. Higher inflation in the UK than in other European countries makes the difference even larger than shown in the chart.

CMA's 5.9% cost of equity is above CMA's MAR model cross-check



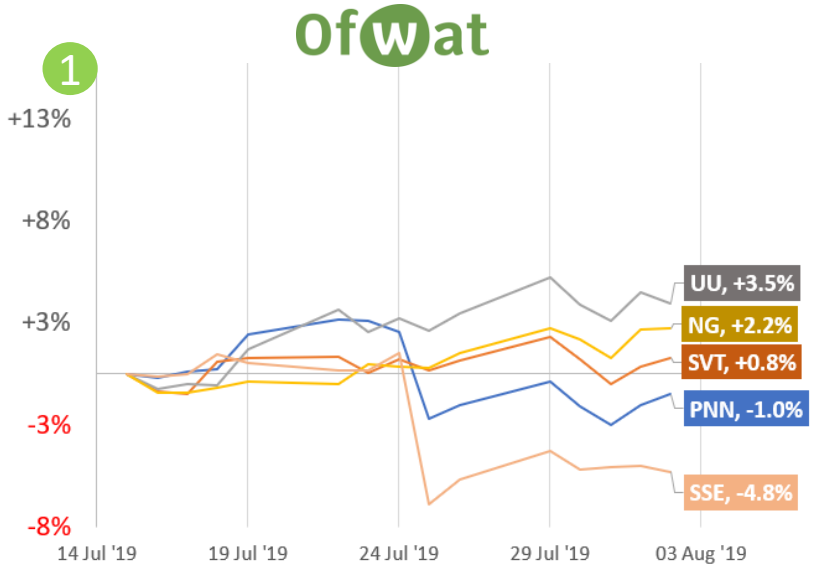
Source: MCC Economics analysis of CMA's PR24 PD Table 7.13 and Table 7.14. Ofwat's PR24 Final Methodology Appendix 11 Annex 2. Ofwat's PR24 FD Allowed Return appendix pages 67 to 69. The original source for this dividend growth MAR model is Mr PJ McCloskey's witness statement to the CMA dated 2021: it would be beneficial to credit the original author with the use of this model.

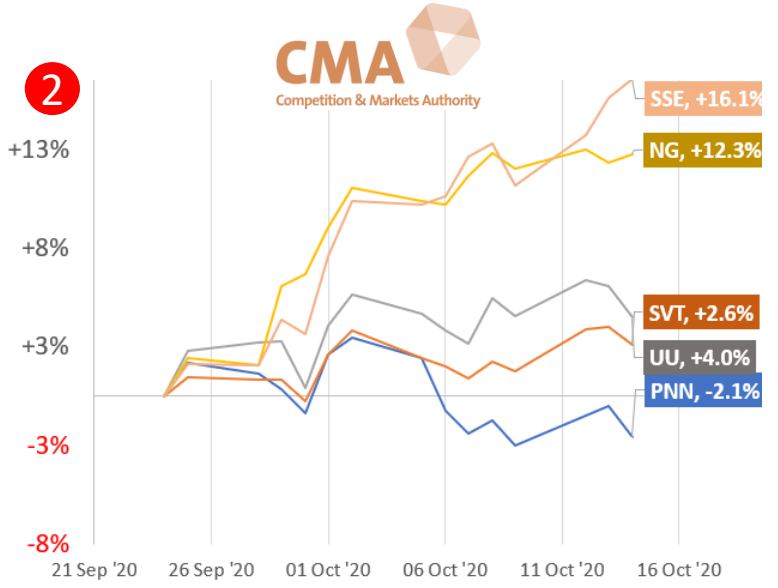
CMA's 5.9% cost of equity allowance is inconsistently with, and higher than, CMA's own MAR-model cross-check results.

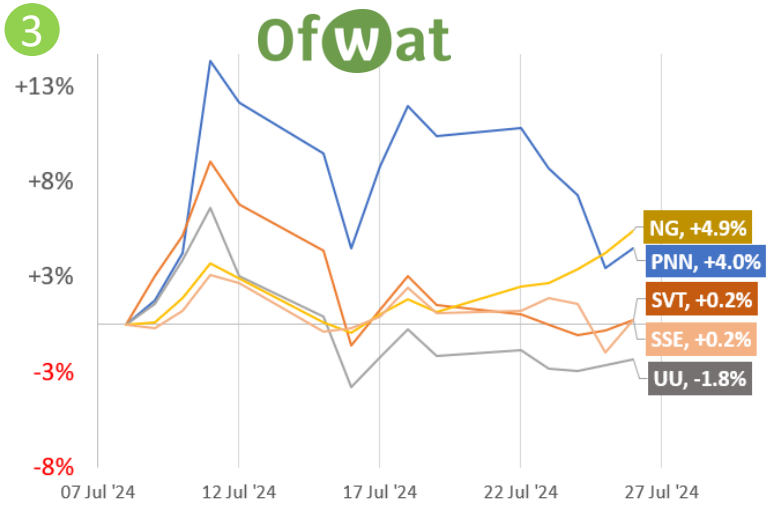
CMA should exclude the 2% expected outperformance from the MAR cross-check calculations: its inclusion is inconsistent with a fair-bet price control.

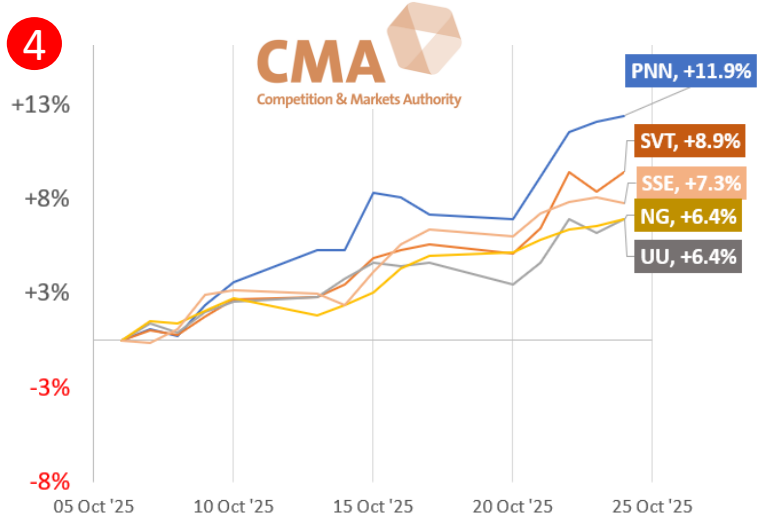
Further, the CMA should remove the aim up value of 0.3% because the CMA's own MAR cross-check calculations show that investors already expect outperformance.

Investor sentiment? CMA's WACC was unexpectedly generous









Ofwat's PR19 Draft Determination (DD) in July 2019 was followed by a muted reaction from the five utility companies (1). Then CMA's PR19 Provisional Findings (PFs) resulted in a very positive reaction for the energy stocks whose price controls had not yet been finalised (2). CMA's PR19 PF was unexpectedly generous.

Similarly, Ofwat's PR24 DD in July 2024 was followed by a muted reaction (3), but CMA's PR24 PFs in October 2025 result in a very positive reaction from all 5 utility companies (4). CMA's PR24 PF was unexpectedly generous.

Source: MCC Economics analysis of stock market reactions to regulatory decisions. Lines show the cumulative share price reaction around the date of each decision. Each line begins at zero one week before the decision because we notice that the stock market shows a reaction slightly in advance of the decision in line with common theory that some information can be leaked before the official announcement.

CMA's RFR inconsistencies

Price Review	20y ILG 1-month average (full month)	20y ILG 6-month average	CMA RFR	Method
PR14	-0.86%	-0.82%	1.25%	CMA's value reflected precedent and an expected rise in rates over AMP6.
PR19	-2.55%	-2.50%	-1.34%	CMA's value reflected 6-month average of 20y ILG yield and of the Non-Gilt AAA 10+ indices.
PR24	2.05%	1.94%	2.49%	1-month average of 20y ILG yield. Does not include expected fall in rates.

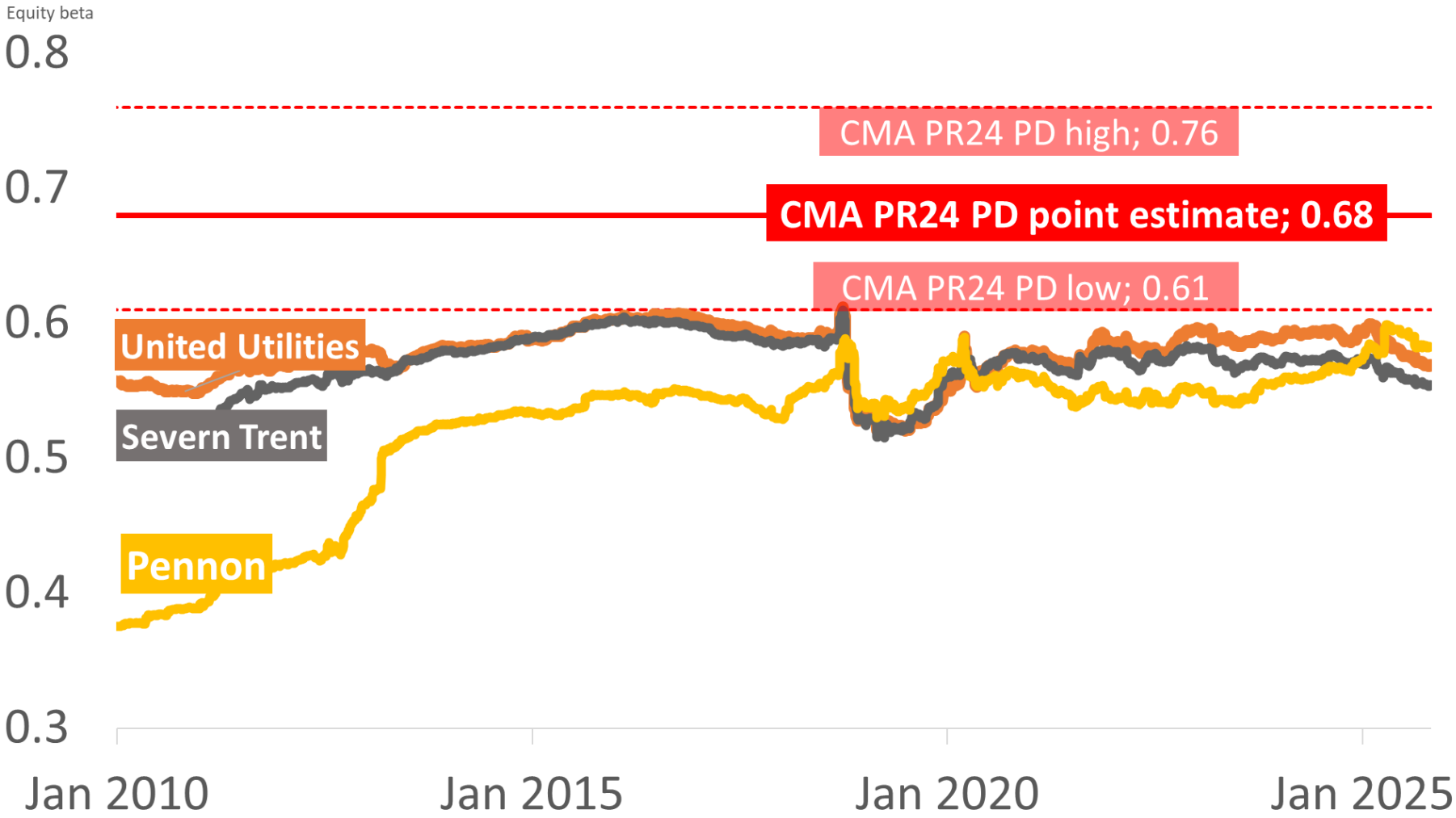
CMA's RFR assumption reflects different assumptions at each price review.

The change in approach between PR14 and PR19 aimed to eliminate the subjectivity that led to the high RFR in PR14.

However, the CMA subsequently changed its calculation in investor-favourable ways, by using non-gilt bonds (PR19) reducing the averaging window (PR24) and not including forecasts (PR19 & PR24).

Source: MCC Economics analysis of Bank of England data. 1-month average may differ from CMA estimation due to MCC's calculation using full month.

CMA's equity beta is inconsistent with 25 years of market data



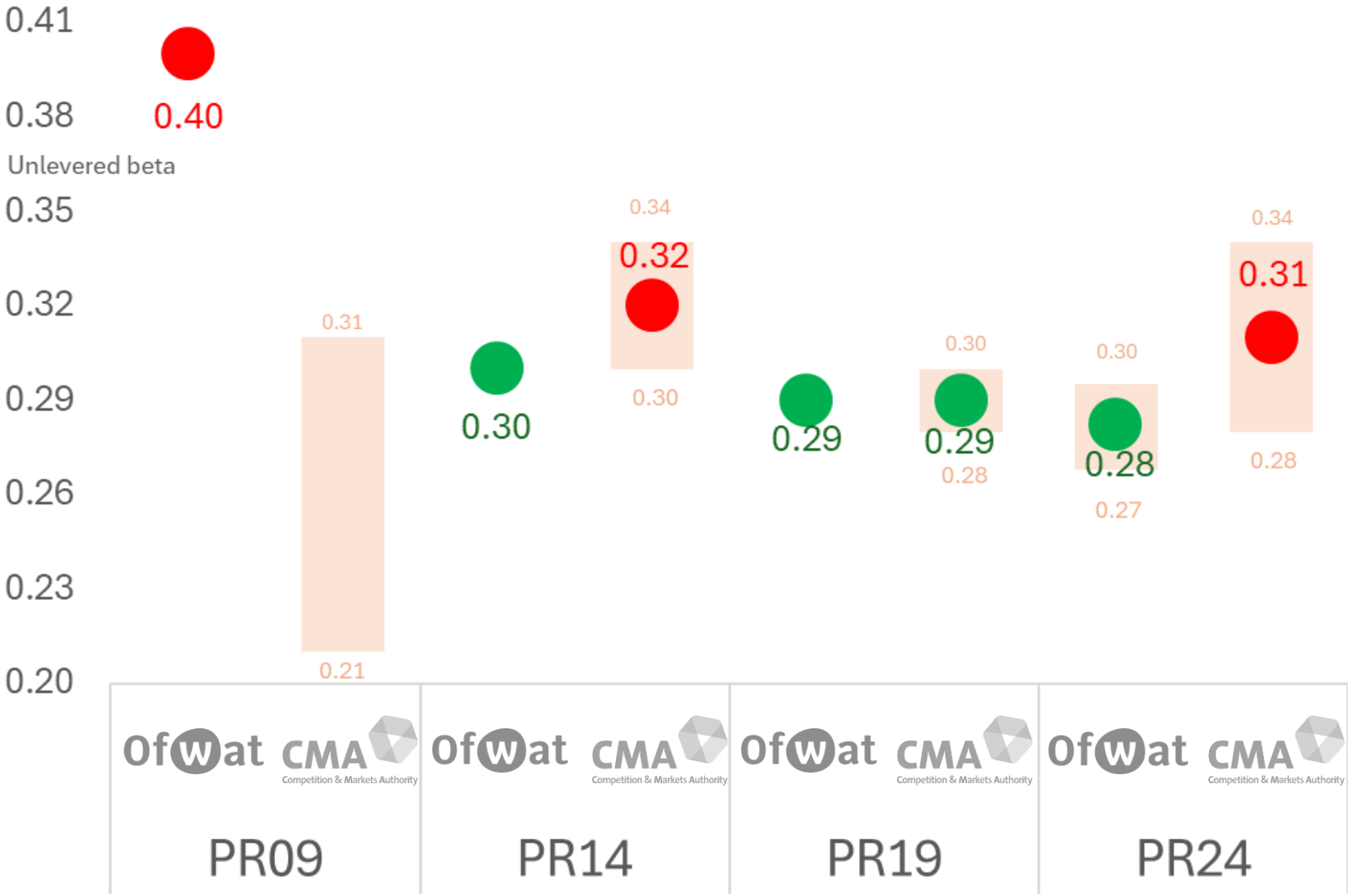
CMA's regeared notional equity beta materially exceeds market ("raw") equity betas.

CMA's judgement appears biased upwards by the de-gearing and re-gearing process, during which sensitive (and highly suspect) adjustments are brought into play, including Pennon's gearing, the assumed debt beta, the estimate of actual gearing and the assumed notional gearing level.

CMA's notional equity beta range is inconsistent with 25 years of raw equity beta market data, and we don't think gearing differences justify this inconsistency.

Source: MCC Economics analysis. 10-year rolling raw equity beta for three listed water companies compared with CMA's PR24 PD regeared notional equity beta range and point estimate. We say 25 years of market data because the first point shown on the chart, in January 2010, reflects 10 years of data from 2000 to 2010, so the full sample here is from 2000 to 2025 – almost 25 years of data. CMA's PR24 PD point estimate lies exclusively above the market data. Beta estimates based on FTSE 100 data, rather than FTSE All Share index, which would have some impact on the results.

CMA's unlevered beta is inconsistent over time

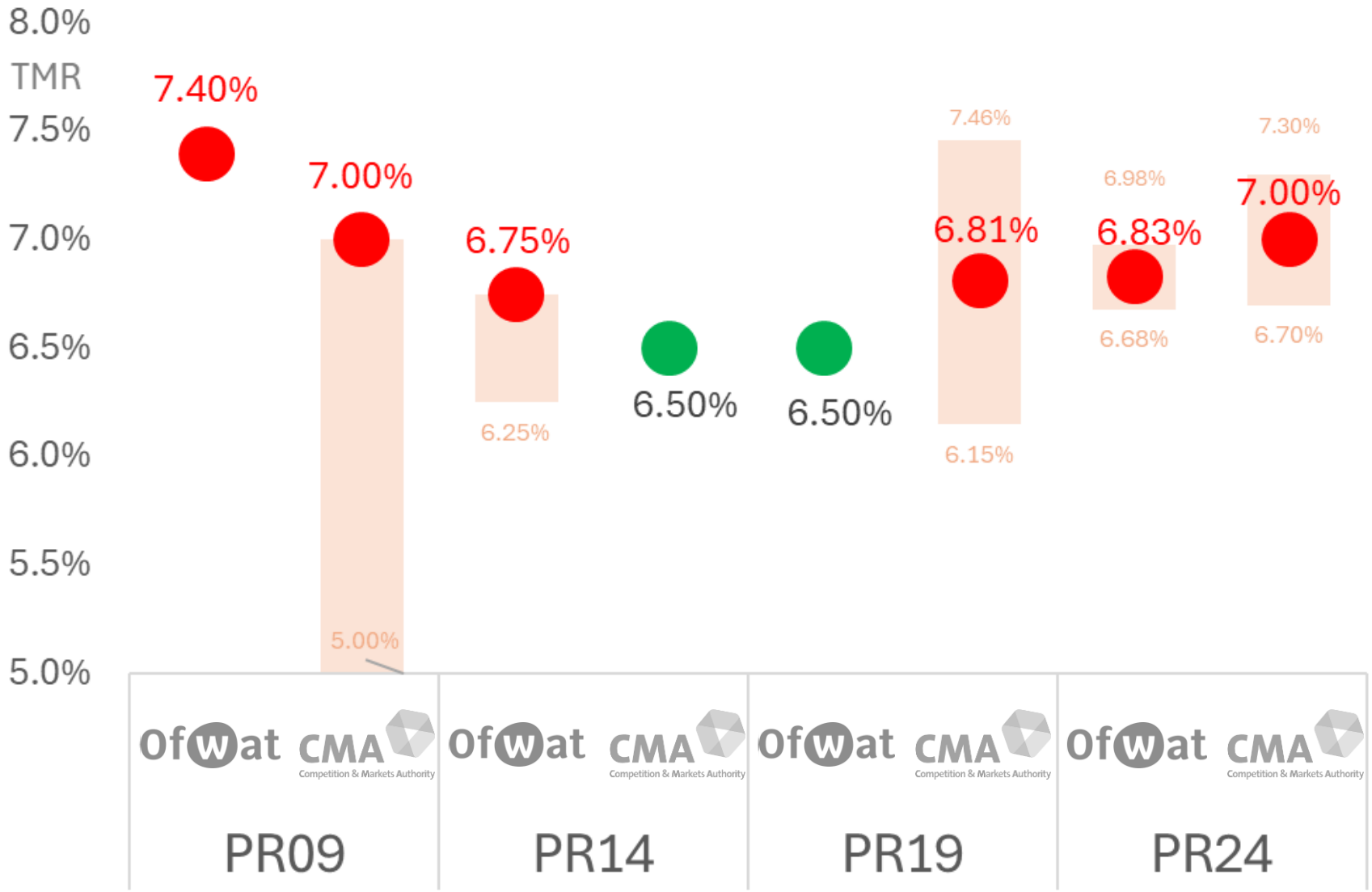


Source: MCC Economics analysis of Ofwat and CMA decisions

Beta data is noisy and estimated with a high degree of uncertainty. Nevertheless, Ofwat's view on unlevered beta is quite predictable over time (aside from PR09), in terms of range and point estimates.

By contrast, CMA's unlevered beta is inconsistent (and therefore unpredictable), even though it is based on largely the same data and methods as Ofwat's, in each of these four price controls. Why would CMA not use a similar beta (or a lower beta since risk is greatly reduced) to its PR19 view?

Does CMA's TMR/ERP inconsistency leave £6.7billion stranded?

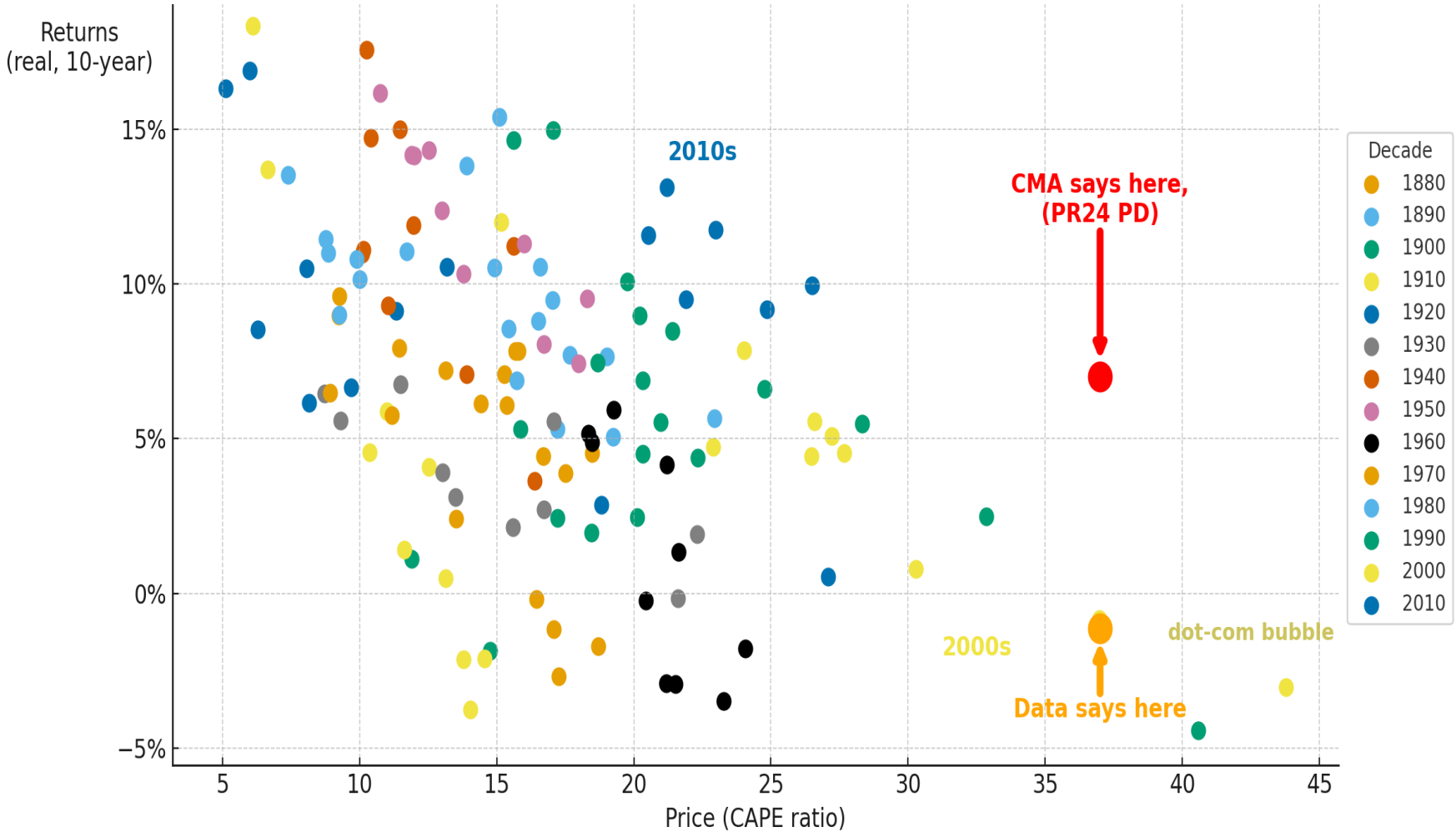


Source: MCC Economics analysis of Ofwat and CMA decisions. PR09 and PR14 values were in RPI terms whereas PR19 and PR24 are in CPIH terms.

UK regulators, for over 20 years, adopted a 'stable TMR' policy, (rightly or wrongly). CMA decisions, up until and including PR19, forcefully advocated this 'stable TMR' policy alongside the associated 'ex-post' TMR estimates.

However, as interest rates rose from 2022 onwards, the CMA proposes higher TMR estimates by explicitly putting more weight on a 'stable ERP' (not TMR!) policy. Unfortunately, this inconsistency is bad news for consumers. A consistent counterfactual 'stable ERP' policy, at CMA's PR24 PD mid-point of 4.51%, from 2001 to 2025, could have reduced previous consumer bills by ~**£6.7 billion**.

CMA's TMR is inconsistent with 135 years of 10-year returns

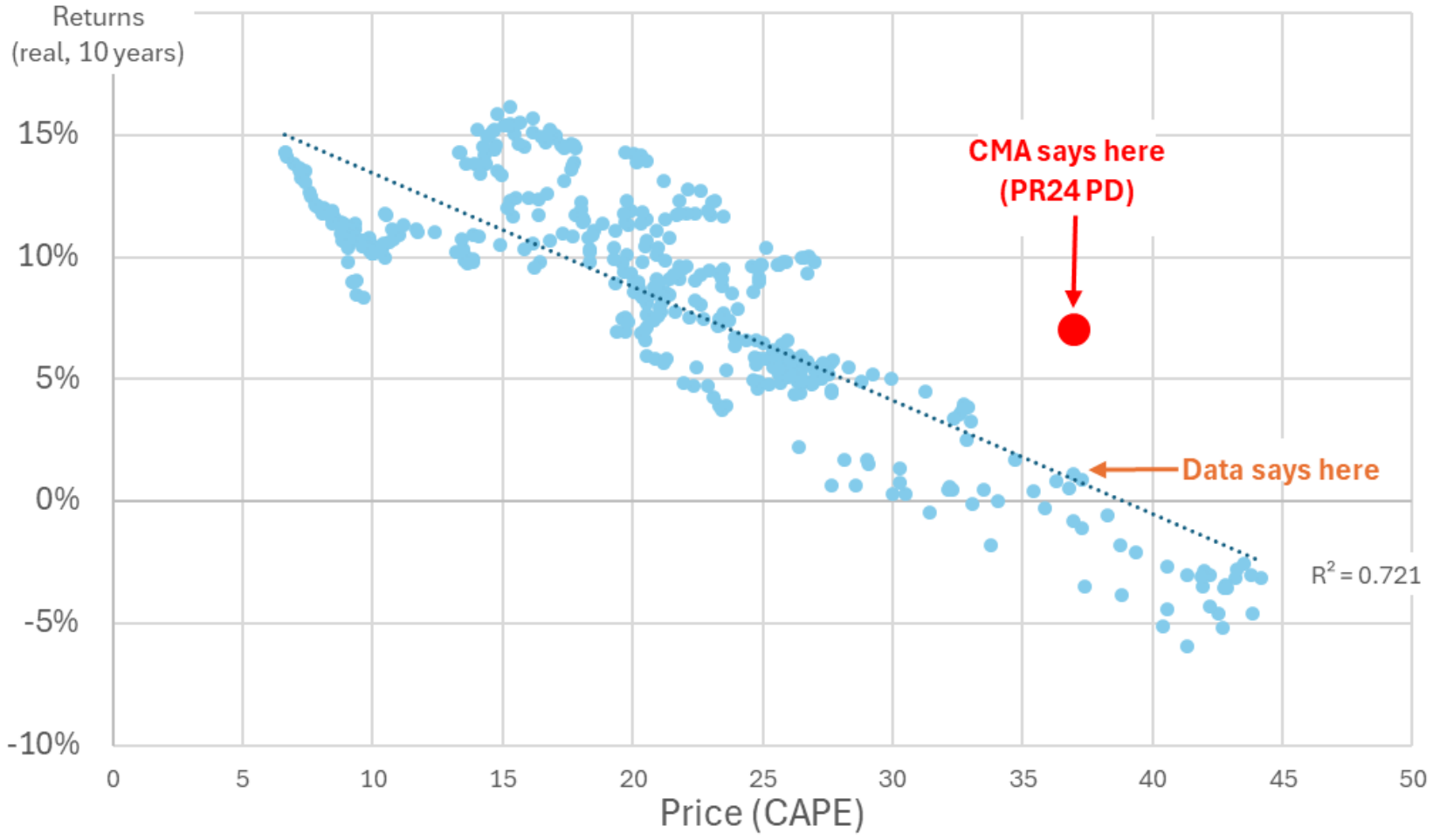


Source: MCC Economics analysis of Smithers & Shiller data. 135 annual observations of CAPE and subsequent 10-year returns, from 1881 to 2015

One of the best predictors of future stock returns is the current price, as measured by the CAPE (Cyclically Adjusted Price to Earnings) ratio. If CAPE is higher (or lower), subsequent returns tend to be lower (or higher).

CMA's PR24 PD is inconsistent with 135 years of observed 10-year returns, because a current CAPE of about 37 should, history suggests, yield a return closer to zero than 7% in real terms.

CMA's TMR is inconsistent with 425 months of 10-year returns



Source: MCC Economics analysis of Smithers & Shiller data. 425 monthly observations of CAPE and subsequent 10-year returns, from 1980 to 2015. Cut-off year is 2015 because analysis requires beginning price and subsequent 10-year returns: we have the 2015 price but, as 2025 has not year finished, we do not yet have the 10-year return ending 2025.

One of the best predictors of future stock returns is the current price, as measured by the CAPE (Cyclically Adjusted Price to Earnings) ratio. If CAPE is higher (or lower), subsequent returns tend to be lower (or higher).

CMA's PR24 PD is inconsistent with 425 months (35 years) of observed 10-year returns, because a current CAPE of about 37 should, history suggests, yield a return closer to zero than 7% in real terms.

CMA's aiming up rationale inconsistency

CMA's PR24 rationale:

"We conclude that in the unique circumstances of this AMP a modest degree of aiming up can overall benefit customers. This is because it might reduce the risk of the sector being unable to attract new capital to finance the large-scale capital programme needed to deliver improvements in service and resilience." (CMA's PR24 Provisional Determinations, page 130)

CMA's PR19 rationale:

"Our view is that this will result in an appropriate balance of risk in the round across the determination, including addressing the level of risk to investment in the sector associated with setting the cost of equity too low, particularly in the context of a sharp reduction since AMP6, and also addressing asymmetry in the broader financial settlement." (CMA's PR19 Final Determinations, page 1101)

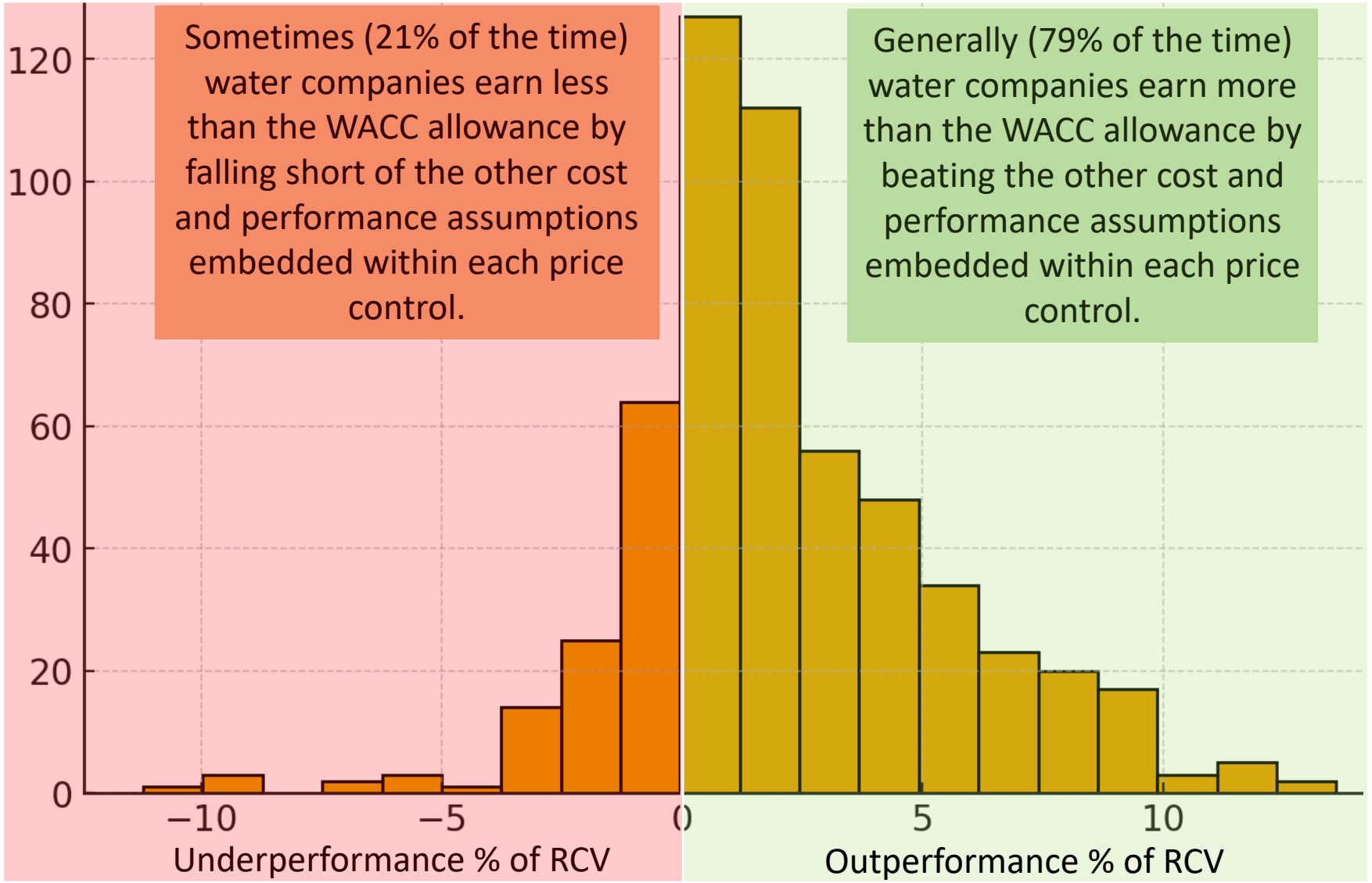
"An adjustment to the cost of capital is not the only option to address asymmetry – this could be done in other ways, although the alternative which would change the balance of risk rather than only the presentation of any asymmetry adjustment would be instead to change to the structure of ODIs to reduce or remove the asymmetry in the financial incentives." (CMA's PR19 Final Determinations, page 1086)

While in PR19 the CMA argued that asymmetries in financial incentives, mainly related to the ODIs, warranted aiming up, this is not an issue in the PR24 decision, as the CMA assessed that the overall package was balanced.

The CMA does not provide a channel through which aiming up would attract more capital, nor does it provide a cost-benefit analysis of aiming up.

The CMA also assumes that there is an asymmetric welfare impact of underinvestment but does not provide any empirical evidence of it.

No need to aim up: 80% chance of outperformance?



The histogram shows 560 observations of water company performance (16 companies * 7 price controls * 5 years) for the 35-year period ending 2025.

Outperformance is highlighted in green, to the right of zero, 443 observations or 79%.

Underperformance in red to the left of zero, 117 observations or 21%.

Source: MCC Economics analysis of water company and Ofwat data. For each period, Outperformance = Return on Capital (RoC) minus WACC allowance. RoC = Operating profit/average RCV. Note that this measure of performance is probably biased towards outperformance, because operating profit includes debt and tax costs. After stripping these out, performance values would decrease. Ofwat may in fact have done a good job of setting fair and balanced price controls, on average, but the onus should be on the CMA to confirm that the expected value of outperformance for PR24 is insignificantly different from zero, to check and verify whether the expected return needs to be increased further by aiming up. CMA's PD is internally inconsistent by aiming up by 0.3% in one place (Table 7.15) while simultaneously assuming 2% outperformance elsewhere (e.g. Table 7.13).

What do other regulators say about aiming up?

ofgem

"We agree with PWC that an allowed return on capital that materially exceeds the cost of capital does not appear to be an effective or targeted method of securing higher investment, […].

The experience from RIIO-1 outturn is that – rather than this [aiming-up] leading to higher investment levels – licensees have consistently underspent their allowances. […] once a price control is set, the totex incentive tends to dominate the cost of capital in governing levels of spending by networks."

Ofgem response to cost of capital working papers (2021)

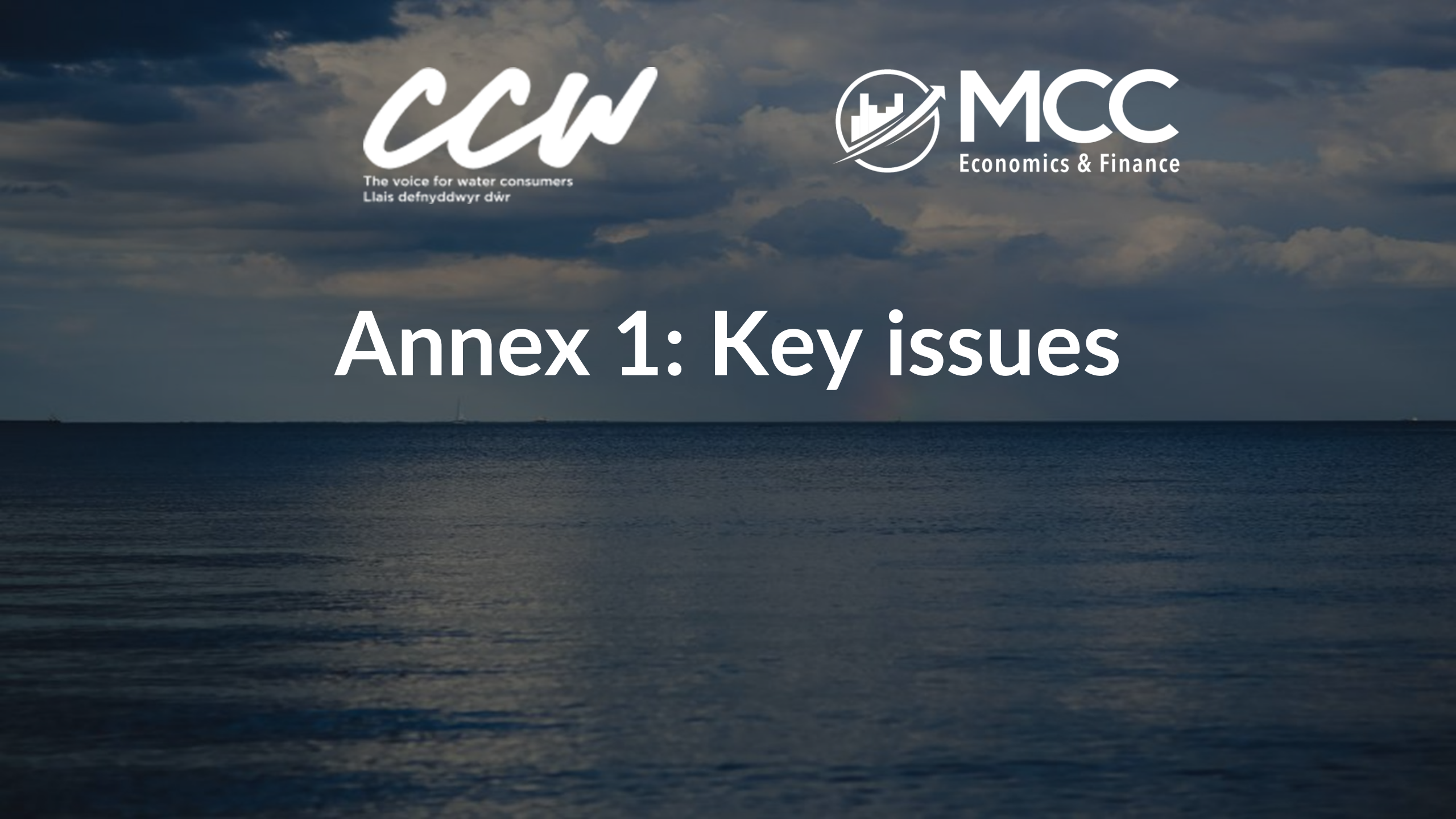
UK Regulators Network

"Recommendation 6 – CAPM point estimate: The RFR, TMR and (re-levered) equity beta assumptions should be combined using the CAPM to produce a cost of equity range. The mid-point of the range should be used as the central estimate for the CAPM cost of equity."

UKRN Cost of Capital methodology, 2023

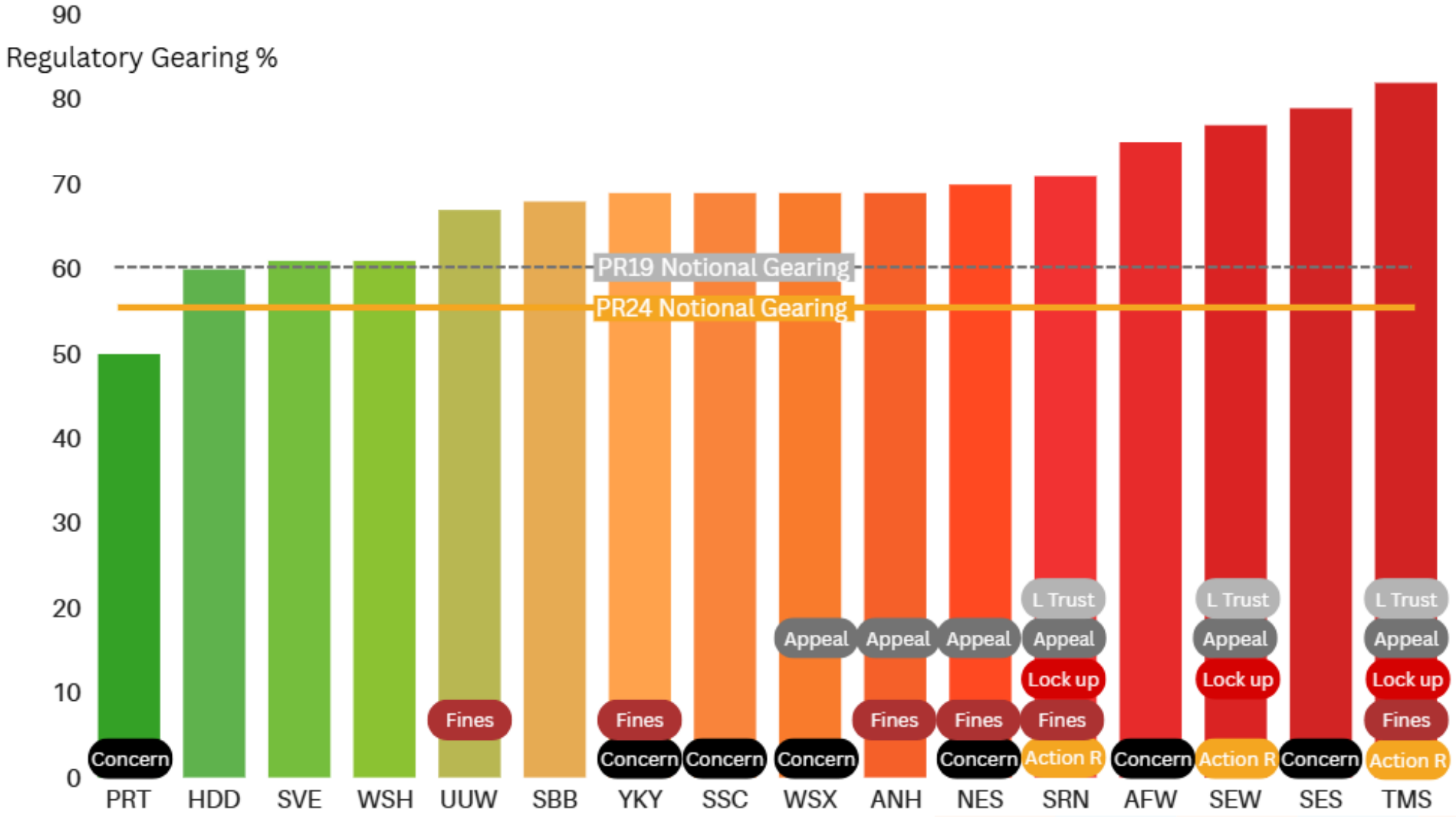
22 reasons not to aim up by 30 basis points

1. The incentive to underspend (the totex incentive) is more powerful than the overspend incentive from aiming up
2. The CMA has not provided a cost-benefit analysis of aiming up
3. Dobbs' (2011) welfare model is not appropriate because it ignores cost, investment and incentive issues
4. The investment problem can be targeted more effectively and directly by a cost-plus or pass-through cost policy
5. Notional companies can raise £billions in debt capital (>£15billion at the sector level)
6. Financial risks for actual companies should be borne by investors not consumers
7. Moral hazard perception cost of rewarding actual (highly-geared-poor-performing-appealing) companies
8. CMA has a financeability duty which is best served by avoiding the moral hazard risk
9. CMA has a growth duty which is better achieved by not aiming up (people before profit)
10. CMA has a primary duty to consumers
11. Consumer trust will be damaged further by approving returns materially above efficient costs
12. Higher bills reduce consumer trust which in turn reduces support for investment (socially and politically)
13. Consumer bill increases are already excessive (step shock increase of 51% on average by 2030 WaSCs)
14. Household water charges are already higher than UK peers
15. WACC allowance is already higher than most European comparators
16. Higher WACC, higher returns and higher outperformance has not hitherto resulted in higher investment
17. WACC should reflect the efficient investor (ie who has accepted PR24 already) not an inefficient appealing investor
18. The absence of asymmetry suggests any aiming up should be lower than PR19 (25 basis points) not higher (30 basis points)
19. If capex is 10% of RCV, CMA's aim-up incentive is 3% (0.3%/10%) of notional incremental equity: it's excessive
20. If actual gearing is 70% not 55%, CMA's aim-up incentive is even higher (4.5% of incremental equity): it's excessive
21. WACC parameters already contain aim-up-style headroom
22. The expected return already exceeds the cost of capital as demonstrated in CMA's MAR cross-check calculations



Annex 1: Key issues

Low investor sentiment: impact of gearing and performance?



Source: MCC Economics analysis, Ofwat financial resilience (2024), Environment Agency (2025), CCW's trust research (2025) and ChatGPT

Low investor sentiment: impact of gearing and performance?

- Culture
  - "It is clear that companies need to change and that has to start with addressing issues of **culture and leadership**. Too often we hear that weather, third parties or external factors are to blame for shortcomings... Companies must implement actions now to improve performance." [our emphasis added]
    - Ofwat (October 2024), Water company performance report 2023-24
- Growing evidence that the companies have not been meeting their statutory obligations and are potentially facing large fines
  - "This is a clear-cut case where Thames Water has let down its customers and failed to protect the environment."
    - Ofwat (28 May 2025), Ofwat fines Thames Water nearly £123m following two investigations into the company
  - "Our investigation has found failures in how Northumbrian Water has operated and maintained some of its sewage works and networks, which has resulted in excessive spills from storm overflows."
    - Ofwat (4 June 2025), Northumbrian Water agrees to pay £15.7m enforcement package following Ofwat wastewater investigation
  - "Work continues on our largest ever criminal investigation, to date, into potential breaches of environmental permit conditions by all water and sewerage companies discharging into English waters."
    - Environment Agency (3 February 2025)

Is aiming up ineffective? TIM v aim-up incentive strengths

		Scenario 1	Scenario 2
Allowed return	A	4.0%	4.0%
WACC	B	3.0%	3.0%
Excess return on capital	C=A-B	1.0%	1.0%
Overspend rate (company share)	D	40%	40%
Underspend rate (company share)	E	40%	40%
Totex allowance	F	100.0	100.0
Totex actual	G	110.0	90.0
Overspend	H = G - F	10.0	
Underspend	I = F - G		10.0
Overspend: company loss	J = H * D	4.00	
Underspend: company gain	K = I * E		4.00
Overspend: RCV increases (customers pay more)	L = H * (1-D)	6.00	
Underspend: RCV decreases (customers pay less	M = I * (1-E)		6.00
Overspend: company receives excess return	N = C * L	0.06	
Underspend: company foregoes excess return	O = C * M		0.06
Overspend: payback period	P = J / N	66.67 years	
Underspend: payback period	Q = O / K		0.02 years

The Totex Incentive Mechanism (TIM) rewards (or penalises) companies for spend below (or above) the totex allowance, by giving them a proportion of the underspend (or overspend)

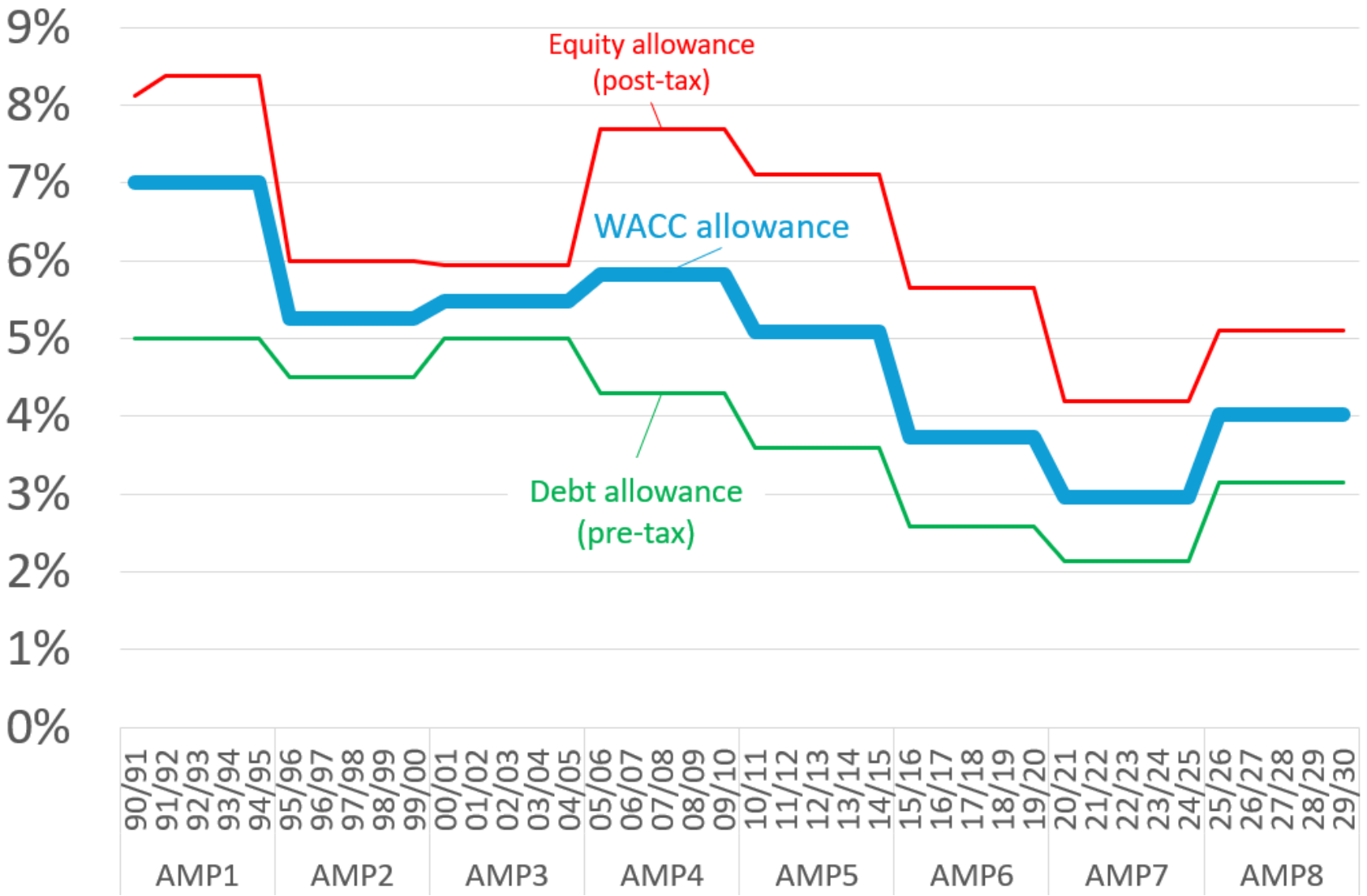
The calculation here shows that the reward for lower expenditure dominates the benefit of an excess return on capital.

This is a simplified illustration in many ways: we ignore the Present Value of excess returns, depreciation rates, inflation and so on. You can add more complexity, but the logic holds, unless the excess return is very large or the TIM company share is very small or zero (i.e. pass-through regulation).

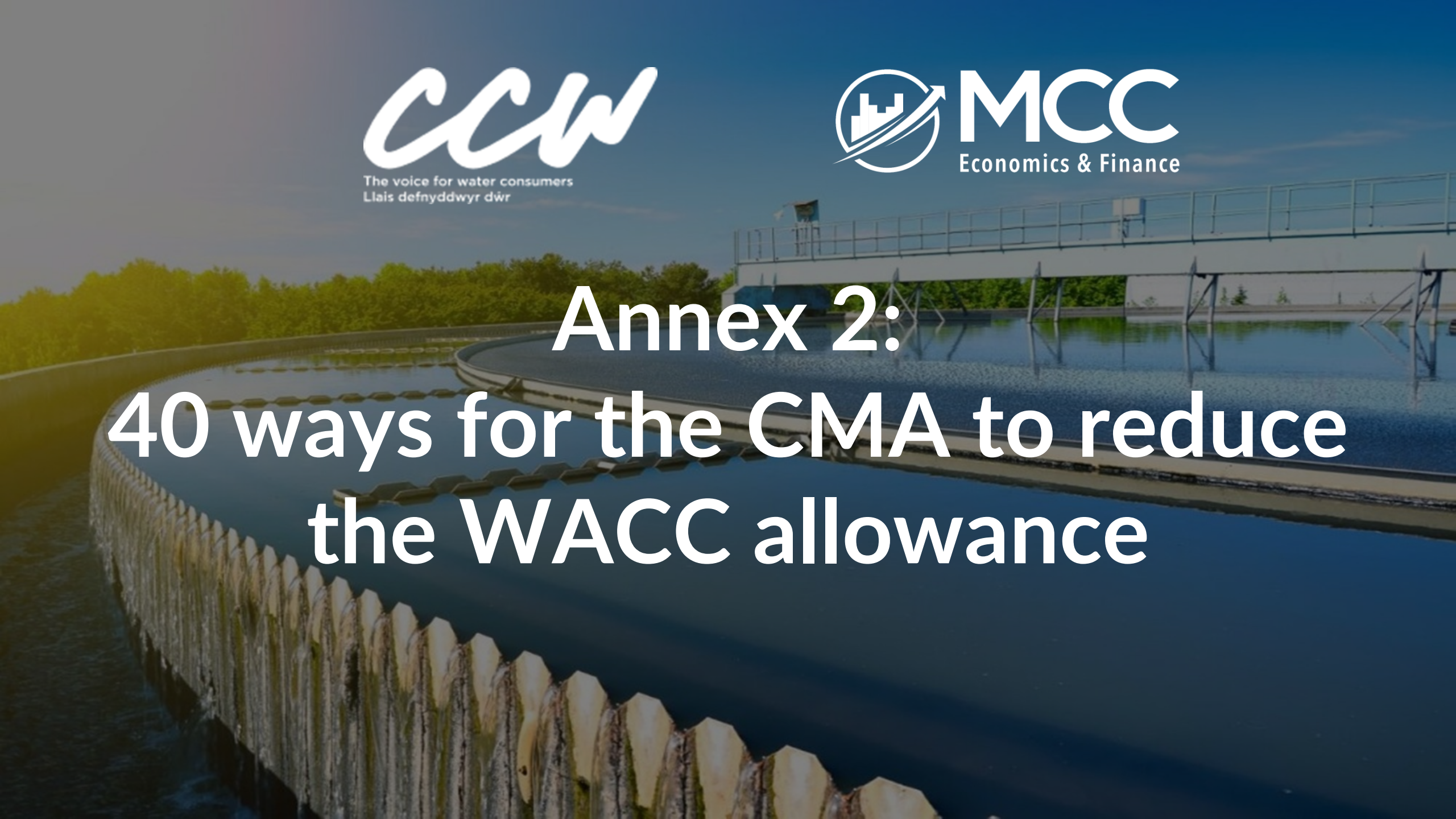
Therefore, due to the TIM, companies will not necessarily invest more because the allowed return is higher than the WACC, although companies may invest less if the allowed return is too low (but that's a separate issue).

Source: MCC Economics (2025). Note: We can explain verbally the relevant weaknesses, limitations and assumptions

The premium between equity and debt was smaller during AMP2 & AMP3



Source: MCC Economics analysis of Ofwat price review determinations and privatisation documents (1989)



Annex 2:
40 ways for the CMA to reduce the WACC allowance

40 ways for the CMA to reduce the WACC allowance (1/3)

Area	Count	How could the CMA arrive at a lower WACC?
Overall	1	Expose investors to financial risks not consumers (MCC 2025)
	2	Adopt WACC for lowest-cost-investor (e.g. non-disputing company) not highest-cost-investor (e.g. disputing companies) (Zafiris 2016)
	3	Use market-based inflation expectations to supplement OBR's 2.4% CPIH expectation
	4	Aiming up won't increase investment: underspending has larger reward (MCC 2025)
	5	Put some weight on the 22 reasons not to aim up by 30 basis points
	6	Include a Retail Margin Adjustment as accepted by non-disputing companies
	7	Apply UKRN WACC methodology (2023)
	8	Financeability duty: avoid moral hazard risks (MCC 2025)
	9	Growth duty: people before profit (MCC 2025)
	10	Reflect materially lower incentive-related risk for investors (MCC 2025)
	11	Update and put more weight on MAR cross-checks after removing 2% outperformance assumption and ensure cost of equity allowance is consistent with published information
Debt: embedded	12	Use notionally efficient (not actual company) debt volumes (ie £55bn not £75bn) and costs (MCC 2025)
	13	Filter out expensive debt (i.e. highly geared companies) (MCC 2025)
	14	Use updated data (i.e. at end of appeal process in late 2025 / early 2026)
	15	Reduce RPI assumption (e.g. from 2.9% to 2.5%, MCC 2023)

40 ways for the CMA to reduce the WACC allowance (2/3)

Area	Count	How could the CMA arrive at a lower WACC?
Debt: New	16	Adjust benchmark downwards by 15bps not upwards by 30bps (MCC 2025)
	17	Use short-term-capital costs (MCC 2023)
	18	Use updated data (i.e. at end of appeal process in late 2025 / early 2026)
	19	Lower proportion of new debt (MCC 2023)
	20	Lower refinancing cost assumption (MCC 2023)
Equity: RFR	21	Use 15-year tenor (MCC 2025) and/or consistency across all WACC elements (UKRN 2018)
	22	Use updated data (i.e. at end of appeal process in late 2025 / early 2026)
	23	Use larger sample of data (MCC 2023)
	24	Include forecasts of interest rate reductions
	25	Consider that UK bond yields exceed many sovereign peers (UK bonds are not risk-free)
	26	Use SONIA risk-free estimates (MCC 2023)
Equity: TMR	27	Avoid CPIH back-cast (1950 to 1988) for same reasons Ofgem avoided it (MCC 2023)
	28	Use updated data (i.e. at end of appeal process in late 2025 / early 2026)
	29	Avoid upwardly biased arithmetic averages (MCC 2025)
	30	Put more weight on historical ex-ante approaches (Ofwat 2022)

40 ways for the CMA to reduce the WACC allowance (3/3)

Area	Count	How could the CMA arrive at a lower WACC?
Equity: TMR	31	Put some weight on geometric approach (MCC 2025)
	32	Put more weight on 20-year horizon indicators (Blume & JKM) (MCC 2025)
	33	Consistently apply the 'stable TMR' policy and associated ex-post evidence
	34	Put some weight on ex-ante CAPE evidence
	35	Put some weight on non-overlapping results (MCC 2023)
Equity: Beta	36	Put some weight on monthly data (MCC 2025)
	37	Put some weight on weekly data (MCC 2025)
	38	Put some weight on GARCH data (MCC 2025)
	39	Put some weight on risk reduction policies (MCC 2025)
	40	Put more weight on 10-year raw equity beta evidence

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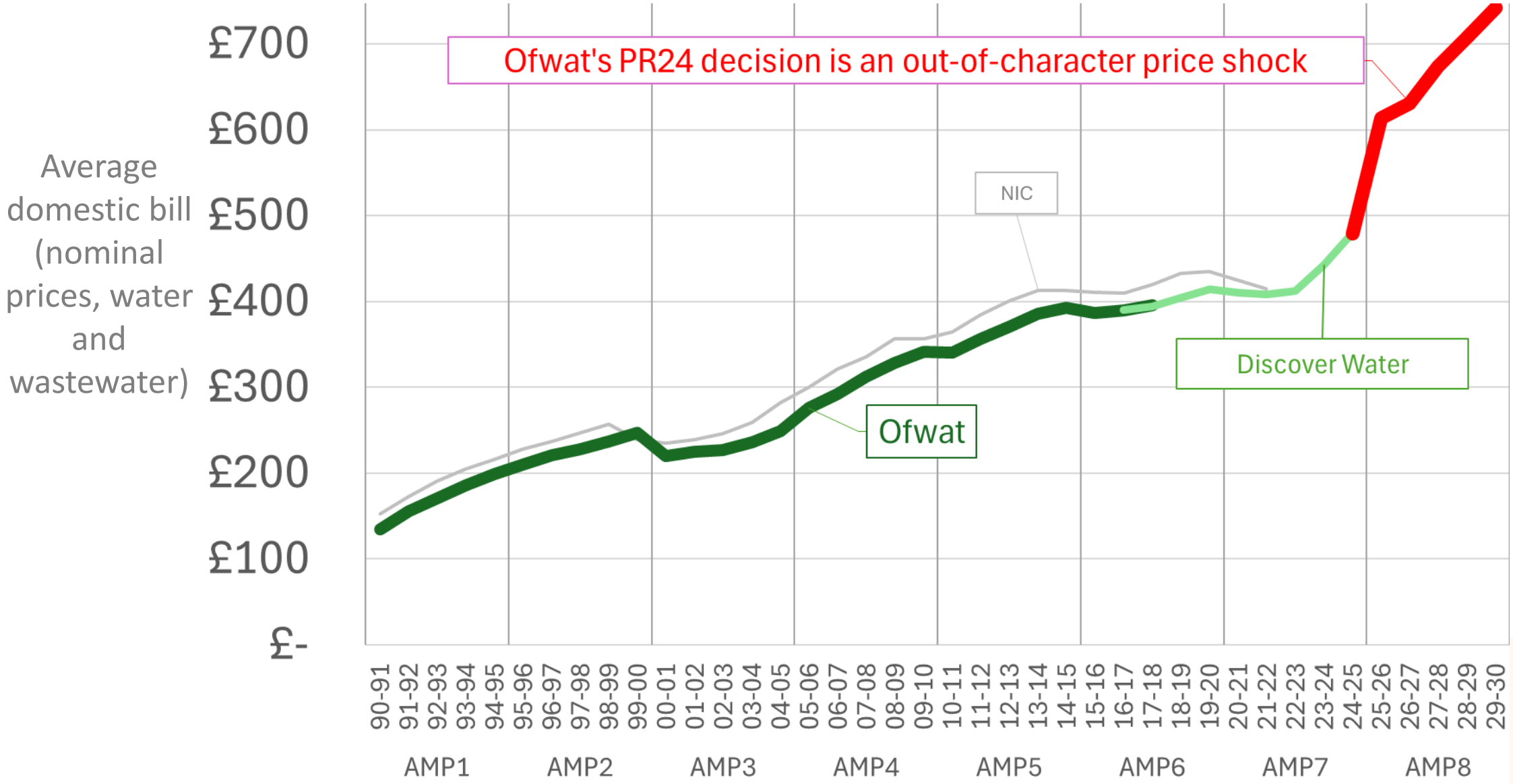
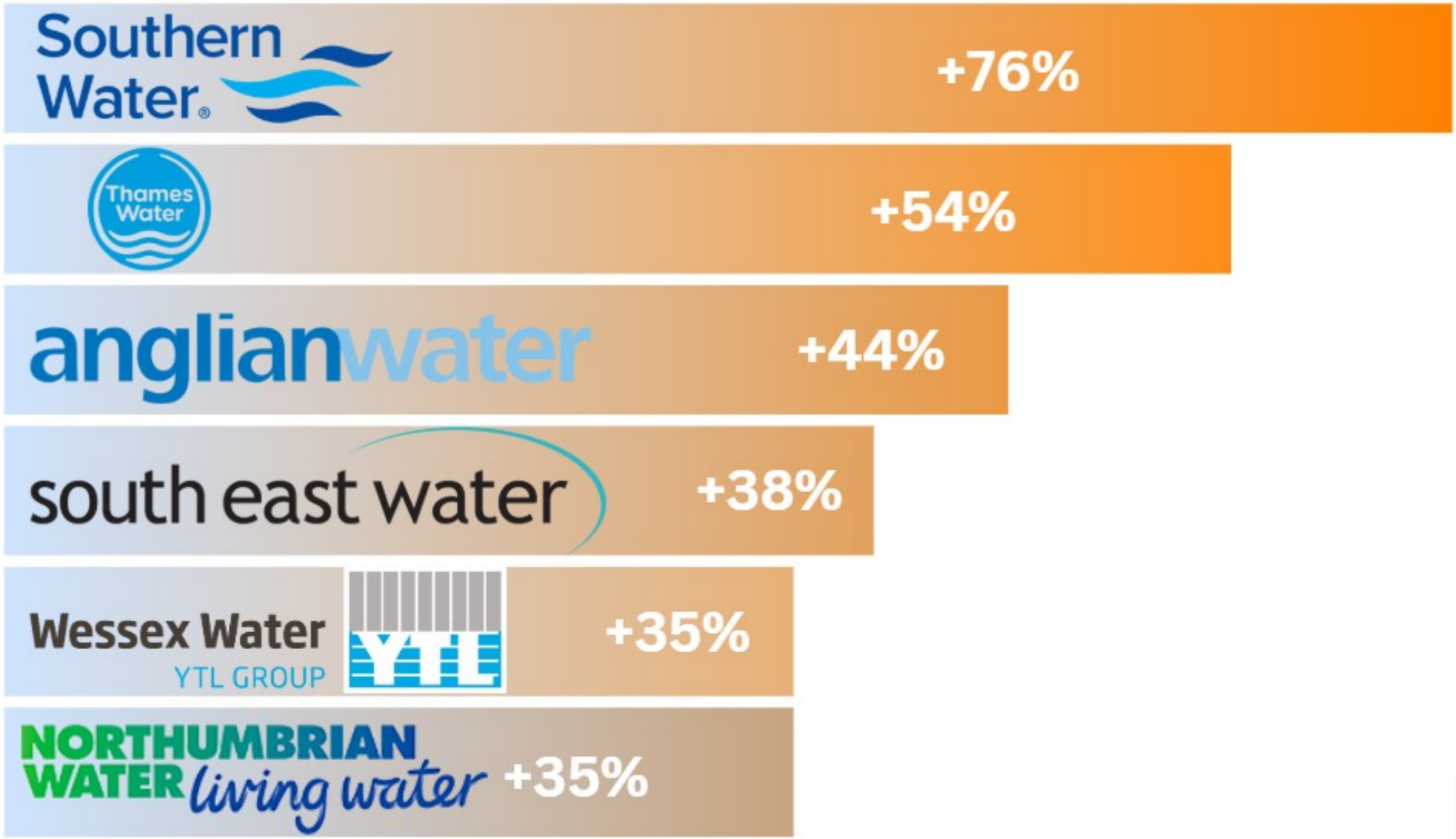
Annex 3: Household bills

Ofwat's PR24 decision in context



Source: MCC Economics analysis (2025) of Ofwat's PR24 final determination financial models

Bill increases are already too big – CMA should go downwards not further upwards



Source: MCC Economics analysis (2025) of Ofwat's PR24 final determination financial models

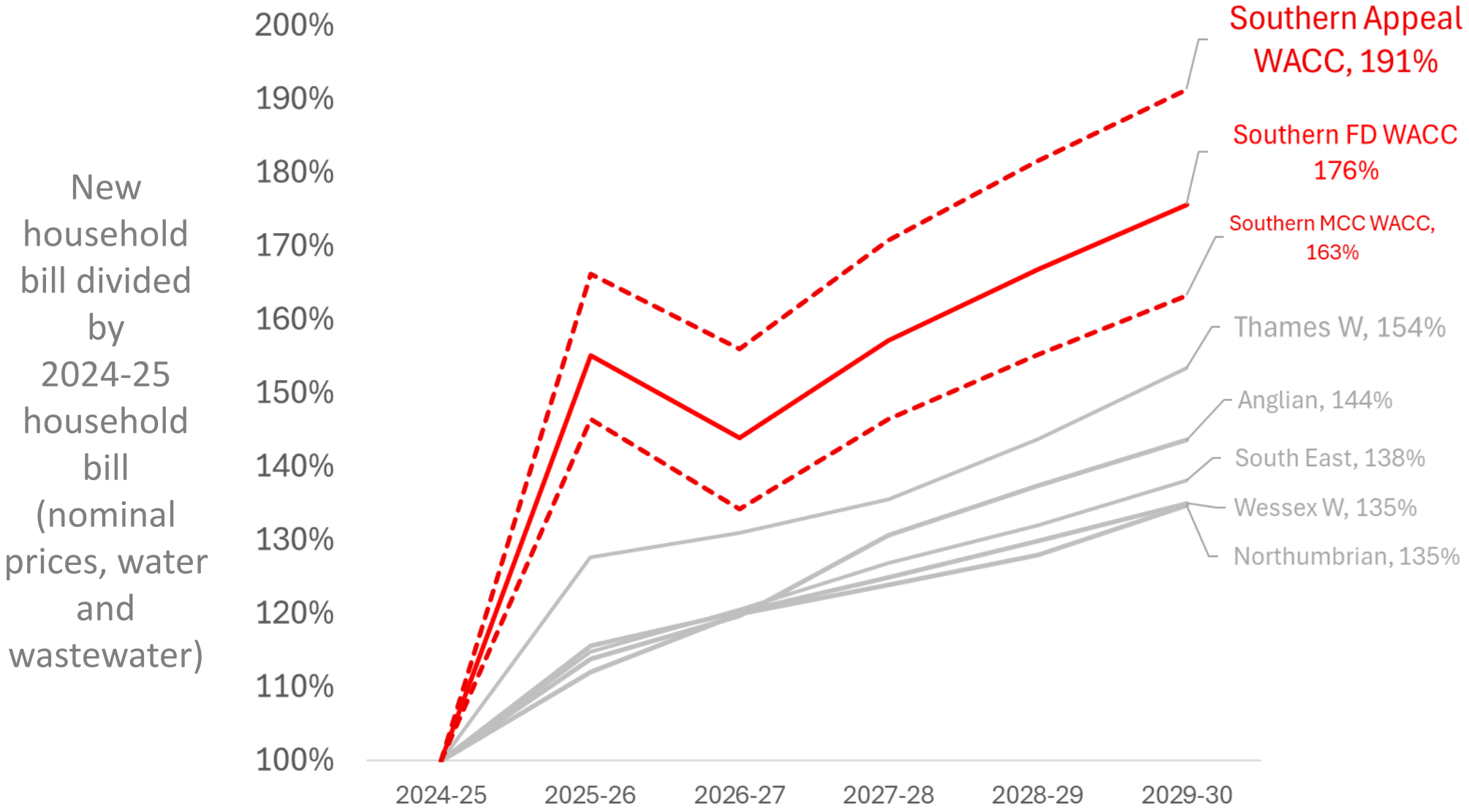
Southern's bill increase is especially large…

Source: MCC Economics analysis (2025) of Ofwat's PR24 final determination financial models

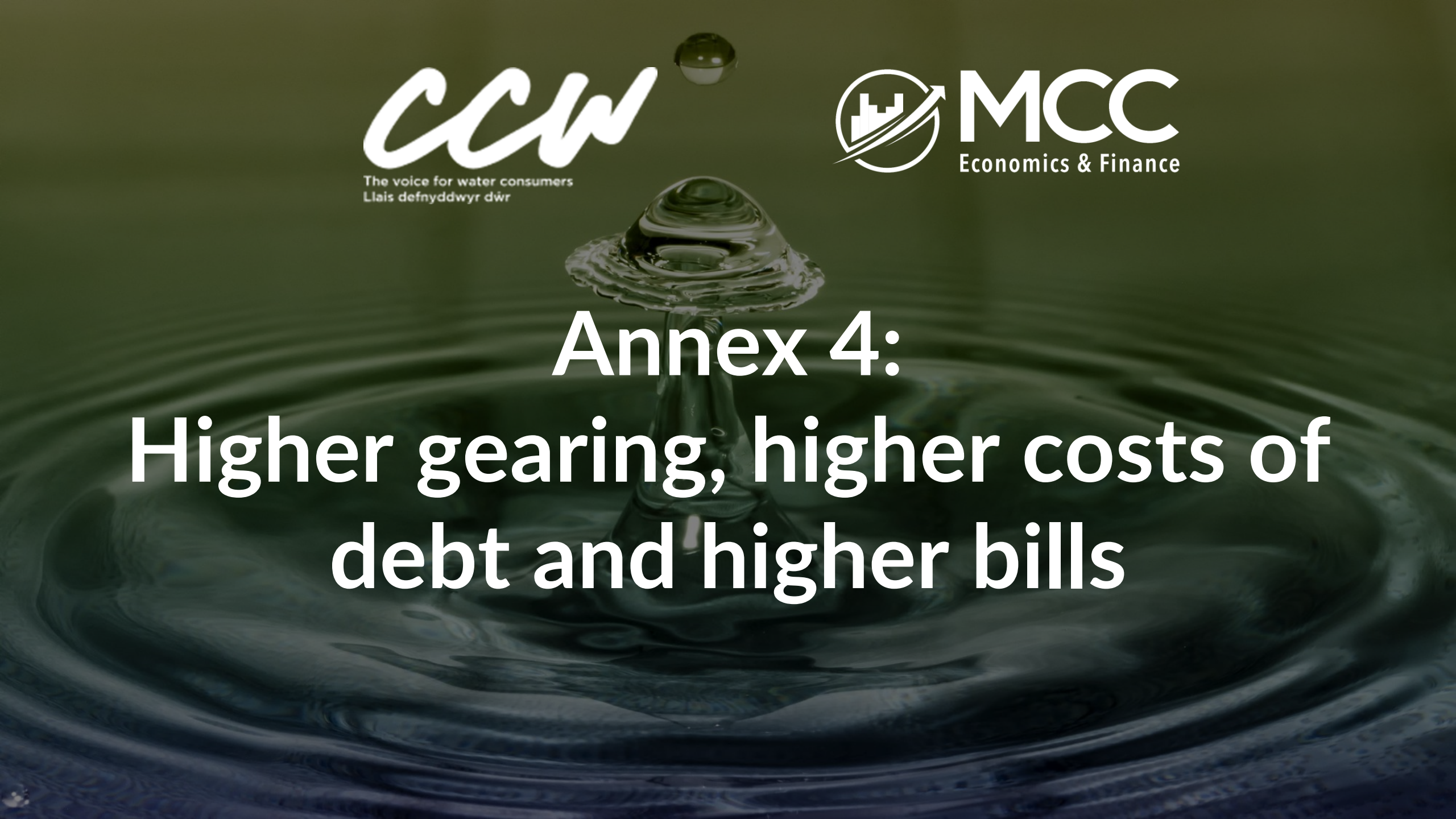
…Southern's appeal WACC would nearly double bills…

Source: MCC Economics analysis (2025) of Ofwat's PR24 final determination financial models

…a lower WACC still gives Southern a large bill increase

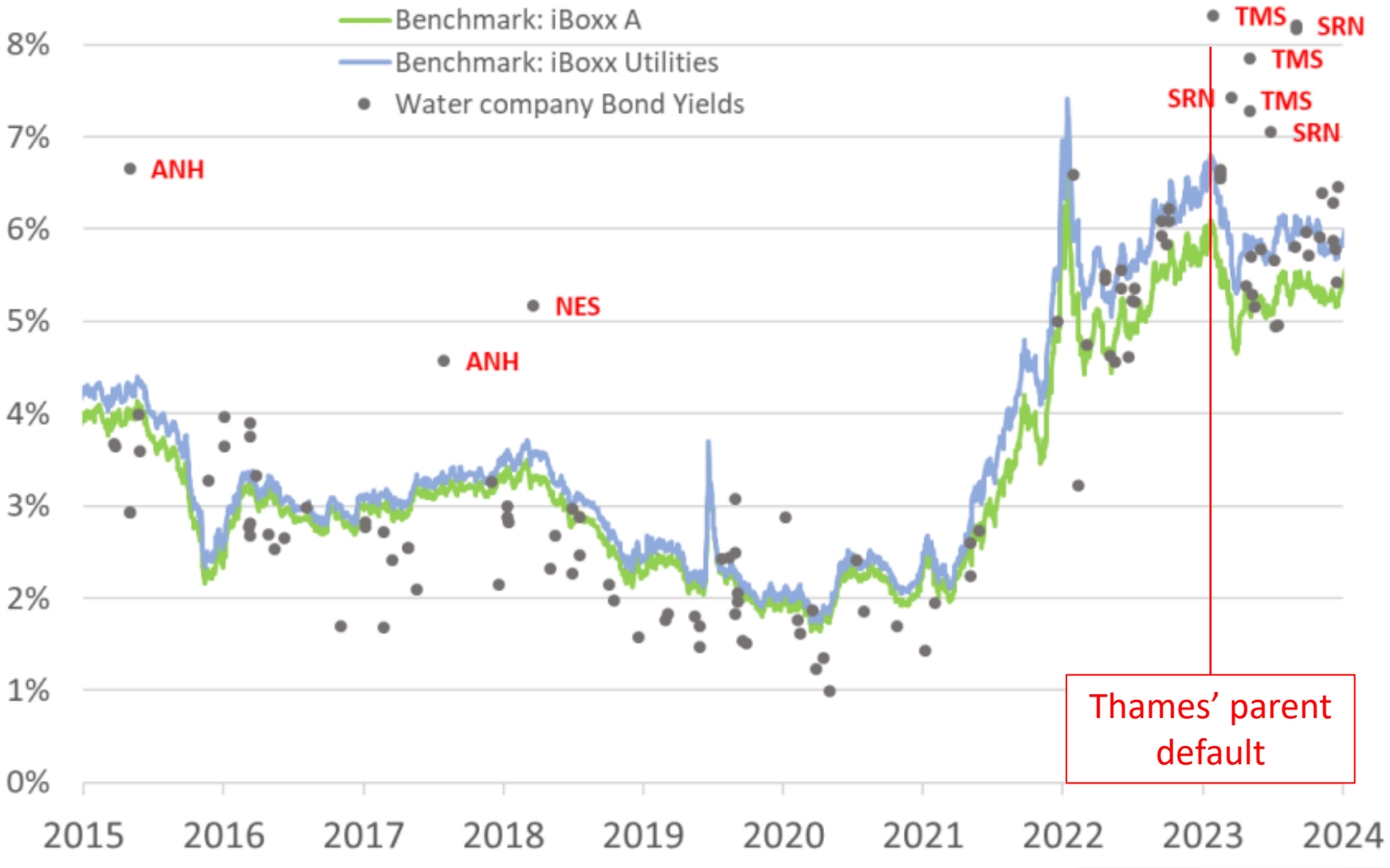


Source: MCC Economics analysis (2025) of Ofwat's PR24 final determination financial models



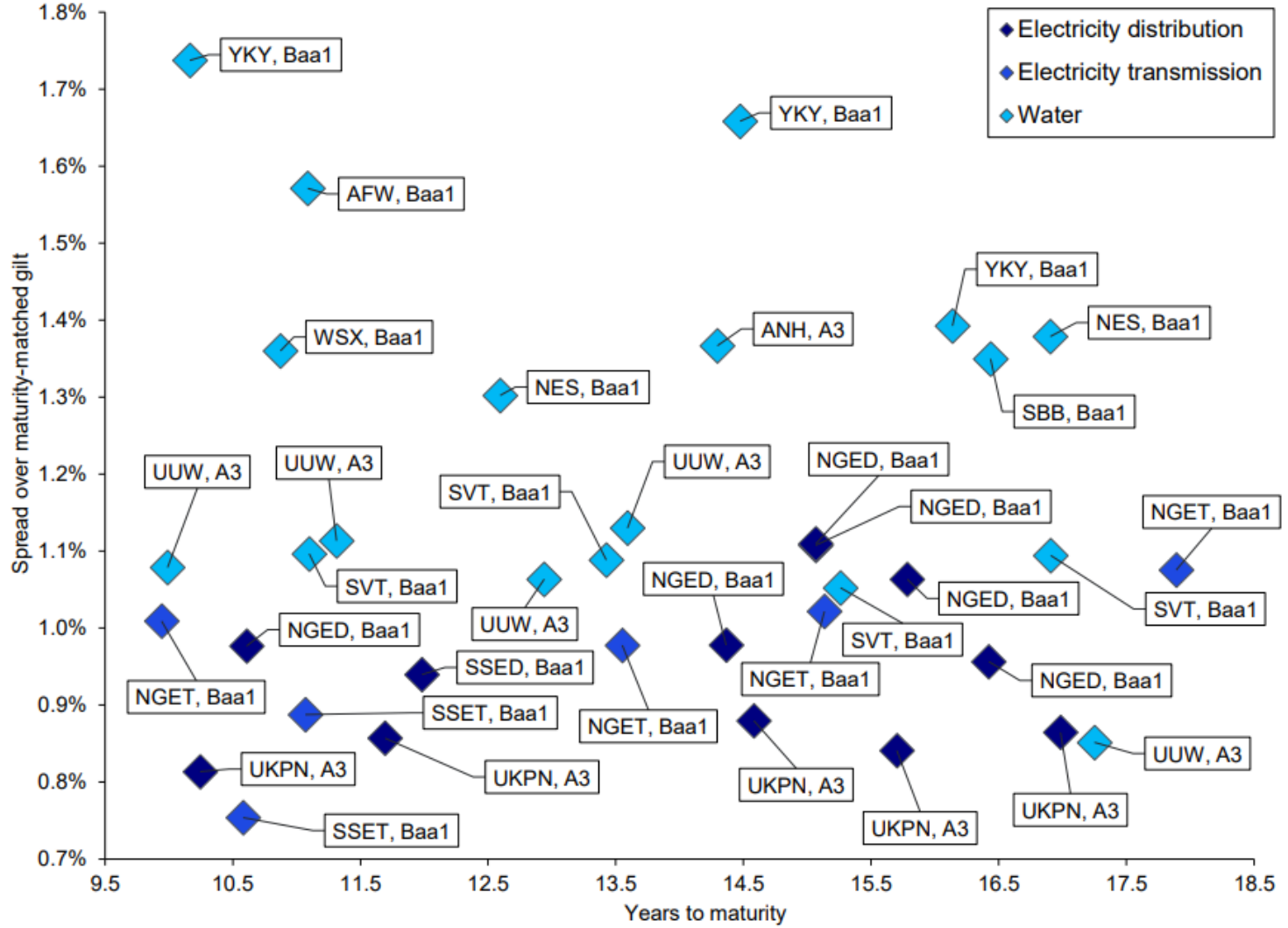
Annex 4: Higher gearing, higher costs of debt and higher bills

Higher gearing and higher costs of debt (1)



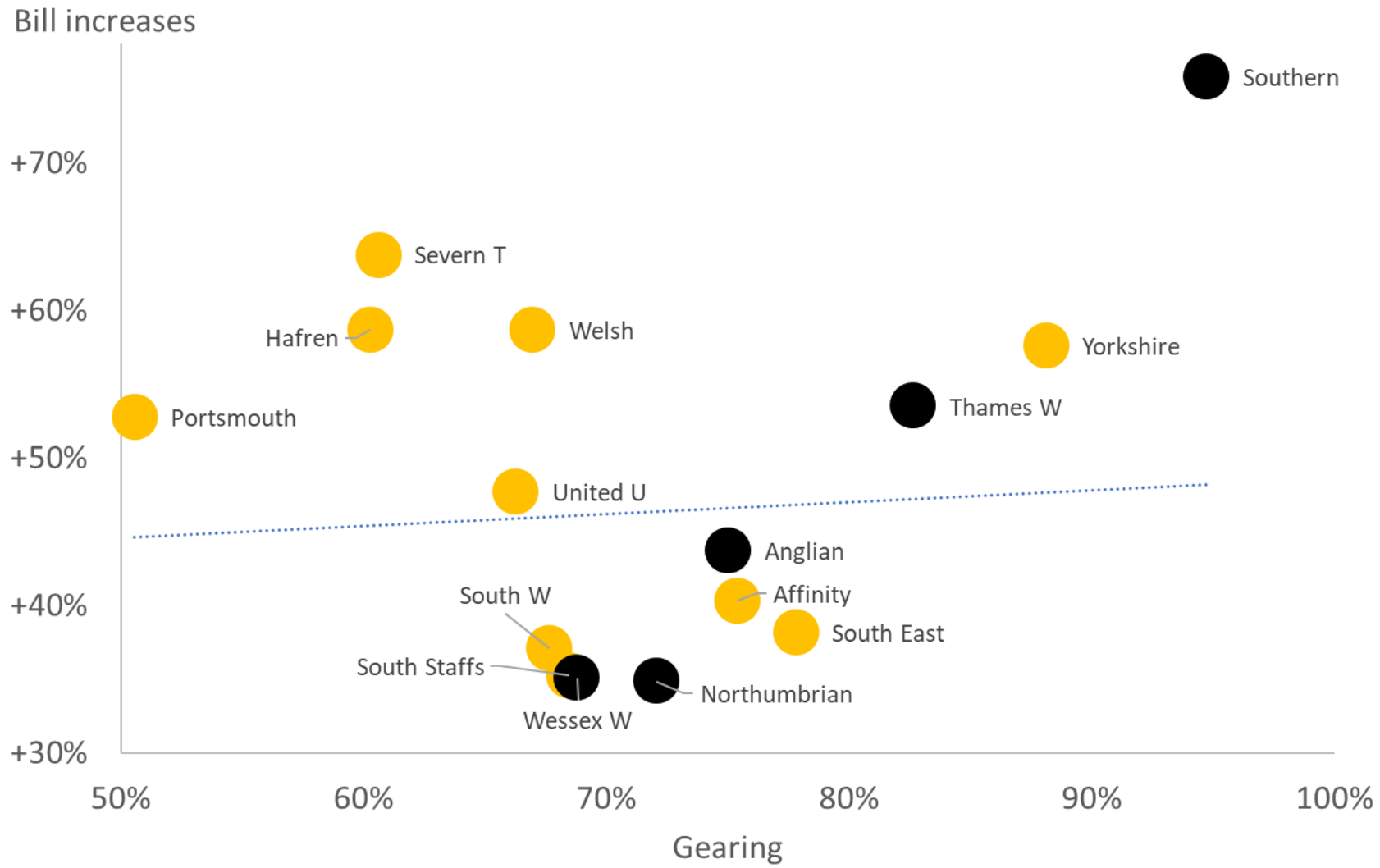
Source: MCC Economics analysis (2025) of Ofwat's PR24 final determination cost of debt model

Higher gearing and higher costs of debt (2)

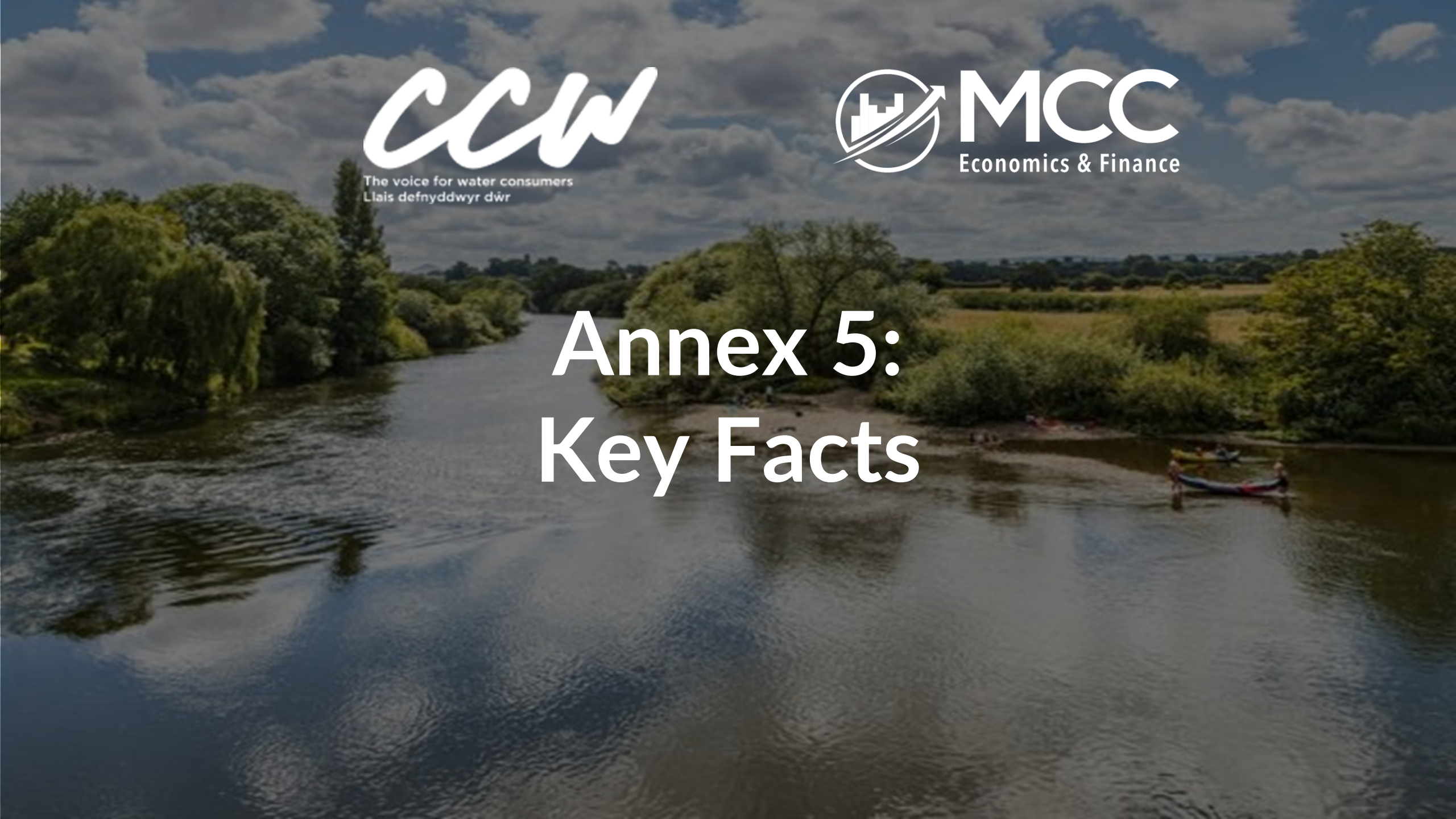


Source: Southern Water analysis based on LSEG data[32].

Higher gearing and higher bill increases



Source: MCC Economics analysis (2025) of Ofwat data



Annex 5: Key Facts

Key facts

- 3 Disputing Companies have lowest trust scores (10-year average, TMS, SEW, SRN)
- 4 Disputing Companies have below average trust (TMS, SEW, SRN, ANH)
- 3 Disputing Companies were in cash lock-up (TMS, SEW, SRN)
- 3 Disputing Companies in 'action required' (TMS, SEW, SRN)
- 2 Disputing Companies in 'elevated concern' (NES, WSX)
- 6 Disputing Companies are in top 8 most highly geared
- 10 of 16 water companies in 'action required' or 'elevated concern'
- 63 prosecutions of water companies by EA between 2015 & 2024
- Criminal investigations or scrutiny by EA on most companies is ongoing
- Sector debt (>£75 billion) is ~£20 billion more than efficient level of 55%
- In England, only 52% of customers believe their water company cares
- Trust in English water companies has fallen 19% since 2015
- Household bills are forecast to increase by 51% on average by 2030 (WaSCs)

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