1. **The chronological history of Thames Water.**

Wikipedia
https://en.wikipedia.org › wiki › Thames_Water

Imagine you own a house worth £2 million but against this you have £650K dilapidation, repairs, renewals, fixtures & fittings.
In the bond market you can potentially secure many more times in borrowing than the value of the house, (so long as you don't do it all at once).
Keep your repairs to an absolute minimum, *(your phrase 'sweating the assets')*, make use of the tax breaks offered by HMRC for capital projects, (e.g. 100% allowances against the smart metering project), and use the money to pay for your extension instead, *(like the Teddington DRA capital project)*.
You can also inflate the costs for the extension and pocket the rest.
You can also have a 'side hustle,' enabling other people to build extensions onto your house, (like a giant HMO). For every new water and sewage connection, up front charges are payable to allow new buildings to be added to your infrastructure - this is a nice little earner.
For your Capital Projects, the bond repayments made up of the capital and interest charges can be offset each year against your tenant's rent and service charges, *(compound interest)*, and the bond market will accept this scheme as securities.
In the case of the Teddington DRA, it doesn't matter how local campaigners feel about the scheme, the water company will win largely on the basis of needing extra water in future. Climate change, future droughts, and the extra 1.46 billion tonnes needed, will add plenty of 'features' for this scheme to push it past an infrastructure approvals process.

- 2007 - 2017. Borrowing increased from £3.2 billion - £10.5 billion and the shareholders pocketed £2.8 billion.
- 2023. Debts increase to £15 billion and annual interest payments alone are now £500 million against annual turnover of £2 billion.
- Water bills will rise by 50% over the next 5 years - may be more depending upon their take on inflation in the future.
- If the water company can find schemes that enable securitisation, it will try to find as many of these projects as it can to satisfy shareholders.

Water conservation is only an overhead, equivalent to spending upon 'fixtures and fittings' in the illustration. Since conservation has no securities to offer, reduces revenue/income, it's merely a 'lip-service' item on a regulatory agenda. I think there is a way around this...

2. 2017 water deregulation for Industrial and Commercial (I&C) consumers.

Every hairdresser, butchers, school, hospital, factory etc, can no longer buy water from Thames Water - do you know why?

3. Thames Water Amp5 (2018) objectives.

I haven't bothered to look at AMP6 - do you know what these AMP periods represent?

AMP 5 extract (marketing spin).

- To deliver our vision and strategy we will need to **innovate**. We have major challenges such as halving leakage, getting to zero *'pollutions', (an interesting expression - don't you think),* and re-plumbing London.
- Our approach to innovation is precisely this: to organise and focus on solving our big challenges. Against this we construct a portfolio of ideas that we systematically manage to

ensure a good return from our innovation investment. These ideas will have different risk profiles depending whether the ideas are improving existing processes, or are blue-sky concepts.

In recent times, especially as a result of; recent drought conditions faced, increased campaigning against river pollution issues, precarious water company finances, the approval process is far more likely to be relaxed.
The water industry combining to demand £96 billion investment and estimates for capital schemes improvements, offers an attractive future proposition, ultimately playing into the hands of investors.
The issue is that for the most part, pensions and investments management teams own the water companies and they want to see returns on their acquisition - remember there is always an exit strategy.
They use other investors' money to obtain returns not their own - the market is set up for securities to do this.
We have to find a way to move to a future age of nature without attempting to radically deconstruct the financial industry - don’t you think?
Any attempts made to refuse or significantly control investors' opportunities to make money, will be met with fierce resistance in spite of the Climate Emergency.
The model has failed in recent years because financial forecasters show plans and payment schedules based upon a far rosier picture than by comparison; taking into account the cost of living crisis, geopolitical tensions and the knock on effect on interest rates on the bond market.
The evidence for this can be seen in the turnover of innovation executives in recent years due to the fact that their innovation schemes weren't attractive enough to sell.
Additionally, some of their schemes have performed poorly e.g. smart metering - do you know why?