

# Anglian Water: Response to Invitation to Comment on CMA Proposed Approach and Prioritisation

## 1 Introduction

- (1) Anglian welcomes the opportunity to submit its views on the CMA's Approach and prioritisation document ("**Proposed Approach**"), published on 28 May 2025.<sup>1</sup> This submission focuses on certain key aspects of the Proposed Approach, including those which Anglian considers merit reconsideration ahead of the PR24 Redetermination hearings to achieve the CMA's stated aim to "*focus [its] work and to ensure [it has] prioritised and deprioritised appropriately*".
- (2) Anglian recognises the CMA's overriding objective to conduct the Redetermination in a fair, efficient and proportionate manner within the statutory timeframes. Anglian therefore limited its SoC to focus on areas that materially restrict Anglian's ability to deliver its AMP8 BP and which can be resolved within the confines of the Redetermination (AS§10). This is reflected in its comments below. However, Anglian maintains in full its SoC position, including in relation to any specific topics, details and arguments which are not addressed in this submission.<sup>2</sup>
- (3) Before providing specific comments, Anglian makes a number of general observations on the CMA's Proposed Approach.

### 1.1 In setting the Redetermination, the CMA should appropriately consider the longer-term picture for the industry

- (4) In its Proposed Approach, the CMA recognises (Proposed Approach§19) the significant longer-term challenges faced by the sector and the "resetting" effect of the Cunliffe review. It is important that these long-term factors are adequately reflected in the redetermination of PR24. Whilst Anglian agrees that redeterminations "*take place within the existing regulatory framework and apply to the current five-year period from 2025-2030*", it remains critical that the CMA Redetermination reflect long-term considerations.
- (5) As detailed in Anglian's SoC (AS§639 et seq.), the PR24 FD is a pivotal point for the sector with an unprecedented level of investment necessitating long term commitment by equity investors and access to sufficient capital from debt markets. A redetermination that neglects to consider the sector's trajectory (in terms of funding requirements, outcomes and long-run investability and affordability) beyond the current five-year period risks failing to deliver a balanced price control in line with the WIA91 duties. As such, Anglian strongly encourages the CMA to consider the longer-term nature of the issues under consideration for the purposes of the Redetermination.

### 1.2 The Redetermination should adopt a holistic view of the FD package

- (6) Anglian notes the CMA's proposal to use the same regulatory building blocks as Ofwat used in its determinations. The CMA will also need to carry out an "in the round" assessment of the package as a whole to ensure that there is an appropriate balance between risk and reward and that the package is investable.

### 1.3 The Redetermination should adopt a balanced approach to deprioritisation and "new" requests

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<sup>1</sup> Terms not defined herein are as defined in Anglian's Statement of Case ("**AS**"), Anglian's Response to Disputing Companies' SoCs, and Anglian's Reply to Ofwat's Response to Disputing Companies' Statements of Case ("**Anglian's Reply**").

<sup>2</sup> The Company notes that the Proposed Approach does not yet reflect a number of submissions made by the Disputing Companies, including their replies to Ofwat's Response, and has not sought to restate points made in those submissions.

- (7) The Proposed Approach explains (Proposed Approach§34) that the CMA does not intend to focus on issues where: (a) the issue has an insignificant impact on customer bills or other outcomes (e.g., where the value of the issue would be 0.5% or less of the relevant PR24 total totex allowances in Ofwat's determination); (b) the CMA expects the issue to be addressed in a reasonable period through alternative means (e.g. through a process that Ofwat already has in place or is developing); (c) the issue reflects a well-established regulatory practice and the CMA has not received compelling evidence to suggest it should revisit this; or (d) the issue would require a disproportionate amount of work to resolve in the context of this redetermination process when set against the potential impact.
- (8) Anglian makes the following general observations on each of the CMA's deprioritisation principles:

(a) **Insignificant impact on bills or outcomes.** The Proposed Approach takes the view that 0.5% of totex is *de minimis*, and does not explain why overall totex is considered to be the appropriate denominator or take into account the cumulative impact of the issues which it proposes to deprioritise. For context, for Anglian, the proposed *de minimis* threshold ranges in practice from £2.5 million up to £54.9 million depending on denominator over five years (see footnote 3 below).<sup>3</sup> This level of funding produces tangible customer benefits that are not *de minimis*. £10 million could fund high-complexity refurbishment (including potential full re-build) of service reservoirs such as Anglian's Newmarket with consequent water quality improvements, while just £2.5 million could fund an additional c. 80km of CCTV surveys to better understand gravity sewer condition and help to prevent pollution incidents. These are important benefits worthy of protecting and Anglian asks the CMA to take these factors into account in finalising its prioritisation approach.

(b) **Issue expected to be addressed through alternative means.** First, whilst certain issues could in principle be addressed through an alternative route (e.g., through a correction which Ofwat has agreed to make or a broader legislative / regulatory change taking effect during AMP8), Anglian would be concerned if the CMA were to rely too heavily on other processes and their ability to resolve the key issues it has raised. Anglian submits that a decision to deprioritise important issues on these grounds can only meet the CMA's duties if the CMA can reasonably conclude that the parallel process in question is adequate to deliver the right outcome in PR24 and sufficiently certain. As noted in Anglian's Reply (p. 1) and the Joint Reply (p. 1-2) of 27 May 2025, Ofwat's proposed parallel processes, e.g., its Asset Health Roadmap, which was first introduced at FD, do not provide the certainty required for PR24, and Anglian would strongly disagree that any aspect of its SoC should be deprioritised on this basis.

Second, wider potential reform work, such as that currently being undertaken by the Independent Water Commission chaired by Sir Jon Cunliffe, may indeed reshape the planning processes and regulatory system within the water sector. However, possible changes (even following the Independent Water Commission's *Interim Findings*) are highly uncertain, many are subject to the need for approval of legislative change and will only materialise, if at all, in future AMPs. They, therefore, will not correct aspects of PR24 which are likely to cause material harm in this price control period, with consequences for both current and future consumers. It is important that the redetermination addresses the significant underfunding of capital maintenance in AMP8 rather than solely relying on the possibility of foundational changes in the future.

<sup>3</sup> 0.5% of water Totex: £24.3m; 0.5% of wastewater Totex (including bioresources): £28.1m; 0.5% of wholesale Totex (£52.3m); 0.5% of residential retail Totex: £2.5m; 0.5% of Totex: £54.9m, based on Table 55 of Ofwat, PR24 final determinations: Expenditure allowances (February 2025) (see [here](#)).

- (c) **Where there is no compelling evidence to revisit a well-established regulatory practice.** It follows that, where there is compelling evidence that the established regulatory practice is falling short (which Anglian submits is the case with respect to capital maintenance), it is appropriate for the CMA to address this as part of its redetermination.
- (d) **Disproportionate amount of work to resolve versus the impact.** Anglian notes that where simple steps can be taken to produce a manifestly more accurate result, it would be consistent with the CMA's approach to resolve it. This is relevant with respect to model and business rate adjustments discussed below as well as using most recent data wherever practical to do so. In such cases, there is no good reason on proportionality grounds not to make updates to reflect a more accurate price control, not least where the funding in question is mandatory spend that is not controllable or avoidable by companies (e.g., relating to rates or regulatory fees).

More generally, it is unclear how the CMA has assessed proportionality. Points that may be deemed not to have a material direct financial impact in isolation, can nevertheless concern important points of principle for current or future controls or have a material financial impact when considered in aggregate. Deprioritising such points could, therefore, have broader implications for the fairness, effectiveness and overall balance of risk of the PR24 package, which is not justified on proportionality grounds.

- (9) Anglian agrees that the Redetermination is not a forum for raising novel or opportunistic requests, and this principle has underpinned its approach to its SoC. However, it is also the case that the Redetermination is the first opportunity for companies to respond to the FD in circumstances where the FD (i) has failed to grant companies the funding they requested and planned for; (ii) imposed additional obligations on the companies to be delivered from the funding envelope; or (iii) introduced new concepts (e.g., the Asset Health Roadmap). For this reason, Anglian cautions against any a priori inference of the "speculative or opportunistic" nature of requests which were either not raised or framed differently during the Ofwat process without further investigation (including by requests for information to the Disputing Companies as necessary).

#### **1.4 The Redetermination should be informed by up-to-date data**

- (10) Anglian is in principle supportive of the use of cut-offs for the inclusion of new data. However, to ensure an efficient and well-informed Redetermination, the Company would strongly encourage the CMA to reflect the most recent market data in its final report and use outturn company performance data for the year 2024-25. Anglian also wishes to clarify that, contrary to the reference in Proposed Approach<sup>98</sup>, for example, 2024/25 data is not used anywhere in Ofwat's Base and Residential Retail Models, even in forecast form, which makes its inclusion in the Redetermination essential. This would not require the unpicking of any models, the data can be sought and cleaned by established processes, and these updates will ensure that allowances are not artificially distorted by outdated figures.
- (11) In addition, whilst recognising the potential incentives to diverge from "*established*" solutions in favour of "*new methodologies*", Anglian would strongly encourage the CMA not to close its mind to all relevant evidence (for instance, cross-checks, whilst retaining the CAPM as central methodology). This is consistent with the redetermination framework and the CMA's statutory duties.

## **2 Base Cost Claims**

- (12) Anglian supports the CMA's proposal to prioritise its Leakage, Boundary Box and Mains Renewal CACs, its gravity sewer and storage points claim, and Frontier Shift in its assessment. For completeness, Anglian explains in its Reply (page 5) that its gravity sewer and storage points claim

is an alternative claim rather than an additional CAC which arises from the insufficient base funding at FD (AS§303) (with Anglian highlighting the maintenance needs for these assets in its ASRAP submitted in its BP and advocating for a broader uplift to base allowances at DD on a UIOLI basis (AS§301)).

## 2.1 Base Models

- (13) On **Base Models**, Anglian notes the CMA's proposals to consider the models. Anglian did not dispute the details of the Models in its SoC. It notes that other Disputing Companies have raised issues, and Anglian included brief comments on these points in its Response to Disputing Companies' SoCs submitted on 29 April 2025 (pages 5-10).
- (14) Anglian notes that the CMA plans to "*explore a data-driven approach to variable selection using econometric tools such as LASSO*" (Proposed Approach§43). While the Proposed Approach outlines how a LASSO-based approach could support the selection of explanatory variables "*starting with a set of potential explanatory variables that have economic and engineering rationale*", it does not specify the overall scope of this exercise in relation to Ofwat's suite of models nor how the CMA intends to assess whether a variable meets this rationale.
- (15) Clarity on this is critical. While data can inform the model development process, it should not dictate the decision-making process, which must remain grounded in sound economic and engineering rationale. Given that the CMA has appointed Water Research Centre as engineering advisers, it could draw on its expertise for this purpose in any reassessment of the explanatory variables used in the models and more widely where companies are presenting further detailed evidence.
- (16) Should the CMA decide to pursue the LASSO approach, it would be important to allow Anglian and other parties a reasonable opportunity to engage with the outputs (both in respect of any impacts on its leakage claim (per Proposed Approach§44) and any wider impacts on allowances).
- (17) Anglian notes the CMA's intention to prioritise assessment of its leakage claim via edits to the models, and, when this is not possible, via individual CACs put forward by Anglian (i.e., via separate models, net of the implicit allowance granted by the base cost models). For the avoidance of doubt, this dual-track approach has underpinned the development of Anglian's leakage claim since early 2023.
- (18) Anglian therefore welcomes the CMA's intention to assess its leakage claim using both approaches. However, in practice, direct edits to the models may not be possible or may lack the necessary statistical robustness to show the impact of leakage on costs, including the marginal cost of maintaining lower vs. higher leakage. Therefore, a separate CAC modelling approach is likely to be more appropriate in this context.

## 2.2 Utilising updated data for models and rates

- (19) Anglian disagrees with the justification in the Proposed Approach to deprioritise updating retail models and rates for the most recent data.
- (20) On **Residential Retail Models**, we refer the CMA to Anglian's comments on §9 regarding updating models. However, should the CMA not make updates, the Residential Retail Models should at least be updated to reflect readily available Disputing Company inputs not reflected. Per Anglian's Reply (page 8), Ofwat's Residential Retail model did not use the updated inputs Anglian provided post-DD.
- (21) As explained, Ofwat has a cost driver which it calls Average Bill Size, which can simply be derived by dividing Household Revenue (including Residential Retail Revenue) by the total number of Households. Ofwat did not calculate the correct figure for Anglian (or Southern) at FD. To update this calculation with correct data is straightforward (involving only updating the figure used for Anglian



(and Southern) in the models' estimated cost function).<sup>4</sup> This would have an impact of **£15.6 million** (3.1% vs. of the Retail baseline assessment) and is not *de minimis* in the context of the retail price control and the related impact on Anglian's ability to provide services to support customers from this expenditure.

- (22) On **Business Rates**, the CMA plans to deprioritise on the basis the claims are: (i) *de minimis*; and (ii) do not raise substantial wider issues of principle. Anglian disagrees.
- (23) First, current indications are that the differential in Business Rates could cost Anglian c. £76 million (AS\$314) which is not *de-minimis*. Anglian also notes the CMA's proposals to deprioritise other topics where the impact of using incorrect figures carries material, unavoidable costs for companies. Indeed, post-FD updates indicate an estimated c. £15 million impact for incorrect Ofwat licence fee numbers<sup>5</sup> and a currently estimated c. £29 million impact from incorrect EA levy (plus cost of service) numbers.
- (24) Second, Anglian disagrees that the issues do not go to wider substantive principles. Not utilising more accurate estimates materially increases the likelihood of companies bearing higher costs from uncontrollable cost categories. This would be inconsistent with Ofwat's acknowledgment that unmodelled base costs, such as business rates, are "*largely outside of company control*", and with the categories of expenditure Ofwat has deemed appropriate for challenge at PR24.<sup>6</sup> Anglian has explained the significant base pressures it faces, with impacts for asset health. There is an opportunity to mitigate the spend and associated cash-flow pressures for items, such as business rates, that fall almost entirely outside company control. Further, per Anglian's Reply, inaccurate estimates are a poor outcome for future customers, who bear associated costs via cost-sharing. This is particularly the case for business rates, where future customers bear the greatest risk of subsequent corrections of inaccurate AMP8 estimates due to the 90/10 cost-sharing split rule for this category (Anglian Reply, page 8).
- (25) Third, the amendments would ultimately amount to simple updates to models that can be forecast during PR24 with a relatively high degree of accuracy. Per §8 above, where simple changes can be made to produce more accurate outcomes, there is no good proportionality justification to exclude them, not least where those adjustments help mitigate base overstretch and costs for future customers.

### 3 Asset Health

- (26) Anglian supports the CMA's proposal to prioritise its mains renewal and gravity sewer and storage points claims and welcomes that the CMA will consider Ofwat's approach to retrospective adjustments as part of its assessment (Proposed Approach\$47). However, Anglian strongly disagrees with the proposal to deprioritise asset health issues beyond the specific claims listed in the Proposed Approach\$47 and 48, relying instead on Ofwat's Asset Health Roadmap.
- (27) Asset health considerations meet the CMA's Guidance criteria for prioritisation as an issue raised by all Disputing Companies and by third parties and having a significant impact on the scale of current

<sup>4</sup> Per Anglian's Reply, page 8, the Household Revenue forecasts for AMP8 can either be taken directly from Table RR27 within the set of BP Tables or they can be computed by taking total Revenues from Table RR10 for each year and multiplying those figures by the respective measured and unmeasured percentage charges from Table RR7.

<sup>5</sup> This estimate is based on the 25/26 fee, such that Anglian could expect licence fees to be c. £15m above historical levels over the whole of AMP8. It should also be noted that the CMA's proposal to deprioritise changes in National Insurance Contributions and therefore use incorrect figures in the Redetermination is estimated to cost Anglian well over £30m in AMP8 (AS\$392).

<sup>6</sup> Ofwat, PR24 final determinations: Expenditure allowances (February 2025), page 1 (see [here](#)).

and future bills and resilience outcomes. Further clear concerns with the current regulatory approach will already be apparent to the CMA from submissions to date (CMA205§3.14).

- (28) Indeed, the Cunliffe [Interim Findings](#) see a strong case for a forward-looking infrastructure resilience framework, in contrast to Ofwat's primarily retrospective analysis,<sup>7</sup> while Ofwat has recognised that mains renewal levels are not sustainable and provided no compelling evidence to support that asset health has improved over time (see AS§337-342).<sup>8</sup> Anglian acknowledges that the CMA will not be able to solve all asset health issues within this price control. However, to discharge its duties at PR24, including to ensure that companies are investable and able to finance their functions and to protect the interests of future consumers and resilience, the CMA must consider, based on the balance of evidence, whether current allowances within the base models (which include capital maintenance allowances) are sufficient to appropriately maintain assets at PR24. Excluding asset health considerations entirely would preclude the CMA from doing so, given the longer-term consequences of PR24 decisions, including for sector resilience and future customers.
- (29) The CMA notes at Proposed Approach§27(a) that it only intends to consider more general objections raised by the Disputing Companies to the extent that understanding of these is needed to come to a view on the specific requests. Anglian notes that its specific requests, including regarding mains renewal, boundary boxes and gravity sewers and storage points, as well as its concerns regarding the asymmetry of risk and return, are made in the context of significant underfunding for capital maintenance in PR24 and previous AMPs. Anglian reiterates the importance of the CMA considering the wider asset health context when considering these claims.
- (30) Further, as above, it can only be responsible to exclude topics based on "alternative routes" if those alternatives can reasonably be deemed correct, adequate and certain. However, the Asset Health Roadmap is primarily focused on PR29<sup>9</sup> – noting the possibility for some additional funding / investments brought forward at PR24 (while the Cunliffe Review will not make recommendations that impact PR24, and any changes could take a long time to enact per §8 above). In short, neither route is adequate to ensure appropriate funding at PR24. Further, the Asset Health Roadmap mechanism (as set out in Anglian's SoC and to the Disputing Companies' Joint Reply to Ofwat's Response) carries significant uncertainties, has been materially delayed in implementation and will cover only a small group of assets. Finally, Ofwat's submissions to the CMA at PR24 already indicate that it may carry across errors in its approach to retrospective funding to other assets in this workstream (see Anglian Reply, page 5).
- (31) Anglian is concerned that the CMA's Proposed Approach will be taken as an endorsement of the adequacy of Ofwat's Asset Health Roadmap, without any real assessment of the issues or approach. Given the significant impact of asset health funding on intergenerational fairness, resilience and customer and environmental outcomes, for the CMA to rely exclusively on the (still in development) Roadmap as an unassessed backstop to address the issues, raises significant concerns.
- (32) Anglian, therefore, requests that the CMA reconsider its approach to Asset Health, take a view on the adequacy of capital maintenance funding available to companies at PR24, and do not defer to Ofwat's Asset Health Roadmap.

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<sup>7</sup> Independent Water Commission, Interim Report (2025), §47-48.

<sup>8</sup> Ofwat, PR24 final determinations: Expenditure allowances (February 2025), page 3 (see [here](#)).

<sup>9</sup> Independent Water Commission, Interim Report (2025), §2.

## 4 Enhancement Cost Claims

- (33) Anglian does not dispute its enhancement allowances at FD, in the round, and welcomes Ofwat's conclusion that Anglian's plan was efficient in relation to enhancement, reflecting the significant external benchmarking and challenge that Anglian applied to its BP (see AS\$Chapter F).
- (34) Anglian recognises the need for the CMA to target its enhancement cost assessment on a limited number of cost areas. However, in doing so, it must consider the impact of these changes on enhancement allowances in the round, noting that some companies, including Anglian, did not raise issues with individual cost models, because, bar targeted amendments, it does not dispute its overall enhancement allowance. Significant adjustments to limited cost models could disrupt this balance without the possibility of redressing it via consideration of models that are outside the scope of the CMA's Proposed Approach.
- (35) Moreover, Anglian notes that claims by other Disputing Companies are generally company-specific and require individual assessments based on supporting evidence provided by each company. However, should the CMA decide to make changes that apply to all Disputing Companies, Anglian reserves its right to comment and provide evidence for the CMA's consideration.

## 5 Outcomes

- (36) Regarding **Total Pollution Incidents** ("POL"), the Proposed Approach states: "*Anglian has asked us to reconsider the PCLs and ODI rates that have been set, and the extent to which different types of pollution incident might affect measured performance*" (Proposed Approach\$70(a)). For clarity, Anglian notes that this assertion appears to conflate two distinct arguments. First, the normalisation of the POL metric should adequately reflect differences in companies' asset bases. In particular, a significant proportion of incidents arise not from sewers, but from other assets, such as pumping stations or water recycling centres. Secondly, expected changes to the EPA metric—including the likely reclassification of certain category 4 incidents as category 3—will bring more incidents within the scope of this performance commitment.
- (37) Moreover, as currently calibrated, the POL ODI rate is a key contributor to the overall downside risk faced by Anglian. The combination of a stretching PCL and a materially increased penalty rate results in a significant and structural negative skew to regulatory returns. This exposes Anglian at the notional level to the expectation of persistent underperformance penalties—even in the base case—and implies outturn equity returns substantially below the notional allowed equity return. The material P50 downside skew not only threatens Anglian's financeability (with credit metrics falling significantly below thresholds consistent with a Baa2 / BBB credit rating for a notionally financed company, see AS\$696) but also weakens investor confidence, serving as a deterrent to attracting new equity and sending a negative signal to the debt markets at a time of greater sector-wide financing challenges. Anglian welcomes the CMA's commitment to consider each of the specific ODI issues raised by the Disputing Companies in a proportionate manner, while taking account of the broader balance of risk.
- (38) Regarding **Leakage**, the CMA's Proposed Approach does not specifically mention whether Anglian's request to revisit the leakage baseline will be considered as part of the Redetermination. Ofwat's Response (§4.58) indicates that, if the CMA decide to update the 2024/25 baseline as requested, actual values for 2024/25 will be available to inform this process from 15 July 2025 and recommends that the CMA use the actual 2024/25 outturn position to update the baseline and the PCL profile for PR24 leakage. Anglian would welcome confirmation that this matter remains in scope until a definitive decision is made to update the baseline.

## 6 Price Control Deliverables

- (39) Anglian generally agrees with the CMA's proposed approach to PCDs, however notes that the Proposed Approach does not mention two-sided PCDs. As per Anglian's Reply (see Section 3), Anglian observes that two-sided PCDs (i.e., where allowances can increase if more outputs are delivered) could help to reduce risk asymmetry. For example, a specific STW growth PCD adjustment could address the implicit uncertainty in future growth forecasts. Anglian would welcome confirmation that the CMA will consider two-sided PCDs as part of its Redetermination.

## 7 Risk and Return / Investability and Financeability

- (40) Anglian agrees with the CMA's proposal to prioritise each of the parameters of the allowed return (Proposed Approach§79) and is supportive of the "*proportionate and efficient*" approach reflected in the Proposed Approach. That said, Anglian notes that being "*mindful of the relative materiality and strength of disagreement in various areas*" should not undermine the objective of a fair redetermination. Notably, given the interlinkages between components of the allowed return, "materiality" considerations should be applied with caution, to ensure the allowed return can be considered fully and effectively.
- (41) Further, Anglian highlights two key points which are not expressly covered in the Proposed Approach and which are critical to ensuring that relevant long-term considerations are taken into account when setting the Redetermination.
- (42) First, the Proposed Approach explicitly notes the need to ensure that decisions in the redeterminations are consistent with the financing duty and, that as part of this assessment, the CMA will consider how best to assess financeability (Proposed Approach§§90-91). The absence of any reference to investability in this context is notable. Investability, both in the short and in the longer term, is an inherent element of the finance duty under the WIA91 and its importance is particularly pronounced in PR24 given the level of investment needed. For the reasons explained consistently throughout Ofwat's PR24 process and in its SoC (AS§Chapter H.1), Anglian requests that the CMA confirm that it will take into account the investability of the price control as part of the Redetermination.
- (43) Second, the Proposed Approach does not refer to Anglian's proposal that the CMA set an expectation on the cost of equity in the longer term (AS§708). Anglian reiterates the need for sufficient certainty for investors over the investment horizon to incentivise investment at PR24 (see Anglian's Reply, page 4). Investment decisions today will largely be determined by a forward-looking view of the risks associated with the sector, considering in particular the cash returns available for investors, companies' risk profile going forward, the future expenditure required, as well as how debt and equity metrics will compare in the long run.
- (44) Some further key observations on the risk and return are made below:
- (45) Whilst recognising the established nature of CAPM (Proposed Approach§§80-81), Anglian has set out in detail in its SoC the potential weaknesses of CAPM at PR24 and, in particular, the methodology applied in the FD (AS§§663-680). It, thus, reiterates the importance of due consideration of appropriate cross-checks to ensure that the cost of equity is rooted in a robust evidence base.
- (46) As above, Anglian supports the CMA's intention to use up-to-date market and other relevant new data where appropriate (Proposed Approach§82) and considers that the CMA should use the most recent market data available.



- (47) On inflation (Proposed Approach§89), Anglian agrees that wider questions around regulatory treatment of indexation are more appropriate for the next price control review (as indexation relates to inflation and RFR).