



ATTENTION: Jas Kahlon (Clerk)
Honourable Mr Justice Trower
Chancery Division
The Rolls Building,
7 Rolls Buildings,
Fetter Lane, London EC4A 1NL

Friday 13th December, 2024

Dear Honourable Mr Justice Trower

We are writing this letter representing the interests of 16 million consumers of Thames Water. Its subsidiary Thames Water Utilities Holdings Limited (TWUHL) has proposed a Restructuring Plan (RP), and is using your Court to implement it under Part 26A of the Companies Act 2006 (UK RP). We hereby challenge the RP, and with the interests of 16 million consumers in mind wholeheartedly ask you to refuse to sanction the RP.

We are neither solicitors nor barristers, but have the best interests of the 16 million consumers in mind, who are not represented in your Court and in this process. It is our understanding that the Plan entails using the UK RP to enable TWUHL to borrow up to £3bn in Super Senior Secured Debt to meet its liquidity needs, of which the details have only recently been disclosed to the public.

From the term sheet of the transaction (which has publicly been disclosed), we calculate that the cost of interest, bondholder consent fees and the fees to advisors could easily approach or exceed £1 billion in due course. Although advisors have argued that these fees and interests are somewhat pre-funded, it is obvious that the consumer as the sole source of revenue will indirectly fund this amount by way of increases in their water bills.

It is particularly egregious that the transaction contains a 3.5% fee for the primary backstop providers and a “make whole” clause, which altogether could enable the primary backstop providers to reward themselves of an internal rate of return (IRR) that approaches 20%. Any reasonable person would agree that this is an absolutely grievous misuse of funds of a public utility providing a vital service to citizens which your Court represents.

It is also our understanding that there is a Relevant Alternative, the Special Administration Regime (SAR), which was designed and amended to achieve a better outcome for key stakeholders, and in particular consumers. The appointed Administrators have the power to create a sustainable capital structure and create a business model which can provide affordable water bills while preventing environmental degradation. There is also a known risk that Thames Water may run out of liquidity

in 2026 leading to a SAR, thus making the proposed financial exercise unnecessary.

Unlike the SAR, when the interests of the “public” are considered, TWUHL’s Restructuring Plan is “unfair” and “defective.” As a result and on these grounds, we ask you to refuse to sanction the TWUHL’s Restructuring Plan.

We thank Your Lordship for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cat Hobbs', with a horizontal line underneath.

Cat Hobbs
We Own It

We Own It Ltd, Nova North, 11 Bressenden Place, London, SW1E 5BY weownit.org.uk info@weownit.org.uk 07923271431



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