

Alan Horncastle

Partner

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Languages: English



Expertise

- Data Science and Analytics
- Performance, Productivity and Efficiency
- Regulation
- Transaction Advice

Sectors

- Energy
- Postal and Logistics
- Transport
- Water

Profile

Alan has 30 years of professional experience in applying economics to aid decision-making, in particular in the regulated sectors. He specialises in efficiency measurement and assessments, regulatory reform and regulatory incentive design.

He has provided strategic advice and expert evidence on mergers and acquisitions, regulatory due diligence, business planning, regulatory determinations, appeals and court cases. He has advised companies, investors, governments and regulatory authorities in the water, energy, transport, financial services and communications sectors across Europe.

Alan is co-author of A Practitioner's Guide to Stochastic Frontier Analysis using Stata with S. Kumbhakar and H.-J. Wang, published by Cambridge University Press in 2015. The book provides practitioners in academia and industry with a step-by-step guide on how to conduct efficiency analysis using the econometric approach, stochastic frontier analysis.

Selected expert experience

- Expert testimony to the Competition and Markets Authority (CMA) for firmus energy's price control appeal (2017)

Selected professional experience

- Advice on efficiency issues for RIIO-ED2 controls (2020–21)
- Efficiency advice to Royal Mail, including internal benchmarking (1999–2014, 2020–21)
- Advice on productivity and efficiency for RIIO-T2 controls (2018–21)
- Advice on regulatory issues, productivity and efficiency for RIIO-GD2 controls (2017–21)
- Advice to water companies on regulatory and efficiency issues during PR19 and during the CMA inquiry into their appeal of the PR19 Final Determinations (2016–21)
- Advice on benchmarking and efficiency monitoring for Highways England (2014–21)
- Advice to the Danish Competition and Consumer Authority on integrating quality measures within cost benchmarking (2019–20)
- Advice on how to improve efficiency for a European energy client (2018)
- Advised BDEW, the association for all German electricity, gas and water networks, on how to set the productivity factor (2017)
- Advised the Netherlands Authority for Consumers and Markets on the dynamic efficiency potential for the Dutch transmission system operators (2015–17)
- Developed a cost forecasting framework for business planning, including an international benchmarking study, for a large international airport (2011–17)
- Advised South West Water during the CMA inquiry into its merger with Bournemouth Water (2015)
- Advice to water companies on regulatory and efficiency issues during PR14, including advice to Bristol Water during the CMA inquiry into its appeal of the PR14 Final Determinations (2013–15)
- Efficiency and incentive framework advice to the Energy Networks Association and DNOs for RIIO-ED1, including expert evidence for the CMA inquiry (2011–15)
- Advice to a group of Italian water companies on developing a framework to assess cost efficiency (2013–14)
- A review of the efficiency regime for a German gas transmission company (2013)
- Advice to BT on efficiency and incentives (2011–13)
- Advice on efficiency for an energy transmission company for RIIO-T1 (2011–13)
- Efficiency advice to the Finnish energy industry (2012)
- Advice on efficiency issues for a Belgian energy distribution network (2011–12)
- Advice on the efficiency regime for district heating in Europe (2011–12)
- Advice to a UK gas distribution company on its Business Plan submission for the RIIO-GD1 regulatory review (2011–12)
- Advice to the Netherlands Authority for Consumers and Markets on alternative performance assessment approaches for electricity and gas transmission networks (2010–12)
- Advice on regulatory reform, including the efficiency regime, in Estonia (2010–12)
- Provided support during ten Competition Commission/OFT inquiries (1997–2012)
- Advice on competition and regulatory reforms in the water industry (2010–11)
- Examined consumption efficiency in the retail investment products market (2010)
- Advice to major GB bus operators reviewing the likely impact of a change in the concessionary fares regime, including the efficient incremental costs (2010)
- Advised Ofwat on various regulatory framework issues, including approaches to assessing expenditure, the menu and outcome delivery incentives (2008 and 2012)
- Advised the boards and legal and financial advisers of water and energy companies on potential mergers and acquisitions, including due diligence (2001–)

- Led Oxera's efficiency advice for a number of price control reviews in energy, water, transport and communications (1996–)

Selected publications

- Horncastle, A., Duffy, J., Xen Ng, C. and Krupa, P. (forthcoming), 'Benchmarking in the European water sector: applications of production economics' in Ray S.C., Chambers R., Kumbhakar S. (eds) Handbook of Production Economics, Volume II, Springer.
- Kumbhakar, S., Wang, H.-J. and Horncastle, A. (2015), A Practitioner's Guide to Stochastic Frontier Analysis using Stata, Cambridge University Press.
- Horncastle, A., Colarullo, G. and Aitken, J. (2012), 'The Case of South Staffordshire/Cambridge: Is Clearer Water Emerging?', Competition Law Journal, 11:4, pp. 334–41.
- Arias, L. and Horncastle, A. (2011), 'Lessons from mergers and Alliances in the British Water Industry', chapter 3, in A. Estache (ed.), Emerging Issues in Competition, Collusion and Regulation of Network Industries, Centre for Economic Policy Research.
- Silva Portela, M.C., Thanassoulis, E., Horncastle, A. and Maugg, T. (2011), 'Productivity change in the Water Industry in England and Wales: Application of the Meta-Malmquist Index', Journal of the Operational Research Society, 62, pp. 2173–88.
- Kumbhakar, S. and Horncastle, A. (2010), 'Improving the Econometric Precision of Regulatory Models', Journal of Regulatory Economics 38:2, October, pp. 144–66.

Qualifications

- MSc Econometrics and Mathematical Economics, London School of Economics, UK
- BSc Economics, Analytical and Descriptive, London School of Economics, UK