
Centre City Tower, 7 Hill Street, Birmingham B5 4UA
21 Bloomsbury Street, London WC1B 3HF

Mr Richard Flint
Chief Executive Officer
Yorkshire Water
Western House
Halifax Road
Bradford
West Yorkshire
BD6 2SZ

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Dear Richard

Water is an essential service and customers have a right to expect their water company to be well prepared to protect them from the impact of bad weather. The thaw that followed the 'Beast from the East' period of cold weather in late February and early March 2018 caused supply interruptions to over 200,000 customers across England and Wales. Some interruptions lasted several days, impacting households, businesses and essential public services, like hospitals and schools.

As a sector we must understand why this happened; why some companies have performed better than others and, crucially, that we take steps to ensure that there is a significant and sustained improvement in performance by the companies who did not perform well and a step up in the ability of the industry as a whole to protect customers from the impact of bad weather. Importantly, companies should take ownership of and responsibility for this process and ensure that lessons are learned so that their customers are better served in the future.

Our overall analysis of Yorkshire Water's performance is that it performed well and largely met its customers' expectations, but there is still room for improvement. This letter sets out our findings and recommendations for Yorkshire Water based on information received so far and should be read alongside our sector wide report 'Out in the cold' which has also been published today.

We expect Yorkshire Water to carefully consider the issues identified in our review, in this letter and in any internal review it conducts. Yorkshire Water should publish a response to the matters raised by 28 September 2018. This response should be proportionate to the issues identified. We would also like Yorkshire Water to help share best practice across the sector as a whole.

Planning and preparation

- **Yorkshire Water has taken on board lessons learnt from previous adverse weather incidents such as the freeze-thaw incident in 2010/11.** Severe weather planning now seems to be well embedded within the company and potential impacts of adverse weather on demand are calculated using historical data and active measures are taken to ensure that additional resources are available and that supply is sufficient to meet anticipated spikes in demand.
- **Yorkshire Water took the decision to significantly increase the deployment of resources to prepare for the predicted increase in leakage and demand on 21 February,** well in advance of the severe weather impact.
- In advance of the forecast incident, **Yorkshire Water implemented a 10 day incident team resource plan to ensure that additional customer service roles were deployed in the control room and call centres.** Seven key water treatment works were staffed 24 hours a day to reduce the likelihood of loss of production and ensure that strategic storage levels were maximised.
- **Additional water supplies, double the company's usual allocation, were deployed to areas which were judged to be at significant risk.** This meant that sufficient stocks of water were available on a contingency basis to enable the company to deal promptly with any significant loss of supply incident.
- While the company's planning and preparation worked well, it is still important for Yorkshire Water to conduct its own review of its performance and take steps to identify areas for further improvement to ensure that plans are as robust as possible.

Incident response

- Although Yorkshire Water experienced the highest March demand for 21 years, primarily due to leaks on customer pipework or within business premises, **the company had sufficient resources throughout the incident to minimise the level of interruptions, >12 hours, experienced by customers. 67 customers were interrupted for greater than 12 hours.**
- **Yorkshire Water indicates that the ability to identify the sources of leaks, to rezone the network quickly to complete repairs;** to model and monitor the supply/demand situation and to balance reservoir levels across the region were key to enabling it to manage the incident as it developed and maintain supplies to customers.

Communication and support

- **Yorkshire Water was proactive in its communications with customers** and used a range of different channels to raise awareness, provide advice on preparing for the expected cold weather and updated customers during the incident.
- **Proactive communications were made to customers who could be susceptible to leaks during winter incidents.** This included communications targeted to customers in the Hull area (an area that you told us is particularly susceptible to private supply pipe bursts), but also included emailing all local schools in the region to ask them to check pipework for leaks and prepare for freezing temperatures.
- **The company communicated with retailers during the incident to alert them to leaks detected on business premises.** However, Yorkshire Water, like all companies, needs to consider whether this is sufficient. Given the scale of the leaks on business premises experienced in some regions, a more proactive and targeted communication strategy may be necessary.
- **Yorkshire Water has already taken steps to identify customers that may need additional assistance** and we welcome the fact that as part of the company's incident review and planning for future incidents, it will be evaluating its current promotion of the Priority Services Register. Yorkshire Water's proposal to develop a campaign to raise awareness and encourage sign up to the Priority Services Register is a positive step.

Compensation

- Yorkshire Water made a number of standard GSS payment as well as a number of goodwill payments to customers as a result of the incident.

While Yorkshire Water generally performed well, it must take ownership of the issues we have identified so that its customers are even better protected the next time there is bad weather.

Yours sincerely



John Russell
Senior Director, Strategy and Planning