



South Staffs Water

incorporating

CAMBRIDGE
WATER
COMPANY



South Staffs Water Response to Ofwat information request on the March 2018 freeze thaw event

6 April 2018



Section A: Factual details of freeze/thaw events

A1. Provide details of the impacts of events on your network / customers using the **attached tables** (please complete both sheets). We are requesting information from the period 14 February 2018 to 14 March 2018. Please specify on which dates your company considered it was managing events rather than business as usual (the end date should be no earlier than all customers being back on supply). If you consider it appropriate, you may extend the date range (eg to the start of February) and explain why additional dates are relevant. You may not reduce the date range.

The impact of the freeze/thaw event was very different across our two operational regions. So, we have answered each question from the perspective of both regions. We have also collated two separate data submissions to illustrate the differences between our South Staffs and Cambridge regions.

Event durations:

South Staffs – Sunday 4th March to Monday 12th March

Cambridge – Sunday 4th March to Monday 5th March

The data below summarises the impact of the freeze/thaw event on each of our operating regions. We hope this presents some context to the data in this report and accompanying tables.



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Data Tables:

One data table for each of our operational regions is embedded below:



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A2. Beyond the issues highlighted in Tables 1 and 2, please provide details of any further impacts your network or customers (by customer type) experienced that your company had to respond to?

South Staffs – None

Cambridge – None

A3. Details of how responding to the incident impacted on your wider business's "business as usual" operations during the incident period. Where possible provide an indication of the scale and nature of these impacts.

South Staffs:

We took a conscious decision to cancel non-essential planned work, which meant we could respond efficiently to the potential supply risk we faced. The planned work we cancelled is outlined below.

- Customer appointments – we cancelled a total of 17 customer appointments on Monday 5th and Tuesday 6th March. These included things like checks on high consumption at household properties and dealing with faulty meters (GSS was paid to these 17 customers due to appointment cancellation). We retrospectively rebooked all of these appointments for the following week (w/c 12th March).
- New connections – we cancelled a total of 10 jobs between Monday 5th and Friday 9th March. (Many of the sites were closed anyway because of the weather.)
- Water quality – we visited all regulatory water quality sampling locations as planned.

Cambridge:

We cancelled a very small number of non-leakage repair jobs.

A4. What have you judged to be the cause of the issues, particularly water supply interruptions, for your customers (by customer type) during this period? What factors were relevant?

In summary, the sustained freezing temperatures followed by a rapid thaw resulted in an increase in leaks, both within our own network and also within the properties of our customers (both household and non-household). A significant increase in leakage resulted in greater demand on our network.

South Staffs:

The increase in temperature seen on Saturday 3rd and Sunday 4th March resulted in a significant increase in demand (from 314 MI/d on Saturday 3rd March to 401 MI/d on Sunday 4th March – a 28% increase) within a few hours, which put a strain on our network.

We increased our field resources to find and fix bursts within our network; however, we now consider that a significant majority of the increased demand was because of customer side leakage.

To expand on this further, we have quantified leakage for each of the bursts we repaired on our network over a five-day period by analysing DMA (District Metered Area) demand before and after the burst repair. During this time, the repairs we carried out on our network accounted for less than 20MI/d worth of leakage.

Over the same period, we saw a reduction in demand close to 100MI/d, which suggests that as much as 80% of the increased demand was because of bursts on customer assets, both household and non-household. To further correlate this, we also saw a significant reduction in demand from approximately 9.00am on the morning of Monday 5th March, which we consider was the result of customers returning to non-household properties (some of which had been left unoccupied since before the weekend), and observing leaks and isolating their mains supplies to enable repairs to take place.

Because of the increased demand on the network, we saw a significant reduction in our strategic storage of potable water (service reservoirs), below levels that we consider sufficient to maintain adequate supplies to our customers. In order to reduce demand within the network, on Sunday 4th and Monday 5th March we reduced pressures in DMAs with the highest variance to 'normal' demand.

This meant we could maintain supplies to the vast majority of customers, albeit at a lower pressure than normal. This was successful in reducing demand within the selected DMAs, but it resulted in an escalation of pressure-related customer contact, despite us using proactive text messages and social media to inform those customers who were impacted by this. A small number of customers at higher elevations within the DMAs experienced very low pressure or no water during this period. Once demand on the network started to subside on Monday 5th March, we started the process of returning DMA pressures to normal levels, which was completed by Wednesday 7th March.

Because of the increased numbers of burst repairs being carried out within the network, a small number of customers lost supplies for relatively short periods of time while these repairs were made. These were all local burst repairs, rather than any strategic bursts with significant customer impact. Our media messaging during the first three days of the event advised customers of the potential for being without water while we carried out these repairs.

Cambridge:

Temperatures in our Cambridge region had been below freezing since Sunday 25th February, with the weather forecast predicting a rise above freezing on Sunday 4th March.

Temperatures actually reached close to freezing point around mid-day on Saturday 3rd March, and this was linked to a step up in Distribution Input – from 81.9 MI/d on Friday 2nd March to 95.9 MI/d on Sunday 4th March (a 17% increase), when temperatures were above freezing for most of the day.

On Monday 5th March, Distribution Input dropped to 89.5 MI/d. Some of this reduction was the result of us repairing a small number of burst mains, but most of it was caused by a number of customer side leaks. As in our South Staffs region, we estimate that the total impact was about 80% customer-side issues and 20% network ones.

The only customers without water during the period were those whose water was shut off while we repaired bursts. But none of these customers were without water for more than four hours. There were some minor shut downs carried out during the early hours of the morning, which enabled us to carry out 'step tests' to locate bursts in localised areas where the network was under stress because of a rise in minimum night flow.

Section B: Planning and preparation

B1. How did your established processes for gathering intelligence and insight into the potential effects of forecast bad weather on your network help you to prepare for this event? Did they highlight any particular risks and what did you do to mitigate these? (eg network preparation, communications with customers, increased engineering or call centre resources) Did you share insights with other utilities/services?

As a result of the significant impact that the weather has on both of our operating regions, we hold weekly 'Winter Action Plan' meetings to ensure that our operations remain resilient in spite of challenging winter weather. These typically run from November to January, as was the case this year. But, we restarted the meetings on Monday 26th February because of the approach of a period of particularly cold weather, known as 'the beast from the East'. Our Winter Action Plan meeting focus on our operations. They enable us to review the anticipated supply/demand balance for the coming week and change planned work (production outages, for example) to ensure we maintain sufficient operational headroom.

South Staffs:

On Monday 26th February, we took the decision to increase the frequency of our Winter Action Plan meetings to daily because of the low temperatures projected for the coming week. On Thursday 1st March, the weather forecast predicted a rapid thaw over the weekend of 3rd/4th March, which prompted the following actions.

- We increased our strategic storage above typical levels for the weekend.
- We increased the number of our incident team and operational people on call to support a thaw event should one occur.
- We planned low-level 'manning' of the incident room on Saturday 3rd and Sunday 4th March to ensure rapid reaction should our supply position deteriorate. (We subsequently escalated this to the full incident team on the morning of Sunday 4th March.)
- We cancelled all planned work to maximise water production, and also a reduction in customer appointments within the network to free up resource.

In terms of external organisations, we participated in a Tactical Co-ordinating Group (TCG) teleconference with West Midlands Local Resilience Forum (LRF) on the following dates.

- Monday 26th February.
- Wednesday 28th February.

- Thursday 1st March.
- Friday 2nd March.

On Sunday 4th March we contacted West Midlands, Derbyshire and Staffordshire LRFs to advise them of the problem, but not to ask for any assistance. We also contributed to a West Midlands LRF water shortage TCG teleconference on Monday 5th March, as well as the Defra teleconferences from Monday 5th to Thursday 8th March.

Throughout the event, there was ongoing engagement at operational, incident team and Executive level was on-going between South Staffs and Severn Trent Water to effectively manage shared resources (including the Hampton Loade water treatment works) and support each other wherever possible.

Cambridge:

We recognise that if temperatures remain below freezing over a 24-hour period for a number of days, there will be an impact, both on the network and on customers. The weather forecast was being tracked through the Cambridgeshire and Peterborough LRF (CPLRF), where the Met Office were providing updates.

We contributed to Cambridgeshire and Peterborough LRF (CPLRF) teleconferences. These took place at the following dates/times.

- 26th February – 11.00am.
- 27th February – 3.00pm.
- 28th February – 10.00am.
- 1st March – 2.00pm.
- 2nd March – 2.00pm.

The thaw was predicted for Sunday 4th March, so we put the following plans in place for the weekend.

- The Head of Operations and his team of duty managers were put on standby.
- Additional network, leakage and customer service technicians were put on standby.
- Additional production technicians were put on standby.
- We doubled the number of standby gangs (repair and maintenance).

B2. What impact, if any, did your preparation have on your ability to handle this event? What role did your Executive take in preparing for these severe events?

Overall, we consider that our preparation ahead of the freeze/thaw event was appropriate, and significantly mitigated the impact on our customers when the thaw occurred. Our actions were slightly different across our two regions:

South Staffs:

- a. The decision to increase strategic storage in the network resulted in an additional 35MI/d of water being available within the network on Friday 2nd March compared with a typical Friday evening, which certainly made our position more resilient than it otherwise would have been.
- b. The analysis of Met Office forecasting in the week ahead of the event allowed us to successfully predict the rapid thaw over the weekend of Saturday 3rd and Sunday 4th March and ensure that appropriate resources were in place.
- c. The decision to identify staff to resource both the incident team and field operations ahead of the event allowed us to establish these teams quickly as required on Sunday 4th March.
- d. Having our emergency planning processes 'on the shelf' and regularly exercised allowed us to scale up the event as required.

Cambridge:

- a) The Head of Operations, raised the event team, ran a number of update meetings and maintained communications with Wholesale Director.
- b) We took the decision to maximise strategic storage on Friday 2nd March ahead of the projected thaw over the weekend.
- c) The Operational Managers managed supply and demand by predicting demands, reviewing data, managing production resources, monitoring storage levels and invoking zonal transfers. They also monitored customer contacts.
- d) We called upon additional resources to maintain operations and support customers.

The Wholesale Director was briefed daily by the Director of Operations and the Head of Operations about the steps taken during week commencing 26th February ahead of the predicted thaw over the weekend.

B3. What emergency plans were in place and were they adequate to cope with the problems? Were those emergency plans appropriately enacted? If so, when?

We enacted our emergency plans in both regions on the morning of Sunday 4th March.

Because of the lesser impact within our Cambridge region, we closed the incident team on 5th March.

Within our South Staffs region, the 24/7 incident team was in place until 5.00pm on Wednesday 7th March, when we took the decision to step down from 'Event' status because our strategic storage situation had recovered, our night lines had returned to normal and we had no anticipated supply risk. Following further recovery of the network later that week and over the weekend, we formally closed the Event on the morning of Monday 12th March.

We keep our emergency plans under constant review, and we learn from Events, exercises and the work that others in the sector are doing (for example, the recent United Utilities Franklaw Seminars). We consider that our approach to emergency planning provided us with a scalable response appropriate to deal with the freeze/thaw event.

B4. What training have your staff had for responding to severe weather events, particularly freeze/thaw incidents?

All of our people within the incident teams receive appropriate training for the roles they carry out. We deliver this training in house, and test it regularly with a range of training events and real-life scenarios.

We recognise, however, that a freeze/thaw event can result in a specific set of challenges for our business. With this in mind, we visited Northern Ireland Water in November 2016 to understand how their incident management processes had evolved since the major freeze/thaw incident in 2010.

During the visit, Northern Ireland Water:

- talked us through the 2010 event;
- shared their revised approach to incident management developed as a result; and
- shared a range of materials and processes with us.

We have subsequently adopted a number of the points within Northern Ireland Water's approach, such as their staged and documented escalation process from business as usual to 'Event'. We reciprocated the visit a few months later.

We selected the people leading the incident teams in both our operational regions on the basis of their experience in dealing with previous freeze/thaw events – the most significant of which was in 2010. Ahead of the freeze/thaw event on the weekend of 3rd/4th March, we used the demand profile for the 2010 freeze/thaw event as a planning scenario to ensure we were prepared appropriately.

B5. What did you learn from previous incident management events, including through working with other water companies, local / regional partners, emergency services or other service providers, and how is this reflected in your current processes?

We keep our incident management processes under constant review and make sure they evolve to fit the needs of our business. Each time we initiate the incident team, we hold a 'wash-up' session to critically analyse what went well, and areas where we could improve our response.

We work closely with LRFs, regularly joining them for exercises to ensure that the relationships and processes are in place should they be needed. The recent learning facilitated by United Utilities following their Franklaw event provided an excellent opportunity to learn from a real large scale event, with multiple learning points

implemented into our own incident management plans. In addition, the learning from Northern Ireland Water's freeze/thaw event in 2010 remains in our processes as described in B4.

Section C: Incident response

We want to understand how companies responded to the incident, including how it prioritised action and how the Board and Executive were involved in the process.

- C1. Provide details of your established processes for responding to issues during severe weather events, particularly late winter freeze/thaw incidents (e.g. operational, governance, communications, working arrangements with other authorities through local / regional partnerships). Were these processes effective during this incident? In your response, make clear the role of your Executive in any decision making within these processes.

Responses we have given in B1 and B2 above cover many of the points within this question, particularly in relation to:

- the way we have embedded the learning from Northern Ireland Water's and United Utilities processes;
- our operational planning for the Winter Action Plan; and
- the training and availability of our incident management teams.

Within both our operating regions, we consider that the existing emergency plans, and the preparatory work implemented ahead of the freeze/thaw weekend worked well in managing this event and significantly reduced the potential impact on our customers.

In terms of the role of our Executive Directors and Board, our Wholesale Director took responsibility for managing the operational situation in both regions, while our Managing Director was responsible for providing updates to the Board. We have summarised these interactions below.

- On the morning of Sunday 4th March, Phil Newland (MD) agreed with Pete Aspley (Wholesale Director) that Phil would act as the Board interface to enable Pete to focus on the incident.
- Sunday 4th March, 12.46pm – Phil notified the Board that we had declared an incident in both of our operating regions because of the freeze/thaw event.
- Sunday 4th March, 5.22pm – Phil provided a situational update on the status of the events in both regions. During the course of the evening, Phil continued to correspond with two of the Boards INEDs about the situation and the actions we had taken.
- Monday 5th March, 11.39am – Phil provided a further update to the Board (having prepared worst case options). He reported that as a result of our actions and

customers returning to vacant properties, we were seeing some improvement in our supply/demand balance.

- Monday 5th March, 7.02pm – Phil reported to the Board that there were no concerns in our Cambridge region, and that we were keeping pace with the supply/demand balance in our South Staffs region.
- Tuesday 6th March, 2.15pm – Phil reported to the Board that no customers were without water and that we had an improving situation in terms of network storage.
- Tuesday 6th March, 8.17pm – Phil reported that the situation in our South Staffs regions was under control.
- Wednesday 7th March, 8.00pm – Phil notified the Board that we were downgrading the ‘Incident’ to an ‘Event’. He also notified the Board that compensation payments to customers were in hand, and that a full report of the incident would be provided in the next cycle of Board reporting, and that we were returning to business as usual mode where possible.

The Board received, and responded, to regular updates with suggestions and support.

C2. For this incident, please describe how your company went about deploying the resources required to respond to the incident. In responding, please detail the scale of resource deployed and from which parts of the business and/or external resources (eg supply chain, local / regional partners, business retailers) they were drawn.

South Staffs:

We called upon the following support from existing supply chain partners and wider South Staffordshire Plc group companies to minimise the impact on our customers throughout this event.

- We used one 19,000 litre water tanker from Water Direct and four 29,000 litre tankers from Aqua Direct to support the level in a small service reservoir at Langley.
- We suspended all planned capital works within the network, such as mains rehabilitation and new connections work, and allocated resources from OnSite (our network partner) to burst repair work, as already planned for within the contract.
- We suspended all planned capital works within production assets, such as improvements to water treatment processes, to allow production staff to increase response times, ensuring we achieved our maximum production capability.
- We increased resources within Echo Managed Services (our contact centre) to handle an increased volume of calls from customers. We also used our existing overflow capability with WaterForce (our emergency contact centre), predominantly outside of business hours, to ensure calls were answered and appropriately managed.

In addition, our front line workforce was supported with staff from elsewhere within the business. For example, apprentices carried out void inspections and distributed bottled water (we have included the volumes of water supplied within the data tables).

Cambridge:

There was very little impact within our Cambridge region.

C3. Provide details of how your company assessed the operational implications and prioritised its responses during the incident period.

We consider that the teams in both regions managed the operational response well to ensure that the needs of our customers were at the centre of our incident management, specifically those with any kind of vulnerability.

We established an incident team in both regions at approximately 11.00am on Sunday 4th March to manage our operational response. The key objectives of the incident team were to minimise the impact of the freeze/thaw event on our customers. Specifically, the incident team was tasked with:

- making sure customers were kept informed, with specific focus on ensuring the needs of vulnerable customers were met;
- making sure that water quality was maintained;
- maintaining reservoir levels, monitoring demand, maximising water production; and
- in the South Staffs region, maintaining customer supplies by reducing the pressure within DMAs with significant leakage.

C4. What challenges/barriers did your company face in resolving problems that customers experienced? How did you overcome them?

South Staffs:

On Thursday 1st March, we received a high number of contacts for from customers who had no water. Following our standard business as usual process, we scheduled visits to these customers to understand the cause of the 'no water' being reported. About 95% of the 'no water' customers we visited were the result frozen domestic plumbing, with water still being supplied at the boundary and to the other customers in the area.

One or two customers had no water because their meters had frozen, which the Customer Liaison Officer in attendance was able to resolve immediately. Where the cause was as a result of frozen domestic plumbing, we supported customers where possible, providing advice and bottled water. We also helped customers to defrost their pipes and restore supplies.

Anecdotally, we received a number of comments from customers and the media stating that they were unable to get a local plumber to visit their property due to the volume of requests they were receiving.

When the thaw occurred on Sunday 4th March, we identified a high proportion of leaks on customers' properties, including retail businesses. We carried out a proactive process to check on unoccupied properties and isolated supplies in these cases to reduce leakage.

Cambridge:

Customers did not experience any network-related issues. We gave advice over the phone or offered technician visits to individual customers.

- C5. Provide details of how your company identified customers in vulnerable circumstances before, during and after the incident. What support was offered to these customers and how was this delivered?

South Staffs:

We used our Priority Services Register to identify vulnerable customers. We also identified any hospitals, schools and care homes within the affected areas. We prioritised customers who were flagged as being water dependent and proactively contacted them as a priority. Where we successfully contacted these customers, we gathered details of their requirements (including the need for bottled water) and offered call backs at regular intervals.

We also set up a priority assessment process for our customer contact centre to use which placed vulnerable customers, not registered on our Priority Services Register, into a priority matrix. We made sure that those who needed water delivering quickly were passed to field teams and delivered within an agreed time frame.

Throughout the whole event, we had a dedicated team focusing on engaging with these customers. This included our Community Engagement Officer who also proactively contacted any local community groups and charities.

Cambridge:

There was no significant customer impact. We used our business as usual processes regarding individual customers impacted for a short period during burst repair. Vulnerable customers were prioritised according to our business as usual processes.

Section D: Communication and support

Regular and informative communications are especially important during major incidents. We want to understand how water companies communicated with customers and wider stakeholders during the incident.

- D1. How effective were your communication processes before, during and after this incident for each of the below:

We consider that, overall, our communication was effective in serving the needs of our customers during this event.

a. Customers? (residential and business);

We used a variety of different methods to communicate with our customers:

Before the event we used our website and Twitter to deliver on-going winter messages about frozen pipes. During the event we used a multi-channel approach, which included:

- social media (Twitter and Facebook);
- interviews on television news and local radio;
- our website;
- text messages; or
- proactive telephone contact to specific customers.

As well as our regular messages, we also kept our website up to date with details about specific burst mains, which included a resolution time.

We issued regular press statements and used videos to provide updates to our customers.

Following the event, we wrote to all of the customers who were due GSS/compensation and issued a statement on our website and through our social media channels.

b. Customers in vulnerable circumstances and business customers for whom a water supply is critical (eg hospitals, schools)?;

South Staffs:

In general, our response is the same as that given in C5 above. However, we specifically targeted hospitals to ensure that they had supplies and were operating as normal. During the incident, we visited or contacted:

- Walsall Manor Hospital;
- Bloxwich Hospital; and
- Samuel Johnson Hospital.

Cambridge:

We did not carry out any specific communication with hospitals or schools because there was no operational impact on customers as a result of the event.

c. Water retail businesses?; and

South Staffs:

During the event, we actively informed retailers about the impacts associated with the weather-related challenges that we were encountering.

In general, retailers had access to the updates that we published on our website. These messages were also automatically replicated on the Wholesale Web Portal that our retail partners use to view and request work. Where required, we contacted higher-risk non-household customers, such as hospitals, directly using the contact details held within our emergency plans.

We also sent emails confirming the overall impact of the event to retailers registered on MOSL's Central Market Operating System (CMOS) as having customers within our area of supply. We sent these messages at the following times to ensure that they were available to retailers at the start of their working day.

- Monday 5th March, 3.32am.
- Tuesday 6th March, 2.47am.
- Wednesday 7th March, 4.28am.

While designed to provide information to retailers, these messages were also instructional so that they had the actual information to pass on to their customers about wholesale contact channels and associated actions. We sent these messages to:

- Pennon Water Services;
- Castle Water;
- Business Stream;
- The Water Retail Company;
- Wave (NWGB and AWB);
- Waterscan (Marstons, Greene King and Whitbread);
- Water Plus;
- Water 2 Business;
- Clear Business Water;
- Affinity for Business;
- SES Business Water;
- Everflow;
- Regent Water; and
- First Business Water.

We received responses from a number of retailers acknowledging receipt of the updates we sent.

Cambridge:

We did not send any specific communication because of the very limited customer impact.

- d. Wider stakeholders? (eg local authorities, other agencies, Government, Ofwat)

DWI:

Elinor Cordiner, our Head of Water Quality and Compliance, proactively contacted Sean Piper at the DWI on Sunday 4th March. The purpose of the call was to advise the Inspectorate of the developing situation in our South Staffs region following the freeze/thaw event. We advised the DWI that we were managing the situation very closely, that an incident team had been set up and that we would be better placed to provide an update on the situation the following morning.

On Monday 5th March, Libby Longmore, our Water Quality Manager, provided an update to Sean Piper. Because of the general media interest nationally and locally, it was agreed that the freeze/thaw impacts should be reported formally as an event. On Monday 5th March at 12.39pm, we sent an initial notification to the DWI and our other notifiable stakeholders (Dudley MBC, Public Health England, Ofwat and Defra).

Following a further request from the DWI, we provided updates on Tuesday 6th and Wednesday 7th March, by which time our operations had largely returned to normal.

We submitted a 20-day report to the DWI on Wednesday 4th April.

Ofwat and Defra:

At 2.03pm on Monday 5th March, Phil Newland gave Rachel Fletcher and Sarah Hendry a short update on the situation in our South Staffs and Cambridge regions.

Defra:

Andrew Loble, our Director of Operations, and Sarah Angus, our Resilience and Security Manager, took part in conference calls with Defra between Monday 5th and Thursday 8th March. We provided a null response on 7th and 8th March because our operations were largely returning to normal, as requested.

CCWater:

At 7.47pm on Monday 5th March, Phil Newland gave a short update on the situation to the CCWater regional Chair, Professor Bernard Crump.

At 5.51pm on Wednesday 7th March, Phil Newland confirmed our approach to compensating customers to Professor Crump – advising him that we would credit the bank accounts of all affected customers by Friday 16th March.

D2. What channels did you use for communication with customers and key stakeholders before, during and after the event? (eg local, regional or national news media, social

media, e-mail, SMS, hard copy letter) What were your key messages at each stage? Please provide examples of your communications material with your submission.

We used a number of channels to communicate with our customers before, during and after the event, including:

- our company website;
- Facebook;
- Twitter;
- three videos from our Wholesale Director on social media;
- press statements;
- interviews on local evening news (BBC and ITV) on Monday 5th March and Tuesday 6th March.

We summarise our press statements below:

Thursday 1st March – before the event, and in anticipation of the thaw, we reissued our standard winter messaging regarding the need to ‘wrap up’ (lag) pipes and advice on how customers can prepare their homes for cold weather.



Customers in South
Staffordshire and We

Sunday 4th March – we made customers aware of the significant increase in demand, advising them about potential low pressure and requesting that they contact us if they spotted any leaks.



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Monday 5th March – we advised customers that we were in a recovery phase following a 35% increase in demand as a result of the freeze/thaw event.



South Staffs Water
is recovering from a 3

Tuesday 6th March – we informed customers about the improving situation, with demand reducing and a messages that supplies for most customers were back to normal.



South Staffs Water
is seeing a reduction i

Wednesday 7th March – we confirmed that compensation would be paid to all customers significantly affected by the event under our GSS scheme.



Compensation
payments to be paid

Below we set out a complete list of all our media interactions.

Media release title	Date distributed	Distribution
Customers in South Staffordshire and West Midlands advised to avoid the hassle of frozen pipes	01.03.18	SSW regional press
Customers in Cambridge advised to avoid the hassle of frozen pipes	01.03.18	Cambridge regional press
Due to sudden changes in temperature, customers across Cambridge may experience water supply issues	04.03.18	Cambridge regional press
Due to sudden changes in temperature customers across South Staffordshire and West Midlands may experience water supply issues	04.03.18	SSW regional press
South Staffs Water urges customers to avoid the use of water where it is not essential	05.03.18	SSW regional press
ITV Central Interview with Director of Operations, talking about the high water demand and showing fixing burst	05.03.18	ITV Central
South Staffs Water is recovering from a 35% increase in demand	05.03.18	SSW regional press

Media release title	Date distributed	Distribution
BBC WM breakfast radio interview with Wholesale Director	06.03.18	BBC WM breakfast radio
Cambridge Water customers experience minimal impact during the big thaw	06.03.18	Cambridge regional press
South Staffs Water is seeing a reduction in water demand	06.03.18	SSW regional press
Compensation payments to be paid to all South Staffs Water customers affected by recent supply issues	07.03.18	SSW regional press
Bloxwich Hospital statement - SSW mains water quality	07.03.18	Express & Star and BBC Midlands

D3. How did you proactively engage with customers (by customer type) before, during and after the event?

During the event, we used proactive messages direct to customer through:

- social media (Twitter and Facebook);
- SMS messages;
- our website;
- press statements to local newspapers and radio stations
- our Directors appeared on local television and in videos we posted on social media.

In terms of non-household customers, we provided regular updates through the usual channels as outlined in section D1c above.

D4. What processes do you have in place for managing properties that are vacant, void or difficult to access (eg businesses that are closed at weekends) in the event of a major incident?

South Staffs:

Following incident team discussions on Monday 5th March, at 7.04am on Tuesday 6th March, we asked our data team to produce an updated list of void/vacant commercial properties for review from an uncontrolled waste of water perspective.

Properties in the Cannock and Wednesbury were targeted in the first instance, because of their alignment with supply stressed areas. This void/vacant activity is still in progress and is planned to continue across the short to medium term. We have allocated approximately six field staff to this on-going activity.

As at Friday 16th March, we have shut off the water supplies to 62 unoccupied properties on a temporary basis to ensure no uncontrolled losses. We also carried out a letter drop into the affected property, and submitted the appropriate transactional update within CMOS.

We are also sharing the lists of void/vacant properties that are occupied with the respective retailers.

Cambridge:

We did not carry out a programme of targeting void properties during the freeze/thaw event.

D5. What ongoing support after the incidents have you put in place, in particular for customers in vulnerable circumstances?

We contacted any vulnerable customers impacted by the incident and offered them additional support. We also offered customers follow-up calls and visits with bottled water where appropriate.

Any customers who expressed vulnerability during the event were added dynamically to our Priority Services Register, and as a consequence, our support to them moving forward will be enhanced.

Section E: Impact on customers and compensation arrangements

We want to understand how water companies expect to provide customers with appropriate compensation for the disruption that they experienced.

E1. Provide details of how you will identify which customers (by customer type) are entitled to compensation.

We applied our standard GSS compensation process within both regions, which utilises our existing network models together with pressure data to validate both interruptions to supply and also low pressure GSS payments. Once we had identified customers as being eligible for a GSS payment, they were passed to our customer services teams to check whether the properties are occupied and whether they are non-household.

As a result of freeze/thaw event, the following customers were impacted to the extent that they met the requirements of a GSS payment.

- South Staffs, household – low pressure: 1,116.
- South Staffs, household – no water: 97.
- South Staffs, non-household – low pressure: 89.
- South Staffs, non-household – no water: 10.
- Cambridge, household – low pressure: 0.
- Cambridge, household – no water: 0.
- Cambridge, non-household – low pressure: 0.
- Cambridge, non-household – no water: 0.

E2. Provide details of the automatic GSS payments, including any payment penalties, you expect to pay (or already have paid) to customers (by customer type) as a result of the incident period and the total value associated to these payments.

The total cost of the GSS payments outlined in E1 above is £29,850, all of which were within the South Staffs region. We did not make any GSS payments in our Cambridge region.

South Staffs:

We identified the following properties for automatic GSS payments of £25 for low pressure, with payments made either by direct bank transfer or by cheque. No penalty payments have been made. The number of payments requested to be made as part of the event is higher than those paid because we recognise that some of those properties are void or not billed.

Household customers:

- Number requested – 1,116.
- GSS payments made – 1,009.
- BACS transfer payments – 598.
- Cheque payments – 407.
- Claims rejected – 4.

Non-household customers:

- Number requested – 89.

We identified the following properties for automatic GSS payments of £20 for supply not restored, with payments made either by direct bank transfer or by cheque. No penalty payments have been made. The number of payments requested to be made as part of the event for is higher than those paid because we recognise that some of those properties are void.

Household customers:

- Number requested – 97.
- GSS payments made – 77.
- BACS transfer payments – 45.
- Cheque payments – 29.
- Claims rejected – 3.

Non-household customers:

- Number requested – 10.

Cambridge:

None.

E3. Provide details of any further compensation you will be providing to customers beyond automatic GSS payments and how the level of compensation was calculated relative to the disruption customers experienced. In doing so please provide details of the numbers of customers (by customer type) you expect to receive this and the total value associated to these payments.

South Staffs:

We made an additional compensation payment of £5 to the customers who received the £20 GSS payment for 'no water' (97 properties).

Cambridge:

None.

E4. Provide details of how long you anticipate the process of compensating all affected customers will take and the methods by which the compensation will be paid (eg automatic, cheque). Will there be an application process for any elements of compensation? If so, please describe the process.

South Staffs:

Household customers:

All customers who were due GSS were paid directly into their personal bank accounts (if they were a Direct Debit payer, and by cheque if they were non-Direct Debit) by Friday 16th March. All direct to bank payments were made to customers' bank accounts by Friday 16th March, and all cheques should have been received by the customer at their property by the same date.

We made a conscious decision to physically compensate customers for any expenditure they had made (buying bottled water, for example) rather than apply a bill credit. We made this payment automatically and did not require customers to apply for it.

Non-household customers:

We processed GSS payments for non-household customers impacted by the event in line with our standard approach. On Wednesday 14th March, we received a list of 99 commercial where GSS payments were due. We updated this list to include payable amounts specific to commercial customers, identifying no water or low pressure, and differentiated this against retailers. We issued the specific lists to the retailers confirming payments and supply points, with 98 being Pennon Water Services customers and 1 Anglian Water Business customer.

We simultaneously sent copies of these lists to the SSW Billing and Settlement Team to ensure the transfer of monies to the retailers through non-primary charging mechanisms as appropriate.

Cambridge:

We did not make GSS payments to any customer.

Section F: Reflection and lessons learnt

We want to understand what lessons water companies will take on board from the events in terms of delivering greater resilience in the round for customers.

F1. Provide details of what you considered to work well and what you considered to need future improvement for your company and why in relation to:

- a) Identifying and repairing supply interruptions and actions taken to prepare the supply and network system;

Our actions to increase strategic storage in both our operating regions worked well, and certainly mitigated some of the impact on our customers. From a strategic perspective, our monitoring of reservoir level, flows and pressures across the network allowed us to rapidly understand the demand on the morning of Sunday 4th March, and to rapidly escalate to an incident in both regions, as did our spatial live reporting of customer contact data. Pre-planning of both field and incident team resources worked extremely well. All staff were notified in advance and were available for the thaw when it happened.

In terms of supply interruption, there was no impact in our Cambridge region and a limited impact in our South Staffs region, other than what are effectively localised 'business as usual' burst repairs. Where multiple supply interruptions were reported within the same DMA, our automated systems flagged these, and presented them on our interactive GIS dashboard to aid understanding and resolution. All of which worked well.

Using individually metered DMAs within our network allowed us to identify which geographical areas had the greatest increase in demand. However, they did not allow us to identify individual leaks or individual properties with significant consumption. We targeted our leakage resource to these areas, and did eventually identify bursts on our network, and on customers' properties. This would have been far quicker for us, however, if our network was more intelligent and had a greater penetration of monitors, which we are planning to deliver in AMP7.

The sustained cold weather followed by a rapid thaw provided a real test for the resilience of our network in both regions. We consider that we responded well, although we will ensure that all of the resilience lessons are learnt and fed into our PR19 business plan where appropriate.

b) Communicating activities to customers/stakeholders (by customer/stakeholder type);

Upon reflection, we think we need to do more to step up our winter messaging needs for future winters. As is the case every year, we used our standard website and social media messages; however, we are now reviewing their reach and effectiveness. Given that our analysis shows that up to 80% of the increased demand seen was occurring on customers' assets, either as a result of bursts or customers leaving taps running to prevent supplies freezing (of which we have had a number of anecdotal reports), we think that we need to do much more in future winters to educate our customers in this area.

We are currently reflecting on the established principle that a water company supports a customer to reduce their water usage throughout the year with water efficiency messaging and offers. By comparison, our support to customers in terms of preparing for the onset of a cold winter is limited. Should we, and indeed the industry, offer 'Winter Preparedness Checks' or pipe lagging to customers – particularly those with some kind of vulnerability – to reduce the impact of a freeze thaw/event, both on a customer's property, and on our supply position? We consider that we can – and should – do this.

We will also raise this with WaterUK, as we consider a co-ordinated campaign ahead of next winter would be beneficial.

We are currently implementing a 24/7 social media capability, which will be in place by summer 2018.

c) Identifying and supporting the needs of customers in vulnerable circumstances;
and

Our existing processes to identify and prioritise vulnerable customers. However, we find it very difficult to maintain current data because of the nature of vulnerability, and that events such as this identify additional customers in vulnerable circumstances who were not known to us beforehand.

As soon as we recognised customers in vulnerable circumstances, we reacted well by deploying bottled water and by making courtesy calls undertaken to ensure that our vulnerable customers were being cared for appropriately.

On further reflection, we are adding a dedicated role within our incident team to ensure that the needs of vulnerable customers are represented fully.

d) Having the appropriate governance processes in place.

Our existing incident management processes have governance build into them to ensure that all levels of the business are aware of, and feed into, the event being managed by the incident team. Our Wholesale Director was involved in the incident team himself in both regions (through video conference in our Cambridge region) and facilitated regular updates to the Managing Director and the rest of the Executive Team. In turn, the Managing Director regularly updated the Board, including the INEDs. We consider that these processes worked well.

F2. What were the biggest constraints to your company doing more, faster to respond to issues customers faced?

The rapid thaw, despite being pre-warned and appropriately resourced (both human resource and in terms of increased strategic storage), did put our network under significant challenge, particularly within our South Staffs region – mainly because of the 35% increase in demand. Despite this, we consider that we reacted well, managing the situation to reduce the impact of low pressure and some interruption to supply less than 1% of our customer base. This did require us to prioritise appointments with only vulnerable customers over the 48 hours where the incident was at its most intense to ensure appropriate resource was available for network operations. However, we consider this to be appropriate for the scale of the challenge we faced.