



RETAILER NEWS

2019

The newsletter of the Wholesale Market Services Team





Welcome to our annual Retailer Newsletter from the Wholesale Market Services Team at Yorkshire Water.

As we come to the end of 2018/2019 we wanted to provide you with an update with the latest news here in Yorkshire and our reflections on the experiences over the last 12 months of the market.

Here at Yorkshire Water we have a Wholesale Market Services Team who are dedicated to providing Retailers with all the services they should need from a Wholesaler. The Wholesale Market Services Team is split into two departments, the Market Operations Team and the Wholesale Service Desk.

Plenty of challenges for wholesalers

The Market Operations Team has three main functions; Contracts and Relationships, Billing and Collection and Data Management. The team is led by [REDACTED].



“ I'd like to take some time to review the last year and look forward to the year ahead.

There have been plenty of challenges for wholesalers over the last twelve months including The Beast from the East and PR19. From a market perspective, there have also been challenges for Trading Parties. Earlier in the year Ofwat published its "State of the Market Report" which identified market frictions that are hindering the full benefits of competition from being realised.

From a Yorkshire Water perspective we have enjoyed some notable successes during this period. We have been leaders in the Market Performance Framework, consistently placed as 1st out of the Water and Sewerage Companies (WASCs) for the Market Performance Standards (MPS) and moving up to 3rd place out of the WASCs for the Operational Performance Standards (OPS). We have prioritised resolution of pre-market long unread meters and as a result our settlement accuracy is one of the best in the industry.

We've held retailer workshops on the Beast from the East and on Bilateral processes which have been well attended with positive feedback being received.

Looking ahead to 2019 our Charges Scheme for 2019/20 has been improved following feedback from retailers. Building on our success with MPS and data accuracy we are planning to focus on Gap Sites and Vacant premises piloting a number of new approaches. We plan some further consultations to enhance our service offering to retailers, building on our existing Customer Promise. Lastly, we are looking forward to MOSL's Bilateral project which we believe is a positive step for the market and should reduce the complexity of multiple wholesale bilateral platforms.

We look forward to working collaboratively with you through the successes and challenges ahead. ”

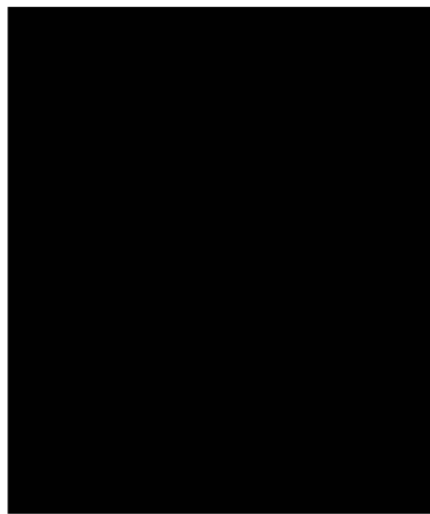


The Beast from the East caused significant problems for retailers in 2018. We've since held retailer workshops which have been well attended with positive feedback being received.



Interesting and exciting

The Wholesale Service Desk are the gatekeepers of operational requests from Retailers. They are the frontline team who process all the service request forms. We asked [redacted] our Wholesale Service Desk Manager to provide us with his view of 2018.



“ It’s been an interesting and exciting year for both the Wholesale Service Desk and the operational teams who provide the services you request via Swimpool and those that respond to the public health contacts we receive directly from Non-Household Customers.

We set out with two clear goals in April, firstly to hit an end of year target of 95% for the Operational Performance standards (OPS) and, secondly to significantly improve the service that we provide to retailers.

We started the year with a score of 83% on OPS. OPS measures our success at responding to the SLA’s set out on 18 bilateral service request forms covering metering, verification of supply, allowances, disconnections and complaints. Over the last 12 months we’ve worked very closely on our processes and jeopardy management approach and I’m pleased to say that we’ve increased our score to a full year average of 93%, ranking 3rd against other Water and Sewerage Companies. We’ve still got a way to go though and this year will be focussing

on some of our older, more complex cases.

In terms of service, we issued a quarterly survey to front line operators to get a baseline of how they perceive their experiences in dealing with us. In this period we have maintained the score of 3.8 out of 5. This isn’t where we want to be and we’ll continue to focus on it closely in 2019/20. Our key areas are improving the front-end experience by giving our WSD colleagues more specific training in the technical queries you present us with; focussing on our

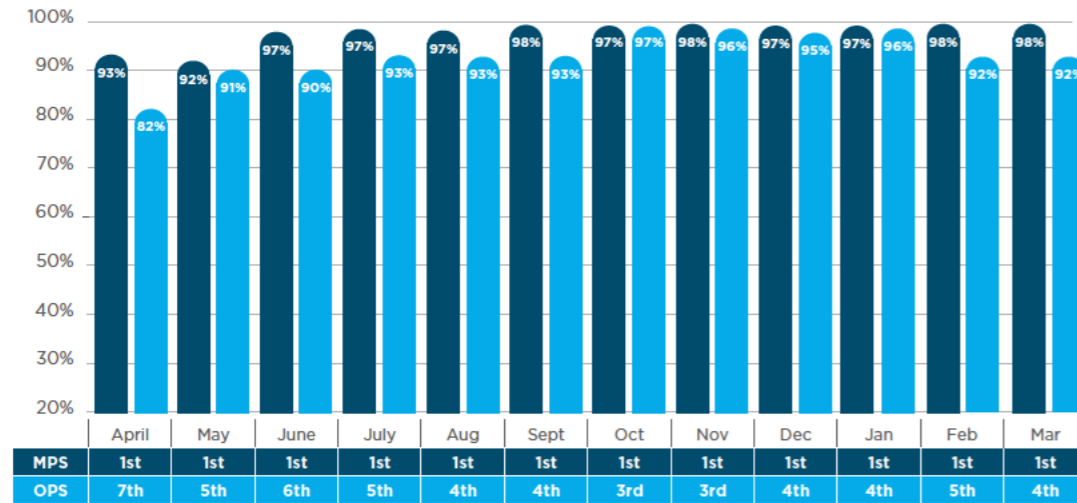
oldest, complex cases to ensure we’re proactively updating you on progress; improving our approach to complaints and by making the allowance process clearer and more efficient. We’re confident we can develop to a stage where your front line teams find dealing with us an enjoyable and rewarding experience.

So, lots to do. I’d like to take this opportunity to thank you for working with us over the last 12 months and hope 2019/20 is a successful year for all of us!”

Innovation Award Winners

At the Yorkshire Water 2019 annual awards the Market Services Team won the Innovation award. The team has been recognised for their excellent performance, commitment and dedication.

MPS/OPS Performance & WASC Ranking



An excellent performance against the market



OPERATIONAL PERFORMANCE STANDARDS

Yorkshire Water have made good progress with performance in relation to Operational Performance Standards this year and ranked 3rd amongst WASCs.

Since the start of April 2018, Yorkshire Water have serviced 7,172 OPS measurable activities requested by several Retailers with 93% being actioned within the operational SLAs set by the market. We have also reduced rejections in the last year from 11% to 4%. The aim for 2019/20 is to continue an Upper Quartile level ranking amongst WASCs and ensure we are ready for the agreed changes to the Market Performance Framework for OPS.

MARKET PERFORMANCE STANDARDS

Yorkshire Waters performance against the Market Performance Standards throughout 2018/19 has been excellent, ranking as the number one WASC for 12 consecutive months between April 2018 and March 2019.

This continued level of high performance is something we are extremely proud of and something that we will continue to strive for in 2019/20.

Yorkshire Water's 2018/19 year-to-date performance

96.3%
6.4% HIGHER THAN SECOND PLACE

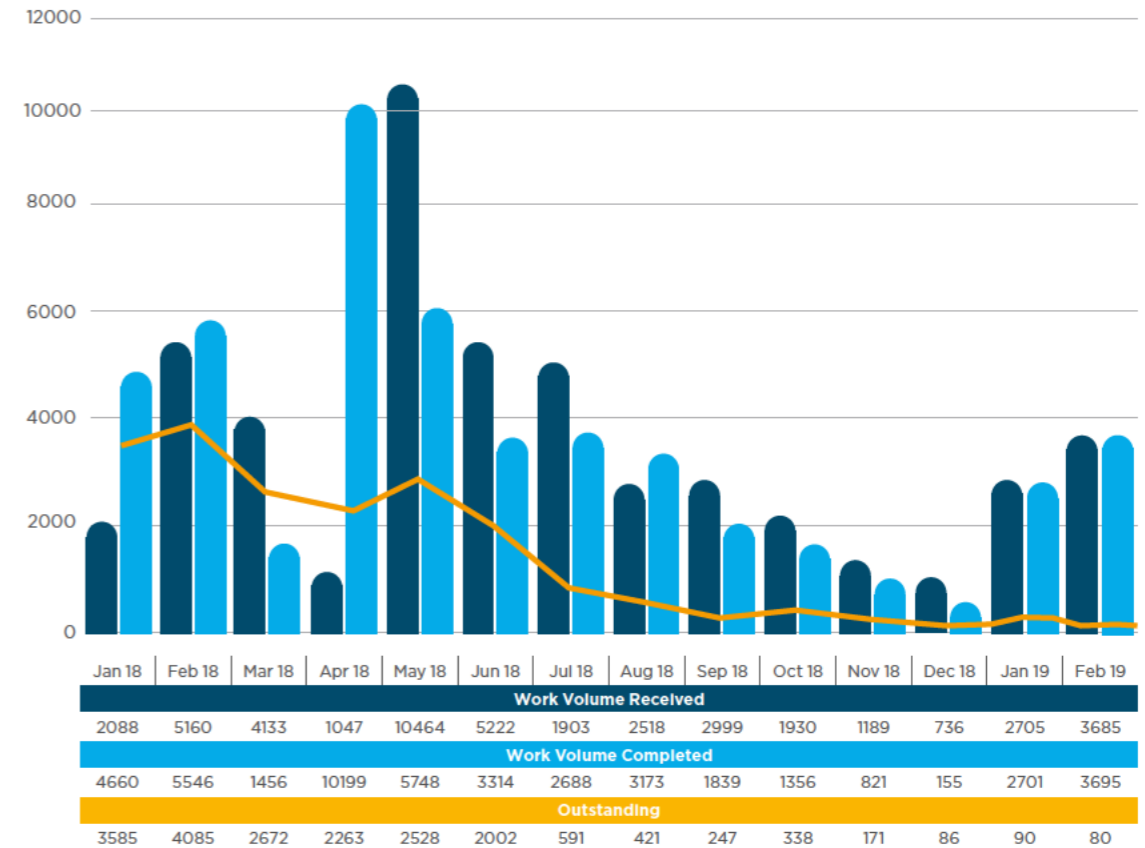
OVER 42,000 DATA ITEM CHECKS COMPLETED

Over the past year the data team have worked with Retailers to review and update data items where required. The team have done an amazing job and completed over 42,000 data item checks and updates, including a full review of the meter frequency compliance against the market codes.

how well we were doing on the number of unpaired supply points, number of missed non-market meter reads and number of missed meter reads with missing location data that they had asked all trading parties to work on. We submitted a plan to complete the small number of data items that had been identified and these will be completed over the next few months.

Following the release of the MPOP Data Improvement Plan from MOSL, this showed

Work Packages



Established key working relationships with all Retailers

Yorkshire Water are working with a number of Retailers of which 22 are currently active in the Yorkshire region. Since the opening of the market in April 2017, our engagement with Retailers has and continues to grow as we progress through the market and our Client Relationship Managers [redacted] and [redacted] (pictured) have established key working relationships with all Retailers to ensure Retailers are kept well informed and can raise any questions they may have to enable them to serve their customers.

[redacted] was appointed as Client Relationship Manager in June 2018, to replace [redacted] who has moved roles within Yorkshire Water. [redacted] has previously worked within the Market Operations Team as a Settlement Analyst and has an excellent understanding of the Non-Household Retail Market. Prior to joining Yorkshire Water [redacted] spent 10 years working in the Gas and Power sector.

As part of our continued level of Retailer engagement, Yorkshire Water Wholesale have issued two consultations this year, one in relation to the Non-Household

charges scheme and the other on Alternative Eligible Credit. Yorkshire Water appreciate and thank everyone who has participated in these consultations as it helps to improve the services we offer to retailers. We will continue to use this consultative approach moving forward, as we feel it provides the optimum results.

The outputs from the Non-Household charges scheme consultation can be found under the Wholesale Charges 2019/20 on the Yorkshire Water website.

Retailer Voice results



This year we have conducted 4 retailer satisfaction surveys averaging 3.75 overall.

Clarification and regulation

Over the past year we have implemented a number of policy changes during which we have provided further clarification or review due to regulatory or market code changes. In case you haven't seen them, we have listed the main ones for your attention;

- Wholesale Policy for Non-Household Sensitive Customers and Eligible Premises Site Specific Arrangements
- Water Regulations Enforcement Policy
- Wholesale Policy for Leaks on a Non-Household Customer Site
- Wholesale Non-Household Water Meter Asset Standards
- Wholesale Policy on the Disconnection of Non-Household Water Services
- Wholesale Allowances Policy
- Providing Temporary Alternative Water Supplies to Non-Household Customers
- Terms and conditions of a metered water supply
- Business Charter
- Yorkshire Water Non-Household Retailer Escalation Matrix

To find the latest copies of the policies listed above visit yorkshirewater.com/business/policies



YorDocs

The YorDocs platform is used to share documents with Retailers such as meeting minutes, contractual documents and user guides. Each Retailer has been provided with login details, however if you require any assistance with this please contact your dedicated Client Relationship Manager.

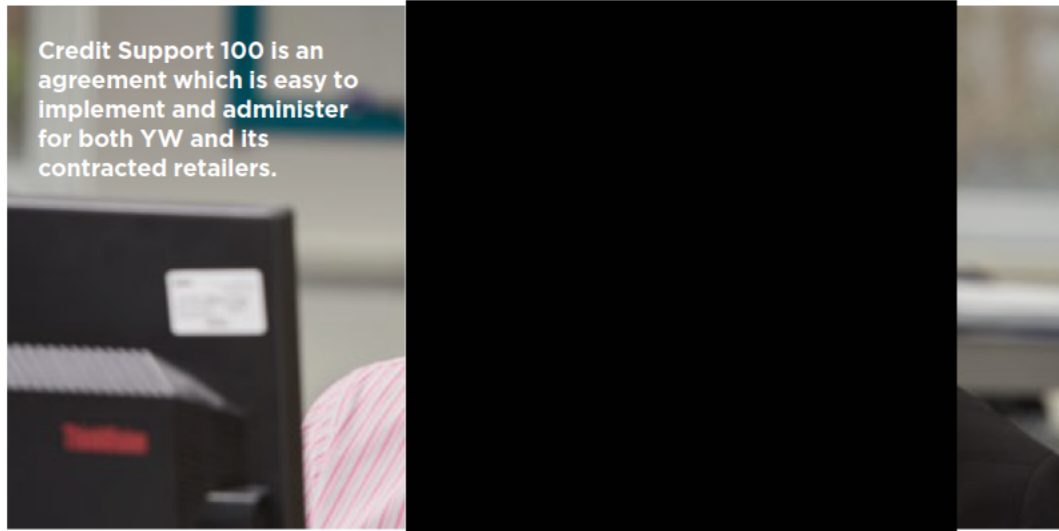
Fair and consistent accessibility to post-payment terms for all Retailers

Yorkshire Water has developed an Alternative Eligible Credit offering which seeks to provide a simple, effective and low maintenance credit arrangement to all Retailers with an active Wholesale Contract for Wholesale Services with Yorkshire Water.

It is recognised that for some contracted Retailers, in particular small or new entrant Retailers, the availability of the standard forms of Eligible Credit Support (as referenced in Section 9 of the Business Terms - [link](#)) may not be easily accessible. In recognition of the potential barriers to entry, Yorkshire Water have taken steps to ensure that all contracted Retailers are able to access Schedule 3 post payment terms with Yorkshire Water, irrespective of whether they are able to obtain one of the standard forms of eligible credit support.

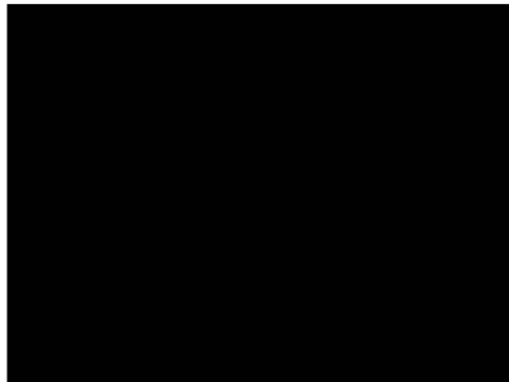
The approach is to provide access to £100,000 discounted credit support amount to all Retailers who have an active Wholesale Contract for Wholesale Services with Yorkshire Water. The aim of implementing this standardised approach, is to ensure the fair and consistent accessibility to post-payment terms for all Retailers, whilst providing the benefit of an agreement which is easy to implement and administer for both YW and its contracted Retailers.

If you require further information about this, please contact our Client Relationship Team on wholesalecontracts@yorkshirewater.co.uk



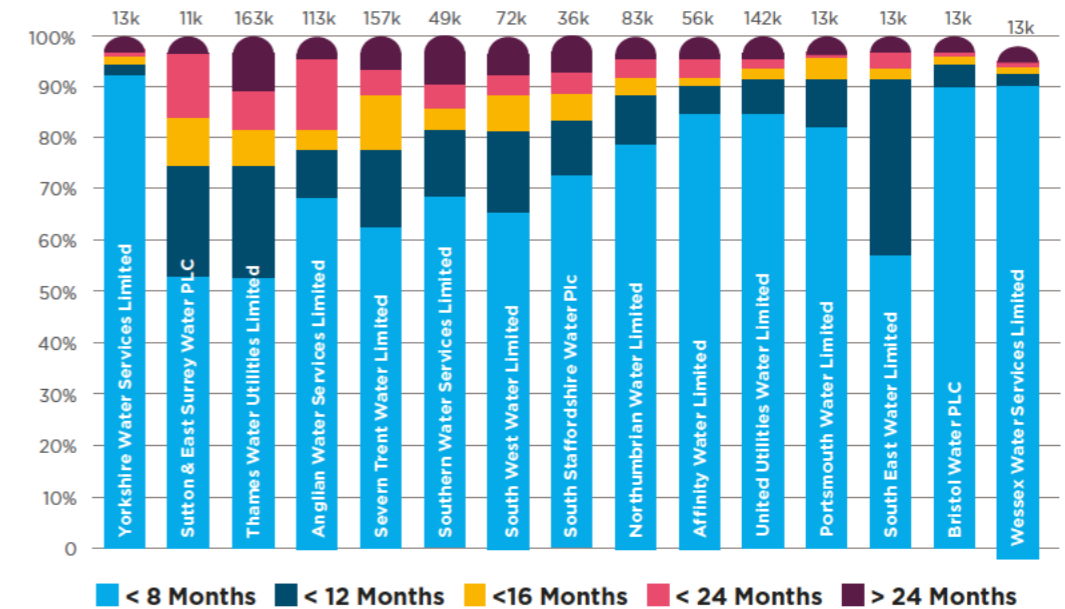
A consistently high performance

In 2018 Yorkshire Waters non-household meter reading service provided around 300,000 meter readings to Retailers who chose to take up the service. Our dedicated team of meter readers consistently managed to obtain meter readings from around 90% of non-household meters they visited within cyclic schedules.



Since market opening we've worked hard to ensure that the service we offer meets the needs of Retailers, as such 2018 saw the introduction of our meter reading service specific K1 SWIMpool form. This allows Retailers, who've chosen to take up the service, to efficiently raise requests for non-cyclic meter readings e.g. transfer readings. The K1 form has transformed the way we manage these requests and ensured results are processed and passed back to retailers within a set timescale to allow retailers to comply with the Market Code SLAs.

Time since last actual meter read as at 31/12/18 (wholesalers with > 5,000 meters)



The consistently high performance of the meter reading team has been reflected in that of the Retailers we work with, we've supported Retailers to deliver excellent performance in market measures such as MPS and worked really hard to drive down the number of 'long unread' meters.

In the latest figures produced by MOSL shows that Yorkshire Water Services Limited are top of the long unread chart, another excellent achievement for the meter reading teams.

If you would like to know more about the meter reading service we offer within the Yorkshire Water wholesale area please get in touch with our Meter Reading Contract Manager, [redacted] who'll be happy to discuss your requirements and provide an overview of the service.

What does 2019 hold for Yorkshire Water?

Retailer Portals RIO

(Retailer Information Only)

After feedback from Retailer Yorkshire Water are launching a project of work to improve the Retailer Information Only (RIO) portal. We understand that this platform isn't providing the level of service Retailers require and we are committed to getting this implemented during 2019/20.

RIO is your window into the operational business. It works to support the Wholesale Service Desk in the delivery of Wholesale Services by enabling you to view open cases of work and track their progress through to completion. Additionally, you will be able to keep up to date with relevant news information, network activity and access to premise history.

Large User Tariff Update

A new policy has been developed to reduce market friction and to help Retailers understand the application of our Large User Tariff.

With effect from 01/04/2019, Yorkshire Water will amend the methodology used to calculate the application of the Large User Tariff to monthly from the current annualised approach.

Please refer to the policy section on the Yorkshire Water website for further details.

Gap Site & Vacant Incentives

We will pilot an incentive scheme during Q3 of 2019/20 using two key principles;

- 1) The scheme should be simple and accessible for Retailers.
- 2) It should be cost neutral or the costs should be outweighed by the benefits.

If the pilot is successful and the key principles have been met then Yorkshire Water will implement the incentive scheme in 2020/21

Structure changes

Three years ago the board agreed a strategy for Kelda to concentrate on its core businesses of Yorkshire Water, Loop and Keyland and to sell the other companies within the group such as Kelda Water Services. Since then there have been several sales of group companies and that process has now reached its conclusion with the completed sale of KWS Grampian. We can now confirm that Three Sixty/ Yorkshire Water Business Services, our retail business for non-household customers, has been sold to Business Stream. With this nearly complete, we will have a much simpler group focused on the provision of water and waste water services to our customers in Yorkshire.

Queries If you have any questions about the updates provided here please email wholesalecontracts@yorkshirewater.co.uk