

Strategy, Finance and Infrastructure
Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA

By email:

Yorkshire Water Western House Halifax Road Bradford West Yorkshire BD6 2SZ

28 February 2023

Dear

Re: December freeze-thaw information request

Many thanks for your letter of 16 January 2023 asking for information about the December 2022 freeze-thaw event, the preparations Yorkshire Water put in place for the cold weather, and our response to the event and how it impacted water supplies for customers.

We are pleased that Ofwat wants to understand how well companies and their assets performed during the freeze-thaw event, and how they demonstrate resilience. Many aspects of Yorkshire Water's operations are already resilient; however we are using the learning from harsh winters and the dry summer in 2022 to build on these foundations. We know we can always improve, and we are finding ways to minimise, and where we can, eradicate the effects of extreme weather impacting on the services we provide our customers.

During the cold weather period in question, Yorkshire Water was able to maintain a good service to our customers and respond effectively to those impacted directly by the freeze-thaw event. We believe we were especially resilient to this event due to preparations we had made in advance of the cold weather and in the years following the significant freeze-thaw event in 2018, known as the Beast from the East. It was noted by the DWI that we reported no notifiable drinking water quality or sufficiency events to it in relation to weather impacts over this period.

Over the following pages we provide specific information about the event and our response as requested in your letter.

1. <u>Decemberfreeze-thawimpacts</u>

1. Details of the impact of the freeze thaw in your company area, including: underlying causes of any impacts; numbers of properties and customers experiencing problems; length of time to resolve outages; etc.

To help Ofwat understand the period in question when reviewing information from multiple water companies, we would firstly wish to clarify the period we consider represents the freeze-thaw event in the Yorkshire Water region is from 6 December to 22 December 2022. This period commences from the day we were alerted by our weather monitoring services and Met Office hazard manager to the cold weather forecasted for our region and ends when the cold weather triggers are no longer activated (i.e. demand, leakage, bursts and customer contacts are not impacted by a freeze-thaw event). Values for customer impacts detailed in this letter cover this period.

When we knew the cold weather would likely affect our region, we put in place plans to maximise asset availability and optimise both operational and customer response resources to manage any increase in water demand, incidents on our water supply systems and support mechanisms for customers. We extended our customer contact centre operating window, placed additional resources at key water treatment works (WTWs) and diverted all our distribution network resources to reactive support to bursts and customers raised incidents, to best ensure continuity of supply. We forecast the increase in water demand, leakage, and bursts to ensure we could respond accordingly when expected impacts of the freeze-thaw occurred. Figure 1 below shows the forecasting during the period of this event.

In our experience certain areas of our region can be especially susceptible to colder weather. In Hull there is a prevalence of properties with unburied/exposed customer supply pipes that can result in more bursts than elsewhere in Yorkshire. We have historically supported customers in and around Hull with campaigns promoting pipe lagging and focus additional resources both in winter cold weather preparedness and resolution accordingly.

As the December 2022 event progressed, we escalated through our Company Incident Management Plan (CIMP). Operational planning cells were in place from 5 December, and we escalated to Bronze and Silver incident management levels on 12 and 15 December respectively. Members of the YW executive team were kept informed of the preparedness and response throughout. The Silver incident management was stood down on 23 December.

Demand peaked at 1520Mld in the latter phase of the event, and we maintained a headroom in excess of 1550Mld through the event period. At the back end of the period we experienced three WTWs outages in the Calder area due to power supply challenges, one of which at Holmbridge WTW was just short of 24 hours in duration. Our planning and risk mitigation allowed us to respond, manage network storage and maintain service to customers during an extremely demanding period.

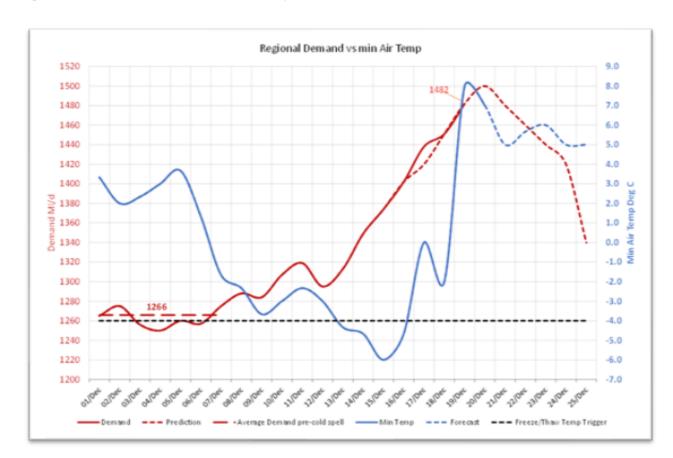
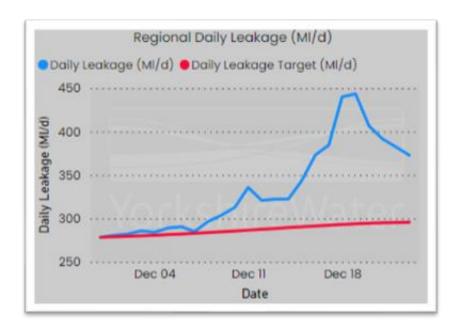


Fig 1. Water demand tracked to temperatures

Leakage increased by 150Mld between the 7 and 19 of December, resulting in over 1200 mains repairs in the month of December, the highest number of network repairs in this month for over a decade. Over 80% of the repairs were on our cast iron pipes which are more susceptible to ground movement caused by a freeze-thaw. Figure 2. shows the uplift in leakage over the period of the event.

Our distribution network is zoned into 3220 Distribution Management Areas (DMAs), 42% of which saw a leakage breakout of >0.51/sec.

Fig 2. Leakage performance December 2022



Some areas of the Yorkshire region were seeing demand outstripping supply in the 'thaw' stage of the event. Over those couple of days, we implemented tanker arrangements to bolster supplies into a number of rural service reservoirs, ensuring security of customer supplies whilst we prioritised burst repairs and supported customers with isolating their own pipe leaks. By 22 December all our tanker operations had ceased, and we saw leakage reducing significantly.

Over the period we estimate there were just under 3200 properties across our region who faced a supply interruption of 3 hours or more. These numbers are not yet finalised as we continue to follow our auditable retrospective hydraulic review process. Figure 3. below shows how the spread of these interruptions occurred across the period.

Other properties may have faced impacts however their supply will have been restored promptly within 3 hours.

There was a notable spike in customers impacted on 20 December that impacted our performance during this event. This was due to a large trunk main burst in Rotherham, South Yorkshire impacting several DMAs that required a complex rezoning procedure. We implemented our contingency plan for this pipe which involved flow reversal in our system and close water quality monitoring to ensure no impact on aesthetics to customers when the supply was restored. This is estimated to have impacted up to 1217 properties and we forecast this one event

could contribute 12 seconds to our customer seconds lost supply interruptions metric. It may be that this event was not directly attributable to the cold weather freezing the ground and the quick thaw. We experience a low number of such material events each year.

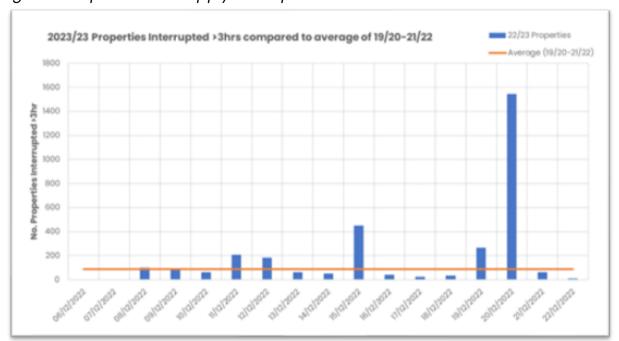


Figure 3. Properties with supply interruptions for 6-22 Dec 2023

If we were to exclude this larger single event our overall performance would have been very similar to the average performance achieved over the last three years (2019-2021). However, it should be noted we more typically see the colder months being January and February.

Whilst broadly speaking this December freeze-thaw event did not have a detrimental impact on the service we provide to customers, it has impacted our ability to achieve our 2022/23 performance commitment levels (PCL) targets for Supply Interruptions and Leakage, and cost in excess of £2m in additional operational expenditure over our business plan.

Following a challenging year of drought, which was exacerbated by the December freeze, we are currently forecasting a Supply Interruption outturn of 9 minutes vs a PCL of 5.75 minutes, and a leakage reduction of 8%, vs a PCL reduction of 9.4% from the 2019/20 baseline.

Appendix 1 of this letter provides additional analysis of freeze-thaw and water network impacts for Yorkshire Water

2. Company response

2. A full and candid explanation of your company's response to any impacts, including: communication with customers; mutual aid with other companies; distributions of bottled water; and identification of vulnerable customers and the support provided for them.

In preparation for the expected freezing weather, we re-planned our resources (field and customer support) to mitigate and quickly respond to any loss of supply, or other incident, impacting our customers. In our contact centres we updated call scripts so that customers facing issues were promptly triaged through to a resolution. We have a well utilised customer text messaging system (blaster) which we employed throughout this event to update customers on supply interruptions and restoration progress. We have received positive feedback from our customers in this period and included a couple of notable examples in **Appendix 2** of this letter. During the same period the company was also resourcing and supporting a multiagency response in relation to an event at Stannington, Sheffield – our response to which will be detailed through a separate return.

Winter customer communications campaign

Commencing on 28 November and continuing throughout December and beyond, we ran communication campaigns to alert customers to the need to prepare themselves for much colder weather and to take positive steps such as lagging their home water pipes and covering and protecting external taps and pipework. Our 2022/23 winter campaign has reached many more customers than in past years due to more concerted use of multiple channels and more focused messaging. Our investment in our winter campaign has been greater this year than in previous years.

We augmented our regional campaign with targeted messaging to Hull on paid social media channels and moved our radio campaign forward by two weeks. In December we sent over 33,000 cold weather-related emails to our customers with a +50% opening rate. We have also used posts on social media in November and December for deeper communication content using videos sharing hints and tips for dealing with cold weather with our customers.

Overall, we estimate to have created 4.9 million opportunities to see and hear our messaging across the channels. We provide additional information on our winter campaigns in **Appendix 3** of this letter.

Mutual aid

During this period, we did not require or request mutual aid from other water companies. We attended and supported the National and Platinum Incident Management (NIM and PIM) group and responded to any mutual aid requests from other companies.

Vulnerable customers

Although for this freeze-thaw event there was minimal impacts experienced by vulnerable customers in our region, we can take this opportunity to confirm that our existing processes and procedures have been enhanced since 2018, with greater identification and provision of alternative water supplies during incidents of this nature.

Business customers

Although for this freeze-thaw event there was minimal impacts experienced by business customers in our region, we can take this opportunity to confirm that our alignment with the RWG Good Practice Guide in relation to management of unplanned events has improved since we last reviewed this with Ofwat in December 2021. Our new Retailer Information Only portal (RIO) went live in January 2023 with non-household retailers now receiving push notifications for unplanned events (the notifications are sent via blaster, so retailers are informed at the same time we send notifications to our household customers).

We do not send direct notifications to business customers as we do not hold up to date emergency contact details. For customers that are sensitive to even short breaks in their water supplies (for example hospitals and prisons) we hold public health site specific arrangements. These customers are contacted by our NHH customer managers to assist them manage through any unplanned events and mitigate the impacts. We did not need to utilise this arrangement during this event.

3. <u>Customer compensation</u>

3. Arrangements for compensation to impacted customers.

We have not faced any specific claims for compensation in relation to this event, our normal GSS payments process is in place for interruptions to supply.

4. Lessons learned and post-event reviews

- 4. Lessons learned from this experience and changes you intend to implement; and whether lessons learned from the 2018 freeze-thaw and recommendations from Ofwat's Out In The Cold review [Beast from the East] have been implemented.
- 5. We also expect many companies will be commissioning their own independent reviews, and I expect the findings of these to be shared with us."

Lessons from Beast from the East and beyond

Following our own review of the Beast from the East event and Ofwat's recommendations from its Out In The Cold report, we actioned a number of changes to how we managed unplanned events and worked more effectively for our customers. An example of some of the improvements we made and continue to have in place include the following:

- Improving preparedness. We use historical data to assess the likely impact, and this informs the actions we take. This includes activities such as ensuring that additional resources, equipment, and skills are available when and where they are required. This served us, and our customers, well during this event.
- Our advance winter planning preparations provide a central report to senior leaders by 31 October each year, ensuring we are in a state of readiness.
- Working with other utilities (electricity, gas, and telecommunications) our multi-agency, multi-utility failure plans are in place across all four LRF's (South Yorkshire, West Yorkshire, North Yorkshire and Humberside). Although for this event they were not used.
- We have one million litres of temporary alternative water supplies (bottled water, tankers, bowsers) available for our customers should it be required.
- When we have an incident, we determine identified customers facing vulnerable circumstances via our Priority Services Register and proactively contact them in response to any water outage or customer impacting event.
- We can activate hyper-local relevant promotional and advice campaigns, as we did effectively in Hull for this event.

Further to these, we have recently restructured our planning and scheduling capabilities to ensure these are more effective for our customers and that timely action can be initiated when our customers contact us for help.

Independent review

We have not commissioned an independent review or customer research as a consequence of the December freeze-thaw event. We managed the service impacts from the weather well and our networks and operations were resilient which led to the numbers of customers impacted being not greatly in excess of that experienced in recent Decembers.

We continue to work hard to ensure our supply systems and operations are resilient to harsher weather and that we can support our customers with dealing with a loss of supply or other service impact. We have operational procedures that are adaptable to customers individual needs, and we use their feedback to make sure we continuously improve our service.

In order to help us get even better, Yorkshire Water continues to work on resilience and incident management both locally with partners and across the sector via the Water UK and industry groups.

I hope you find the information provided meets your needs. Should you have any questions in relation to this response or would like to set up further discussions on supporting customers and the future debt data requests, please contact me in the first instance.

Yours sincerely,

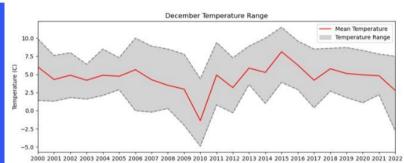
Head of Regulation
Yorkshire Water

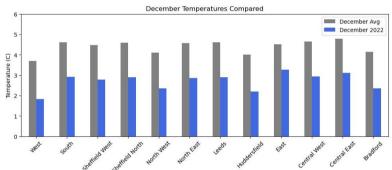
Appendix 1 - YW analysis of freeze-thaw and water network impact

December 2022 Freeze-thaw Review

Historic December Temperatures

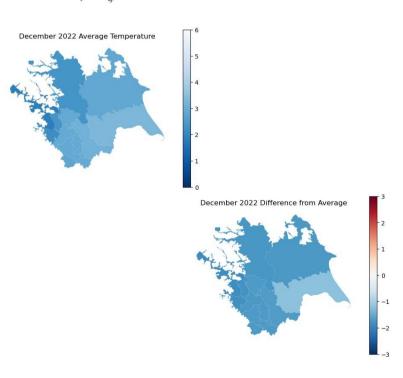
- In the last 10 years December temperate the average weekly temperature fluctuates from -1 to 8°C
- The coldest average December temperature since 2000 was 2010, and the warmest being 2015.
- For most of the region this was colder than average. However the maximum temperature was higher than other cold years such as 1995 and 2010





Historic December Temperatures

- The coldest areas of the region were the North West
- It was the West and Huddersfield regions which were significantly colder than average by approx. 1.8°C

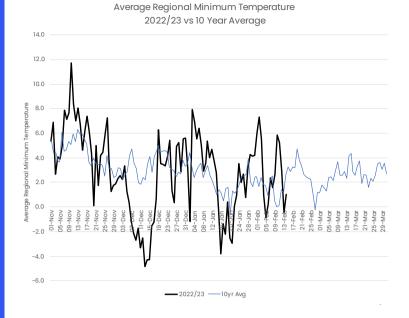


Minimum Temperature

 Chart to the right plots the regional minimum temperature* since November and shows 2022/23 YTD and the average over the previous 10 years

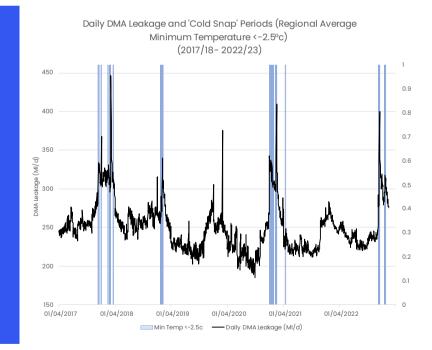
* Averaged over multiple Yorkshire weather stations

This chart suggests that minimum temperatures have been largely consistent with the 10 year average with the exception of two prolonged 'cold snap' periods (where regional temp drops below -2.5c)



Minimum Temperature & Leakage Breakout

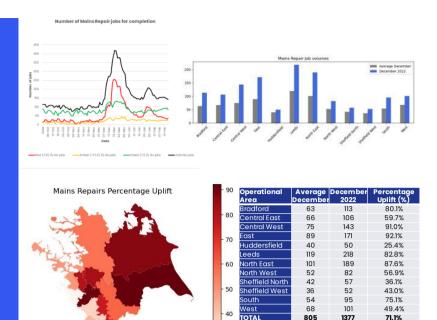
- Chart to the right shows DMA leakage and the occurrence of 'Cold Snap' periods
- This demonstrates that these periods (particularly the first of the winter) often result in an immediate and dramatic increase in the calculated leakage position
- The leakage breakout observed in December 2022 is a similar magnitude to those observed in prior years
- This also demonstrates that 'Cold Snaps' are a fairly common occurrence with 4 of the last 6 winters observing them



Mains Repair Volumes

All MR Jobs

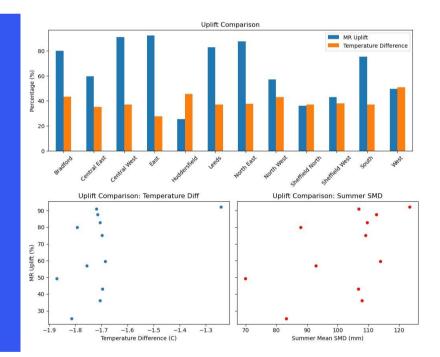
- Mains Repairs includes both reactive and proactive activity during December.
- Across all operational areas there was an uplift in mains repairs.
- The uplift in repairs was higher in the East, Central West, and North East areas



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Temperature and Soil conditions

- However the areas with the biggest temperature decrease did not see the biggest uplift in Mains Repairs.
- For Example the East saw one of the biggest uplifts in MR volumes but did not see the biggest difference in temperatures
- The East and North East were both regions which were hit hard by the extreme dry conditions in the summer
- There is a stronger relationship between this summers average SMD position than the December temperature conditions
- SMD is the soil Moisture deficit conditions – a measure for how dry the soil is.



Appendix 2 – Examples of our customers feedback about our support and response in the freeze-thaw period





Appendix 3 – Our customer campaigns for winter weather during the freeze-thaw period

Winter campaign 2022/23 - Summary

- Campaign activity kicked off on 28th November and created 4.9million opportunities to see and hear and see our messaging across
- An interesting first month for the campaign, we had a significant cold snap in December in which we introduced, additional targeted messaging to Hull on paid social and moving radio airtime forward for two weeks
- We swapped from a water saving message to winter w/c 5th December have continued with this message
- We sent a winter ready on 16th December <u>inline</u> with the cold weather, which had an excellent open rate (52%)



Examples of materials used in our winter campaigns











to protect against repair costs of up to £7500.



Customer recall for our winter related communication campaigns has been higher for 2022/23 than in previous years but is lower than we experience with our water saving campaign when linked to energy costs and our 'bin it, don't block it' campaign against flushing wipes.

