

Table 1 - Yorkshire Water - A summary of our monitoring plan for 2005-10

OVERALL STRATEGY FOR 2005-10 PERIOD AND TOP 5 STRATEGIC OBJECTIVES	
<p>Yorkshire Water's vision is to be known as clearly the best water company in the UK. To help us achieve this vision we have set strategic business objectives of:</p>	
Service +	exceeding our customers' (and stakeholders') expectations
Compliance +	delivering exemplary regulatory and environmental performance
Value +	sector leading financial performance
People +	being a great place to work leading to a better motivated and more effective work force
Society	to become a national role model in employee volunteering, and to improve access to our land and reservoirs for the enjoyment of visitors.
<p>Over the next five years, we are looking to build on our past achievements and invest more in pipes, sewers and treatment works, whilst continuing to play our part in protecting the environment on a long-term sustainable basis.</p> <p>The benefits to Yorkshire will include improved water quality and the environmental improvements to our rivers that the Government is looking for.</p> <p>Our over-riding aim is to safeguard Yorkshire's water and sewerage infrastructure and maintain levels of service whilst at the same time making further efficiencies and keeping prices as low as possible for the customer.</p>	

TOP 5 QUALITY AND SERVICE IMPROVEMENTS IN 2005-10 PERIOD	
<p>We propose to invest £1.5 billion over the next five years so that we can:</p>	
-	Maintain asset serviceability and services to customers (£891m)
-	Improve drinking water and environmental quality (£686). This includes: <ul style="list-style-type: none"> - rehabilitation of the water distribution network (£163m) - protecting the high quality of our drinking water (£79m) - Freshwater Fish Directive (£227m) - reducing the number of unsatisfactory intermittent discharges (£88m).
-	Reduce flooding from sewers (£16m)
-	Maintain reliability of water supplies and capacity of sewerage services (£60m).

Note: Amounts quoted above are after deducting grant and contributions

WHAT IS DRIVING THE CHANGES IN BILLS? (November 2003 PRICES)			
	Average household bill in 2004-05	Water	Sewerage
Less	(1) ...past efficiency savings and outperformance	117	126
	(2) ...scope for reduction through future efficiency improvements	-6	-7
	(3) ...maintaining base services of which	-3	-4
	a) changes in revenue	9	7
	b) changes in operating costs	-7	-5
	c) changes in capital maintenance	4	2
	d) impact of taxation	1	-2
	e) financing	9	10
Plus	(4) maintaining security of supplies to all customers	2	2
	(5) ...the impact of improvements in drinking water quality	4	2
	(6) the impact of environmental improvements	1	29
	(7) improvements in service performance	2	2
	Average household bill in 2009-10	133	155

PRICE LIMITS AND EFFECT ON AVERAGE BILLS (November 2003 prices)							
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	
Price limit	3.2	5.5	4.9	3.6	3.6	2.1	
W Indicative price limit (water service)	3.7	5.4	4.7	2.7	2.5	0.7	
1. Typical measured household bill	100.379	105.3	110.25	113.22	116.06	116.87	
2. Typical unmeasured household bill	123.027	130.11	136.23	139.91	143.4	144.41	
3. Average household bill	116.6	122.24	127.11	130.1	133.06	133.66	
S Indicative price limit (sewerage service)	3.4	5.6	5.1	4.5	4.6	3.4	
1. Typical measured household bill	104.76	109.93	115.54	120.74	126.29	130.59	
2. Typical unmeasured household bill	135.279	143.25	150.55	157.33	164.56	170.16	
3. Average household bill	126.44	133.2	139	144.72	150.9	156.358	

ESTIMATE OF EXPENDITURE NEEDS (2002-03 prices)	
	Annual average for the 2005-2010 period (£/property/annum)
1	Total operating expenditure
2	Total capital maintenance expenditure
3	Total capital enhancement expenditure
4	Average annual number of properties used as the denominator in the above calculation
	2,055,285

For further information go to <http://www.yorkshirewater.com> or contact Ian Whitear (01274 692168)