

**Appendix 7c:
Yorkshire Water Launches
New Pilot to Lower
Thousands of Customers Bills**

May 25, 2018

Yorkshire Water launches new pilot scheme to lower thousands of customers bills

Yorkshire Water will review the accounts of up to 100,000 customers who it thinks could save money from having a water meter installed.

As part of the initiative, the firm will offer customers a two-year trial of using a meter to those it believes would help reduce their bills. During the trial period, the firm will assess whether the customers have saved money and if they have not will switch them back to the unmetered rate.

The potentially money-saving offer is based on extensive feedback from customers. It revealed customers are increasingly asking the water utility if the company can offer the same arrangement as the energy sector where suppliers are obliged to ensure that their customers are on the best possible tariff.

The firm currently provides water to two million households. Of these, 1.2m households are currently on a metered supply and the remainder are billed on the basis of the rateable value of their property.

The 100,000 customers who will be approached have been identified by Yorkshire Water's own analysis which has determined that they are currently in a property with a high rateable value with a small number of occupants. Therefore, their bills are likely to be higher than they would be if they were billed according to the amount of water they consume.

The company has also found another estimated 100,000 households which are on a low rateable value with high occupancy and so should remain on an unmetered tariff. There are also an estimated 650,000 households identified where it is not clear as to whether they would benefit by moving to a metered tariff.

Director of Finance, Markets and Regulation, Liz Barber, said: "Yorkshire Water customers already have one of the lowest bills in the sector, but we want to go beyond that and ensure that individually they are getting the best possible deal. As we only really have two tariffs, that's usually about assessing whether or not they would be better off with a meter.

"We are a monopoly so customers do not get a choice of who supplies their water – they cannot go on a price comparison website to find out if they could be better off. Because of this we have an extra responsibility. It's not enough for us to wait for them to contact us and request a meter, really looking after our customers means that we should proactively contact them and ensure that they are not paying more than they need to."

If the pilot project is successful, the company is considering rolling the principle out to all its unmetered customers as part of a “price promise” at the heart of its proposals for the next five-year period. Under this proposal, which would be an industry first, the company would commit to review the accounts of approximately 650,000 customers who do not have meters to identify those who might be better off on a metered supply.

In addition the company is re-assessing its approach to customers in financial difficulty who are finding it difficult to pay their bills.

Liz Barber explained: “We know that around one in five of our customers potentially has problems in paying their water bill. By using new analytic techniques, its possible for us to proactively identify those customers who might be at risk of being in this position. We can then contact them to identify what alternatives might be open to them or see if they qualify for one of our reduced social tariffs.”