PR24 Data Table Commentary
Section 10. Supplementary tables

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2. SUP1A_SUP1B - Properties, customers, and population

SUP1A.1-4 & SUP1A.10-12 / SUP1B.1 & SUP1B.3-5 (Residential Commentary)

Interactions between tables/lines

Tables SUP1A and SUP1B are the same layout and information requirements as table 4R within the Annual Performance Reporting (APR) process, and therefore require alignment of the assumptions and alignment in regard to domestic meter optants and new connections.

SUP1B requires the assumption regarding the meter replacement programme to be aligned.

RR7.8 – RR7.13 takes the information for AMP8 from table SUP1A, with a different format. Table SUP1A only covers the forecast for AMP8, therefore the working spreadsheet has been extended to cover AMP9 to allow AMP9 to be completed in RR7.

RR7.2 – RR7.7 is the average cost to serves, which is derived from dividing the cost to serve on Ret1 by the number of customers in RR7.8 – RR7.13.

- AMP9 forecast for ACTS has been matched to 2029-30 value as we do not have a forecast for AMP9 retail costs and the underlying assumption for the LTDS is that base costs remain the same as AMP8.

OUT4.1 – this line takes the forecast for AMP8 directly from table SUP1B, however it requires a manual input for AMP 9, as SUP1B does not include a forecast for AMP9.

- As outlined below SUP1B has been extended for residential and business customers to allow this to be completed.

OUT5.1 – this line takes the forecast for AMP8 directly from table SUP1A, however it requires a manual input for AMP 9, as SUP1B does not include a forecast for AMP9.

- As outlined below SUP1A has been extended for residential and business customers to allow this to be completed.

SUP1A- residential

The starting position for this table is 2022/23 APR information. This is the first year on tables SUP1A.

Overarching assumption with regards to voids is no changes from.

DMO

Domestic meter optant forecasts for AMP7, 2023/24 and 2024/25, are the 30,000 as included in PR19. AMP8 forecasts is 25,000 properties per year, as per the PR24 submission. 2022/23

As SUP1A shows average customers an assumption of 50% impact of prior year and 50% impact from current year included. It is assumed that all DMOs are for dual customers.

New connections

The forecast for new customers is provided in table DS4.

As SUP1A shows average customers an assumption of 50% impact of prior year and 50% impact from current year included. It is assumed that all new connections are dual customers.

SUP1B - residential

The starting position for this table is 2022/23 APR information. This is the first year on tables SUP1B.

Overarching assumption with regards to voids is no changes from 2022/23.

DMO

Domestic meter optant forecasts for AMP7, 2023/24 and 2024/25, are the 30,000 as included in PR19. AMP8 forecasts is 25,000 properties per year, as per the PR24 submission.

As SUP1B shows the year end position 100% impact from current year is included. It is assumed that all DMOs are for dual customers, so the numbers are removed from unmeasured no meter to metered AMI.

New connections

The forecast for new customers is provided in table DS4.

As SUP1B shows the year end position 100% impact from current year is included. It is assumed that all new connections are for dual customers, and are to be included as AMI metered customers. An assumption of 5% capable and 95% active has been included.

AMI meters

The PR24 AMI programme forecast has been used to allocate existing and new connection customers onto AMI meter categories.

- SUP1B all new residential connections assumed to be AMI – 5% capable 95 % active as per AMI business plan information.
- Replacement of basic and AMR meters by end of AMP8
- Assumed all DMOs in AMP9 will be AMI.

SUP1A.5-8 & SUP1A.13-15 / SUP1B.2 & SUP1B.7-9 (Business Customer)

There are no material variances year on year and there have been no changes in reporting methods or assumptions that have led to a material change in reported figures. The historical data is consistent with the each of the respective Annual

Performance Reports for that year . The data for the future forecasting has been populated to align to our Water Resource Management Plan (WRMP), detailed below.

This data shows the number of business customers, split into whether these are water only, wastewater only or both water and wastewater customers as an average and as at year end. The data is then further split into whether these customers are measured, unmeasured or void. This data is collected monthly, and an average worked out for the financial year. In 2022/23, we have seen a decrease in the number of water and both water and wastewater properties by circa 125, however there was an increase in wastewater only customers of 39 properties. This means that overall occupied properties were down by 86. With regards to vacant properties, we have seen an increase of 37 properties.

Line No	Line description	Unmeasured	Measured	Total	Voids	Unmeasured	Measured	Total	Voids	Unmeasured	Measured	Total	Voids
	Customer numbers - average during the year												
4R.5	Business water only customers	0.877	23.236	24.113	2.570	0.878	23.209	24.087	2.607	0.001	-0.027	-0.026	0.037
4R.6	Business wastewater only customers	2.003	3.867	5.871	1.685	1.994	3.916	5.910	1.613	-0.009	0.049	0.039	-0.072
4R.7	Business water & wastewater customers	12.324	81.225	93.549	19.462	12.290	81.159	93.449	19.534	-0.034	-0.066	-0.099	0.072
4R.8	Total business customers	15.204	108.328	123.532	23.717	15.162	108.284	123.446	23.754	-0.042	-0.044	-0.086	0.037

For 2022/23, we have seen Business billed properties drop by circa 60. However, the void properties have remained at a very similar amount, dropping by just 1 property. The overall total business properties connected has therefore dropped by 58 properties. While it is difficult to quantify the impact of COVID-19 and the current cost of living crisis, we have seen an increase in void properties which is explained by the number of businesses closing across the county.

With regards to void properties, we have conducted a number of initiatives including; vacancy challenge, working collaboratively with retailers, market improvement fund business void projects which successfully completed on 31/03/2023. Since the COVID-19 pandemic, followed by cost of living increases, the economy is still changing and will continue to do so.

Throughout FY 2023/24 and into 2024/25 we will be implementing a new Customer Resolution Management (CRM) system, increasing headcount to support and ensure optimum delivery. The Market Operator has agreed a data cleanse project, which all water companies will be required to contribute towards and is likely to lead to data accuracy improvements with regards to Non-household (NHH) connections.

There is a downward trend in the overall property numbers, which is reflected in the forecast numbers provided. The WRMP forecast doesn't provide a split as per the PR24 tables, therefore we have established an alternative methodology analysing the last three years of APR submissions and taken an average to normalise any atypical movement within a single year. We have used the percentage split for this average and applied this to the WRMP forecast for Business property numbers.

We do not have properties classed as uneconomic to bill. We have two classifications void which doesn't get billed and occupied which is billed.

The non-resident population is calculated in line with the APR, using "Visit Britain" data to derive the number of bedspaces and monthly occupancy reports to calculate the non-resident population. In line with APR reporting for non-resident (water) population lines SUP1A.19 to SUP1A.21 are nil return.

WRMP

As noted above the forecasted numbers are derived from the WRMP. Our WRMP is forecasting a continuing downward trend in total non-household water demand, driven by decreasing water use by the non-service sector. A variety of factors influence long-term non-household water demand, but economic growth and the development of water efficient technologies are considered central. The forecast of non-household demand originally provided by Route2 for WRMP19, has been updated internally for WRMP24. The decline in non-household demand is driven by a combination of macro-economic factors and an underlying drive for efficiency.

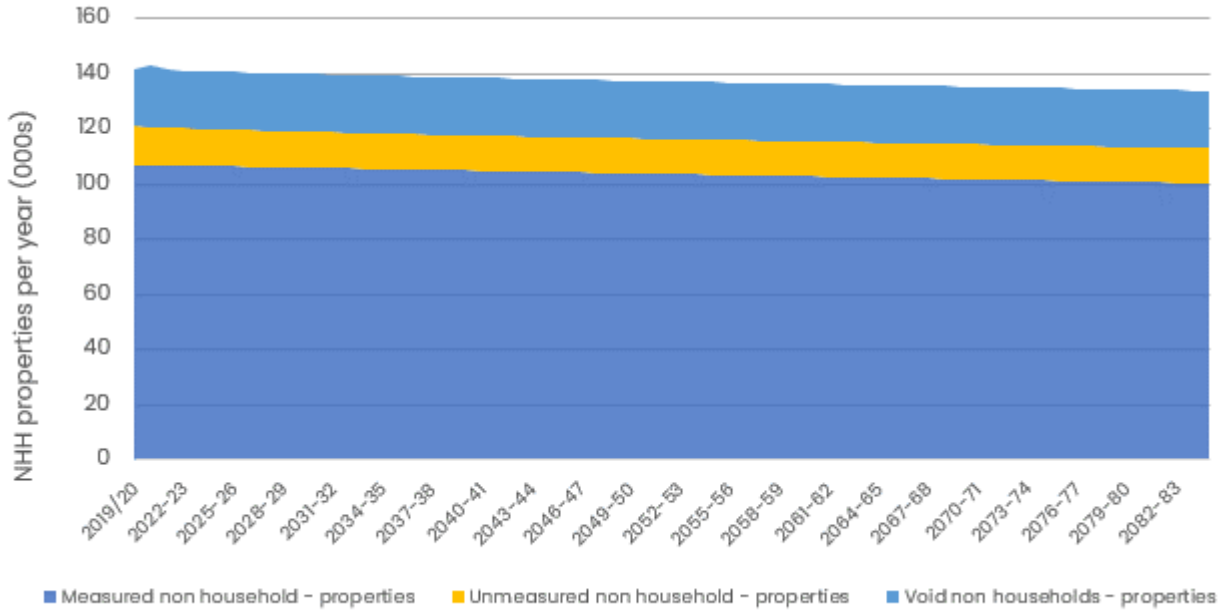
The measured non-household consumption forecast has been modelled in-house (building on work with Route2 in WRMP19) using a multi-variate regression model for service and non-service demand. Updates to the model include more recent billing file data and insight to forecast NHH demand prior to completion of the model for the WRMP24.). This also incorporated the forecast impact of Covid-19 on non-household demand, including the forecast % of people working from home, changes in industrial ownership, as well as closures within certain business sectors.

Measured non-household properties

The measured non-household properties are forecast based on estimated new commercial connections and demolitions/change of use properties, which are inferred from analysis of historical trends i.e. new connections and demolitions are based on our company records of connections and demolitions in recent years. The total number of measured non-household properties is forecast to decrease over the plan period as the

number of demolitions/change of use properties exceeds the number of new commercial connections (Figure 1). The total measured non-households were then split between the water resource zones using the base year percentage split for this category.

Figure 1: Non-Household property forecast



Measured non-household population

The measured non-household population represents the number of people who are residing in a non-household property. This is sometimes referred to as 'communal population' as non-households tend to be shared accommodation or communal living. This includes people resident in hospitals, prisons, care homes, boarding schools, barracks etc. who will stay overnight. We forecast measured non-household population at water resource zone level using data provided by a third-party consultant. The population of a non-household facility in North Yorkshire, which is included in the consultant's assessment, was removed from the communal population of the Grid SWZ as it has its own water supply.

Unmeasured non-household properties

The unmeasured non-household property forecast is based on an observed declining trend in the annual water balance data. In WRMP19, the most appropriate forecast was assumed to be annual decreases of 200 properties for AMP6, and 100 properties from AMP7 onwards. This was to avoid too many properties being lost by the end of the planning period by extrapolating short-term reductions.

For our WRMP24, we engaged with our NHH Retail Team and worked together to profile the long-term forecasts. The profile focused on de-registrations (Properties that are no longer classified as NHH), and based the rate of these slowing over time, 120 through AMP7, 50 during AMP8 and 9, 20 in AMP10 and 11, with no further changes from AMP12 onwards. This would assume that all change is due to de-registrations. This also implies no shift from unmeasured NHH to measured over the period of the forecast.

Mixed-use properties, which are a sub-division of the unmeasured non-households, were calculated as a percentage of the total unmeasured non-households based on historic data.

Unmeasured non-household population

Within the unmeasured NHH property category, only the mixed-use properties have a population associated with them. This population was calculated as the number of mixed-use properties multiplied by the unmeasured household occupancy rate.

Table 4-7: Unmeasured NHH population

Unmeasured NHH population (000)	2019/20 (end AMP6)	2024/25 (end of AMP12)	2029/30 (end AMP8)	2034/35 (end AMP9)	2039/40 (end AMP10)	2044/45 (end AMP11)	2049/50 (end AMP12)
East	0.09	0.08	0.08	0.08	0.08	0.08	0.09
Grid	2.65	2.62	2.61	2.61	2.65	2.69	2.75
Total	2.74	2.70	2.69	2.69	2.73	2.77	2.84

New large commercial users

The approach to forecasting non-household consumption is described later in this section. Whilst modelling accounts for sectoral growth over time, it is does not reflect specific new large commercial users. For WRMP24 we have considered planned non-household needs for large volumes that is not evident in the Route2 trend forecast. A company that produces soft drinks has requested a supply increase of 3.45Ml/d to be available by 2025 in North Yorkshire. This would make the company the second largest user in our supply area. This volume has been added to our demand forecast as it is not represented by the Route2 analysis.

Void properties

The household void property forecast is intrinsically linked to our Performance Commitment, which had been set with Ofwat to reduce the total number of voids to 4.15% at the end of AMP7. The percentage reduction figures are shown below:

Table 4-8: Void property performance commitment

Ofwat void reduction PC				
2020/21	2021/22	2022/23	2023/24	2024/25
5%	4.33%	4.15%	4.15%	4.15%

We revisited the past 5 years' worth of available historic actual figures from 2015/16 up until the base year 2019/20. The starting point for the forecast is the base year at 20,835, with this increasing slightly in 2020/21 to address the economic impact of COVID-19 on NHHs and the closure of large businesses (22,228). The following years of the forecast have been flatlined at 20,900 to reflect the previous historic trends that were relatively stable.

SUP2 to SUP10 are intentionally left blank as they are not applicable to us.

3. SUP11 Real price effects and frontier shift

Assurance statement: We have taken the wholesale and retail figures of 0.70% and 0.60% respectively from Economic Insights report: Productivity and Frontier Shift at PR24. This is a report that EI wrote on behalf of a group of water companies. We have used the upper end of the 'PR24 focussed range' for both wholesale and retail which were 0.3%-0.7% and 0.4%-0.6% respectively.

	Title	Commentary
SUP 11.1	**CPIH assumptions used for RPE calculations**	From PD1
SUP11.2-6	**Real price effect - Wholesale**	As set out in our RPE appendix and main narrative we have not included any real price effects for wholesale as the uncertainty and volatility of both these input prices and the CPIH metric makes forecasting these very challenging. We instead propose that Ofwat works with the industry to implement an appropriate true-up mechanism to ensure that companies and customers are protected from variations in input prices that vary from CPIH.
SUP11.2R-6R	**Real Price Effect - Retail**	We propose a real price effect for the Labour Element of Retail Prices.
SUP11.7-12	**Wholesale water base**	We have estimated the weightings by reviewing our historic Capex and Opex splits across these input price areas in each price control. We have then weighted these by our proposed Opex/Capex split in the plan to get an overall weighing to populate into these lines.
SUP11.13-18	**Wastewater N+ base**	As above.
SUP11.19-24	**Bioresources base**	As above. We note we have included Bioresources energy (as net exporter) as a negative percentage in these tables so that the total weighting adds to 100%.
SUP11.25-30	**Wholesale water enhancement**	As above.
SUP11.31-36	**Wastewater N+ enhancement**	As above.
SUP11.37-42	**Bioresources enhancement**	As above. We note we have included Bioresources energy (as net exporter) as a negative percentage in these tables so that the total weighting adds to 100%.
SUP11.43-48	**Additional Control**	Not applicable to YKY
SUP11.49-54	**Retail**	We have estimated our Retail weightings for each element of our retail costs and calculated the overall weighting. We have assumed that whilst there is a small amount of materials and

		energy associated with retail that this is negligible so have not included any weighting in Retail towards
SUP11.55-62	**Frontier Shift Assumption**	We input our view of frontier shift for wholesale and retail into the appropriate lines. These are set out in our narrative and associated appendix. We only include frontier shift assumption from 2025 onwards as our forecast expenditure in 2023-25 already account for the allowances set out by Ofwat at PR19 which included frontier shift.
SUP11.63-70	**Net Price Change**	Calculated Cells
SUP11.71-78	**Cumulative Net Price Change**	Calculated Cells

4. SUP12 – Major projects and Direct Procurement for Customers (DPC)

There are four projects listed in SUP12.1, a brief description of each is below:

Project Name	Short description	Overview of construction and operational timelines
Storm Overflows (AMP8)	The AMP8 programme of works to reduce storm overflows to rivers and coastal waters comprises 211 schemes, selected to allow us to achieve but not exceed Ofwat targets for the period. A subset of this programme is considered suitable for DPC. Most of the storm overflows require the construction of new or additional storm storage capacity and flow return for treatment. To find the most operationally discrete solutions for DPC the following selection hierarchy has been applied: • Grey infrastructure proposed • Required storage volume >5,000m3 • Overflow located at the end of a catchment, i.e. on or close to the treatment works From the AMP8 programme this results in a package of six schemes over a 25-year concession period: 1. Scalby Ness Outfall 2. Wetherby WWTW 3. Toll House Stormwater Overflow 4. Corner Café CSO 5. Scarborough STW Stormwater Overflow Tanks 6. Bridlington WWTW	Construction is anticipated to take place between 2026 and 2029 with the first projects entering the operational phase in 2029.
Elvington WTW	We have a long-term water supply contract with Severn Trent Water to supply water to Rivelin WTW. The current agreement includes a break clause in 2035, where Severn Trent Water may terminate the transfer if required to maintain supplies to its own customers. It is possible that after this date we will lose this water supply, and additional water resource capacity would be	The total construction period is currently estimated at 6 years (excluding planning application). Market consultation indicated contractors anticipate

	required to avoid a deficit in supply. We are investigating alternatives to this transfer, one of which is creation of a new WTW near Elvington outside York and a new transfer main to deliver increased flows to South Yorkshire. The project would be formed of two parts, firstly increasing Elvington WTW capacity to existing Site footprint capacity, utilising spare licenced abstraction capacity at Acomb Landing WTW and building an 18km bulk raw water transfer to a new WTW near Elvington WTW, sized to provide an additional 50 Megalitres/day (ML/d) into supply. Secondly, an Elvington WTW to South Yorkshire treated water transfer. This will be a new treated water transfer pipeline with capacity to move 50MLD from York area (Elvington) to South Yorkshire. This would require over 90km of transfer main, booster pumping stations and associated break pressure tanks.	they could deliver more quickly. The DPC proposal shows construction beginning in AMP8 and operations commencing 2032.
Chellow WTW	At present many customers rely on Chellow WTW as their only water supply. We have an internal policy ambition to improve resilience of its water supply operations so that no treatment works shall supply more than 75,000 properties without an alternative supply option and Chellow falls within this category. Chellow WTW is also one of our older WTWs and in need of significant repair and upgrade works. It is difficult to take the plant offline to undertake these works because of the lack of alternative supplies to customers. The project would involve the creation of a new 75 Ml/d Offsite WTW and 150 Ml New Storage.	The total construction period is currently estimated at 6 years (excluding planning application). Market consultation indicated contractors anticipate they could deliver more quickly. Outline planning indicates operations commencing 2032.
Ilkley WWTW	As part of the drive to achieve improved river water quality for the bathing water designation on the river Wharfe at Ilkley, there is an option to replace two existing WWTWs with a single new treatment works delivering higher standards of treatment for all flows. The scope of this package would include: • Construction of a new transfer pumping station and transfer sewer; • New WWTW which may replace both Ilkley WWTW and Burley WWTW with increased capacity.	N/A – this project was determined to fail the Ofwat suitability criteria on project value (scalability) grounds.

SUP12.2 – Relevant Control

The relevant price controls are confirmed as:

- Wastewater Network Plus – Storm Overflows (AMP8) and Ilkley WWTW
- Water Network Plus – Elvington WTW and Chellow WTW
-

SUP12.3 – Base or enhancement

All projects are confirmed to be included in enhancement expenditure.

SUP12.4 – Business plan table reference

The costs associated with the investments which are to be delivered via DPC are not included within any other data tables. Table RR.9 is an associated table which covers the charges to customers which will be payable to the Competitively Appointed Provider (CAP).

SUP12.5 – Business plan reference

We partnered with technical experts to ensure a thorough analysis of DPC opportunities and application of Ofwat guidance. Full copies of these reports are included with the DPC appendix.

SUP12.6 – Assessed as suitable for DPC

Three projects are assessed as suitable for DPC:

- Storm Overflows (AMP8)
- Elvington WTW
- Chellow WTW

In each case they pass the Ofwat Technical Discreetness Tests and on further analysis offer positive potential for value for money for customers using the Qualitative HM Treasury Value for Money tests.

One project is assessed as unsuitable for DPC, Ilkley WWTW. This is because it significantly fails the Scalability Test. Furthermore, there are delivery concerns as elements of operations are required to commence in 2026.

SUP12.7 – Whole life Totex (£m)

For Chellow and Elvington projects, Capex and Opex Data is included in our EDA database. For Storm Overflows, data has been extracted from source data that goes into the EDA.

The EDA database does not record Replacement Expenditure (Repex) alternatively known as lifecycle costs as a separate cost category. Therefore, all Capex in the EDA after the initial construction period is assumed to be Repex.

EDA includes Opex costs for partial years if construction is forecast to end mid-way through a financial year. However, Opex Data used to build Whole life Totex (Ofwat's **SUP12.7**) is based on 25 full years of Opex costs to reflect DPC contract arrangements.

SUP12.8 – Total AMP8 Project Development Costs (£m)

Our EDA system does not record Development Cost as a separate category of cost. Design costs have been estimated at 10% of Capex costs, leaving 90% of Capex as a construction cost (Ofwat's **SUP12.9** title). AMP8 enabling works or interface works are assumed to be subsumed within these construction costs. The Development Costs included in **SUP12.8** comprise the design costs and land and planning costs. Land and planning costs have been estimated by our Estates Team.

All Development Costs have been assumed to occur in AMP8, with the design costs assumed to follow the same cost distributions as the total AMP8 Capex costs.

SUP12.9 – Total Construction Costs (£m)

Storm Overflows (AMP8) is the only project includes which includes more than one connected asset. The breakdown of construction costs is as follows:

Storm Overflows (AMP8) Sub-element	Design cost (£m)	Construction cost (£m)	Land & Planning Costs (£m)
Scalby Ness Outfall	4.4	39.2	
Wetherby WWTW	2.7	24.2	
Toll House Stormwater Overflow	2.1	19.1	
Corner Café CSO	1.2	10.5	
Scarborough STW Stormwater Overflow Tanks	4.2	38.1	
Bridlington WWTW	6.1	54.8	
Batch as a whole			1.44

SUP12.10 – Annual Opex (£m)

For Chellow and Elvington projects, Capex and Opex Data is included in our EDA database. For Storm Overflows, data has been extracted from source data that goes into the EDA.

EDA includes Opex costs for partial years if construction is forecast to end mid-way through a financial year. However, Opex Data used to build Whole life Totex (Ofwat's **SUP12.7**) is based on 25 full years of Opex costs to reflect DPC contract arrangements.

SUP12.11 – Asset Type

Mains assets of projects are briefly summarised below:

Storm Overflows (AMP8)

- Scalby Ness Outfall - 23,883m3 storage requirement
- Wetherby WWTW – 14,328m3 storage requirement
- Toll House Stormwater Overflow – 10,718m3 storage requirement

- Corner Café CSO – 5,147m3 storage requirement
- Scarborough STW Stormwater Overflow Tanks – 23,132m3 storage requirement
- Bridlington WWTW – 34,165m3 storage requirement

Elvington WTW

- 18km bulk raw water transfer,
- Creation of a new water treatment works delivering 50 Megalitres per day into supply,
- A c90km treated water transfer from Elvington WTW to South Yorkshire (capacity to move 50MLD). This would require over 90km of transfer main, booster pumping stations and associated break pressure tanks.

Chellow WTW

- Creation of a new water treatment works delivering 75 Megalitres per day into supply,
- Creation of treated water storage with capacity of 150 million litres.

Ilkley WWTW

- Construction of a new transfer pumping station and transfer sewer (400 litres/second);
- New WWTW which may replace both Ilkley WWTW and Burley WWTW with increased capacity (300 litres/second).

SUP12.12 – Asset Life

Calculated on the basis of using the longest asset life where several are involved gives the following outcome:

Project	Asset Life
Storm Overflows (AMP8)	100 (Longest life asset is for Sewers)
Elvington WTW	69 (Longest life asset is for Water Mains)
Chellow WTW	66 (Longest life asset is for Water Treatment Works)
Ilkley WWTW	65 (Longest life asset is for Wastewater Treatment Works)

SUP12.13 – Year operation begins

The first anticipated full year of operation when the stated annual Opex will commence is:

Project	First year of operation
Storm Overflows (AMP8)	2029
Elvington WTW	2032
Chellow WTW	2032
Ilkley WWTW	2030

For the Elvington scheme, the start date for the Elvington Transfer Pipeline has been pushed back to align to when the treatment components of the programme can be operational.

SUP12.14 – Total AMP8 DPC related costs

A value of 2% of SUP12.7 (Whole life Totex) over the construction and first 25 years of operation is assumed, noting that the whole life costs in SUP12.7 exclude these additional DPC related costs.

The DPC related costs are the costs for us to develop the project for DPC delivery and run the DPC procurement process. As no project will be operational in AMP8 no costs of managing the CAP are included in the 2% estimate.

SUP13 is intentionally left blank as it is not applicable to us.

5. SUP14 - Customer engagement and affordability/acceptability of plans

Results overview

The data tells us that overall, our plan is acceptable to the majority of our customers (78%). This tells us that customers support what our plan aims to achieve. However, it also tells us that the plan is not affordable to the majority, only 22% of customers claim they can afford our plan, this is lower for our customers who are financially vulnerable. However, we understand that we can attribute a proportion of these low affordability scores to the way Ofwat/CCWater asked us to conduct the survey. We can do this because we undertook our own affordability and acceptability testing which addressed many of the issues highlighted by customers with the Ofwat study (not presenting enough information on the plan, spending too much time explaining regulation/comparative information). 79% household customers in our own study accepted the plan (as did 79% of non-household customers) and 60% of household customers felt the plan was affordable, 56% for non-household customers – following CCWater's guidelines on including 'I don't mind' as a positive contributor to affordability scores. CCWater mark their affordability threshold at 57%.

Our Acceptability figures are lower than our PR19 plan figures of acceptance which were 86% for HH customers and 82% of non-household customers. 66% of household customers found the PR19 proposed bills affordable, and this was 68% for non-household customers. This is an unsurprising difference in results considering our PR19 bill was rising by £3 per year without inflation vs. the PR24 bill presented to customers which proposed a rise of £111 on average excluding inflation and the fact that we are currently in the middle of a cost of living crisis.

Variations from guidance

We have followed the guidelines provided by Ofwat with minor variations following careful consideration of outputs seen post pilot and in initial stages of qualitative testing. A summary of where we moved from the guidelines is provided below:

- The consensus from our customers was that there was too much information to digest and that some of the prescribed information was too wordy and not easily absorbable for all education levels or neurodiverse audiences. As such, we only briefly presented the Ofwat information slides during sessions, to allow more time to gather meaningful views on our business plan.
- The comparative performance information presented a lot of technical information and was especially difficult for customers to understand, particularly with regards to performance commitments such as interruptions to supply. As such, in the later focus groups we did not go through the comparative performance charts in as much detail.

- Some customers felt that, rather than seeing comparative data, they would have found it more useful to have seen how we had performed over time, including further information on our own targets. As such, we provided some further contextual information as why some of our PR24 targets were lower than our current performance, why some targets were not currently being met.
- We felt that customers needed some company specific information to be able to accurately assess our proposed business plan. As such, we provided some specific asset information, such as how many water treatment works we look after, and how many combined storm overflows (CSOs) would be improved under our plans. This allowed more quality conversations about our investment plans, particularly when it came to our optional investment cases.
- We initially experienced a 100% dropout rate for future and vulnerable customers groups and in-depth interviews. The reason being that the extensive homework task was complicated and off-putting. We decided that we would no longer share homework task with future customers and vulnerable customers would only receive the least-cost plan. After this, recruitment improved.
- Given the volume of information to get through it was decided that we would only test our 'least-cost plan' which would outline the prescribed 6 PC's and 3 enhancement cases and bill impact. Instead of testing an entirely separate 'proposed plan' we presented customers with 'additional options of investment'. The value of each investment and the cost per year (including and excluding inflation) were presented in the qualitative research. There was more support than not for these optional investment areas, these were later included in our quantitative business plan testing as enhancement cases.

Our approach and variation from the guidelines were agreed by our customer challenge group, as it aligns with the customer engagement standards and principles set out by Ofwat.

The plan we tested in Affordability and Acceptability testing is not the final plan we submitted

There continues to be remaining uncertainty around elements of our plan, such as the finalisation of various statutory requirements. In addition, the size, complexity, and interdependencies of the data tables in the price review process has also proved challenging. As a result of these challenges in producing a detailed business plan within the timescales, some of the testing completed has not been based on the final submitted business plan.

For Affordability and Acceptability specifically, there are a number of factors which have changed post-testing - these are namely:

Bill impact:

The final bill in our plan is higher than the £537 presented to customers in the Ofwat affordability and acceptability study due the allowed return of capital in the final plan being updated to reflect latest market data, in line with Ofwat guidance.

Bill profile:
The bill profile has changed slightly from what we tested in our Ofwat AAT of our plan.
Context: all of our previous research told us that customers prefer a flat bill profile and therefore both affordability and acceptability testing studies were carried out on this basis. At the request of our Board, who raised concerns that a flat bill profile might not be the most welcomed given the increases customers are facing this time round, we undertook customer bill profile research. The findings indicate that customers support either a flat bill profile or a natural bill profile, with slightly more support for the natural bill profile. Considering the outputs of this bill research, together with the views expressed by wider stakeholders and our understanding of how bill increases will be implemented at other companies we have decided to adopt a natural bill profile in this business plan. This will mean a slightly lower increase in customer bills in the early years of the 2025 to 2030 period.

Some PC targets and some Enhancement Case values have changed from those tested in our AAT of our plan:
In the Ofwat AAT study we presented the targets for 6 PC's, and 6 enhancement cases however, it is possible some targets and enhancement case values may have changed as a result of further work on the plan whilst testing was ongoing.

Other factors to consider when reading our data:

- We provided a regional specification for weighting to Accent Research using ONS census data – this included age, gender, ethnicity, IMD and water consumption (as per Ofwat guidelines). However, Accent challenged the use of regional age profile and instead suggested we use Household Reference Person (the household reference person is the member of the household in whose name the accommodation is owned or rented or is otherwise responsible for the accommodation) as this is more reflective of the people who pay the bill. This approach has been adopted by other water companies.
- Accent provided us with a copy of a completed SUP14 table and the data tables alongside this to spot check that the data table is accurate. The Insight team ran additional checks on the copy of the SUP14 table provided by Accent by examining the data tables provided and cross referencing it with the copy of SUP14 provided. This was then added to our own business plan data tables SUP14 and then double checked by both the Insight Team Head and our auditors Turner and Townsend for accuracy.
- SUP14.1 and SUP14.2 – the engagement figures for these entries have been undertaken by reviewing all of the projects we have undertaken since 2020. Even if the project was undertaken as business as usual activity, it in some way provided a recommendation on an improvement moving forward, all of which will ultimately improve our approach moving forward e.g. a project assessing the effectiveness of our leaflet/website for explaining our PSR to encourage sign-ups, will ultimately impact the uptake of these services moving forward, providing customers with the information that best helps them understand these services and take the next steps to sign up.
    - Within the engagement figures we have included and excluded a number of project types; these are outlined as follows:

- **Excluded:** Voice of Customer surveys, Ofwat and CCWater surveys which we have not contributed to financially. We have also excluded our contacts and complaints data and we have also excluded media and social media analysis and interactions.
- **Included:** Within our engagement figures is research that we have conducted, commissioned or directly paid for, including Ofwat/CCWater ODI Rates Research and CCWater Water Matters survey.

6. SUP15 Affordability support measures – residential customers

A1. Social tariffs and WaterSure - residential customers

Line 1: SUP15.1 Number of customers on social tariffs

This is the annual weighted average number of customers on WaterSupport (our only social tariff) in line with Table 2N1, 2N2 and 2N3.

The volumes are based on significant growth between 2022-2025, in response to the cost-of-living crisis and the additional company funding invested in AMP7 to reduce the social tariff bill value. Forecasts from 2025 are based on WaterSupport evolving into a banded social tariff providing variable bill reductions based on equivalised household income. This means-tested eligibility will be structured to target economically deprived customers and provide meaningful levels of support to reduce the number of customers below the water affordability threshold. The forecast balances increasing growth in the number of customers supported with ensuring meaningful levels of support are provided. The forecasted growth utilises willingness to pay customer contribution and company contribution.

SUP15.2 Number of customers on WaterSure tariffs

This is the annual weighted average number of customers on WaterSure in line with social methodology in Table 2N.

The volumes are based on growth between 2022-2025, in response to the cost-of-living crisis and the additional company funding invested in AMP7 to provide additional reduction to the WaterSure bill value from the average bill to match social tariff. This increased the number of customers eligible. Forecasts from 2025 are based on re-aligning with DEFRA legislation to align WaterSure with company average bill value. For customers needing more support due to lower incomes, the social tariff has been banded to provide the support needed. As such, the forecast is based on historical growth and the continuing customer engagement.

SUP15.3 Number of customers not on social tariffs

As per table guidance, this is the total number of households minus the annual weighted average number of customers on WaterSupport (SUP15.1)

SUP15.4 Total amount of money provided by customers and company to fund social tariffs discounts

As per table guidance, this line is the sum of lines SUP15.8 and SUP15.10. This is the total amount contributed by both customers, through charges, and companies, through foregone revenue, to fund social tariffs discounts.

SUP15.5 Average social tariff discount
As per table guidance, this line is calculated by Line SUP15.4 divided by (SUP 15.1 divided by 1,000). This is the average social tariffs discount received by each social tariff customer funded by both customers,
through charges, and revenue forgone by companies.
The forecasted average saving is based on the development of WaterSupport to a three banded tariff from 2025. Each tariff band will be set at a specific bill value (rather than discount from average) to have maximum possible impact on water poverty. The average saving forecasted is the mean average across all three bands combine.

SUP15.6 Total reduction in bills for WaterSure customers
This is the difference in the total bill for all WaterSure customers (calculated by WaterSure bill multiplied by the weighted number of customers) and the total actual metered bill for all those customers (taken from the company billing system). For the years 2022/23, 2023/24 and 2024/25, all WaterSure customers are being provided an additional saving on their water bill in response to the cost of living crisis. For AMP8 the WaterSure bill is set at the company average bill value in line with DEFRA legislation. Cells for wastewater customers are blank because we do not have any wastewater only customers (see line SUP15.2)

SUP15.7 Average reduction in bills for WaterSure customers
As per table guidance, this line is calculated by Line SUP15.6 divided by (SUP15.2 divided by 1,000). This shows the average reduction in bills received by each WaterSure customer.

SUP15.8 Total amount of money collected from all customers in charges to fund social tariffs discounts
This line shows the total amount contributed by customers, through charges, to fund social tariffs discounts.
As per table guidance, this line is equal to 2N.10, 2N.11 and 2N.12. Future forecasts are based on the weighted average number of customers expected to be supported each year with the assumed average saving based on the banded tariff implemented in 2025/26.

SUP15.9 Average cross-subsidy from customers
This is the amount each customer contributed through charges on average to fund social tariffs. As per table guidance, this line is calculated by Line SUP15.8 divided by (SUP15.1 plus SUP15.3).

FY24 and FY25 is increased based on post-covid willingness to pay research and the expectation that this level of funding will be fully utilised due to customer need. Customer cross-subsidy from 2025 is increased based on customer willingness to pay research undertaken in 2023 for AMP8.

SUP15.10 Total revenue forgone by company to subsidise social tariffs.
This is the total amount provided by company shareholders to fund social tariffs. In addition to the £2m committed from the company in the PR19 plan, FY23-FY25 is inflated in line with additional £15m company contribution provided to support customers in response to the cost-of-living crisis. For AMP8, the company is continuing to provide £2m contribution per year towards the social tariff.
N.B. Our Board made a decision to increase the annual company contribution to the social tariff from £2m to £2.5m late in the PR24 business planning process. Therefore, this is not captured in the data table.

SUP15.11 Level of support for social tariff customers reflected in charges.
This is the customers willingness to pay amount reflected in retail charges. Future forecasts are based on expected number of customers on the scheme and average saving ensuring not surpassing customer Willingness to Pay (SUP15.12). Eligibility criteria is set to enable all customers on means tested benefits and/or with low household income to be entitled to financial support from us.

SUP15.12 Maximum contribution to social tariffs supported by customer engagement.
Amount of money customers said they were willing to pay to fund social tariffs as revealed through customer research and engagement. Previous maximum contribution is based on historical willingness to pay research for AMP7; FY24-25 is increased based on post-covid willingness to pay research. AMP8 maximum contribution is increased based on Willingness to Pay research conducted in 2023 for PR24.

A2. Vulnerability
SUP15.13 PSR reach.
This is the percentage of households across our region registered for the Priority Services Register. Due to the high volume of customers over 85 years registered for the PSR in 2023-24, the future forecast is to maintain the number of customers on the PSR throughout AMP8. This is based on the expectation of high volumes of customers leaving and joining the register due to; more customers reaching 85 years of age (with Yorkshire having a high volume of pensionable age residents) and being registered for services; and factors such as life expectancy and movement to non-domestic residency removing them. Other PSR services/customer segments are likely to maintain the level of

growth recognised in AMP7 based on the increased promotion, customer engagement and community-based activity.

SUP15.14 Customers receiving services through the PSR: (a) support with communication.

As per guidance this line shows the number of customers receiving support with communication, including, but not limited to, alternative format for bills, bespoke or translated communication offerings.

The future forecast remains consistent with annual growth recognised throughout AMP7 based on the increased promotion, customer engagement and community-based activity. The volume registered on our PSR does not include customers who utilise the website ReciteMe functionality; translation services during contact; British Sign Language on the website or third parties to enable their communication with us. These are all additional available services that do not require a customer to register, if they choose not to, to ensure all our services are as accessible as possible.

SUP15.15 Customers receiving services through the SAR/PSR: (b) support with mobility and access restrictions.

As per guidance this line shows the number of customers receiving support with mobility and access restrictions, including, but not limited to, supporting customers who cannot access their water meters or who require a knock and wait service to allow longer time to get to the door.

The forecast is a significant growth in 2023/24 being maintained throughout AMP8. This is due to the proactive inclusion of households of over 85year old residents being added to the PSR for bottled water delivery. The future forecast is to maintain performance throughout AMP8 based on the expectation of high volumes of customers leaving and joining the register due to factors such as life expectancy and the regions high percentage of customers of pensionable age.

SUP15.16 Customers receiving services through the SAR/PSR: (c) Support with supply interruptions including, but not limited to, advance notice ahead of planned supply interruption.

As per guidance this line shows the number of customers receiving support during supply interruptions or with emergency water supply during a planned supply interruption for customers with particular medical needs.

The future forecast remains consistent with annual growth recognised throughout AMP7. The primary customer segment for this service is dialysis customers and we work proactively with medical institutions to be aware of customers in need of this service.

SUP15.17 Customers receiving services through the SAR/PSR: (d) support with security.
As per guidance this line shows the number of customers receiving support with security, including, but not limited to, password schemes and identity checks.
There are a high number of customers across the region signed up for these PSR services since PR14 and before. The future forecast remains consistent with annual growth recognised throughout AMP7. This is based on existing engagement levels with these services and embedded operational processes which continue to maintain this growth.

SUP15.18 Customers receiving services through the SAR/PSR: (e) support with 'other needs'.
As per guidance this line shows the number of customers receiving support via other services not captured in (a) to (d). Services included in this line are account nominee and visit in person. The future forecast remains consistent with annual growth recognised throughout AMP7.

SUP15.19 Attempted contacts.
As per guidance this is equal to RAG 4 Ref 3E.3, column "Performance level – actual". The future forecast maintains AMP7 performance throughout AMP8. This is based on embedded multi-channel operational processes which will continue to maintain this performance throughout AMP8.

SUP15.20 Actual contacts.
As per guidance this is equal to RAG 4 Ref 3E.4, column "Performance level – actual". The future forecast represents increasing performance year on year throughout AMP7 to meet performance commitment target. This is forecast to be maintained throughout AMP8. This is based on operational processes introduced in 2023/24 which will improve performance and then remain embedded for consistent performance throughout AMP8.

B1. Income deprivation
SUP15.21 IMD score (proportion of income deprived households)
As per line guidance, this is equivalent to the IMD score for us to use as published in Ofwat's residential retail cost models ('External data' sheet, Combined Oncome Score for England, and Wales (IMD) – interpolated) and maintained at 2022/23 level for AMP8.

SUP15.22 Number of income-deprived households
As per line guidance this line is SUP15.21 divided by 100 and multiplied by the sum of lines SUP15.1 and SUP15.3.

B.2 Innovative charges

SUP15.23 Number of income-deprived households on innovative charges

As per line guidance, this is the company estimate of number of income-deprived households that would be on innovative charges to support affordability. Supporting customers who need help is an important pillar of our plans. Throughout AMP8 we are utilising a breadth of financial support mechanisms to provide bill reductions to customers who need help. In addition, we are also committed to delivering a charging trial in AMP8 to support affordability, however, does not at this stage have firm plans regarding innovative charges. Therefore, the forecast is zero throughout AMP8.

SUP15.24 Number of non-income deprived households on innovative charges

As per line guidance, this is the company estimate of number of households that are not in income deprivation and are on innovative charges to support affordability. Supporting customers who need help is an important pillar of our plans. Throughout AMP8 we are utilising a breadth of financial support mechanisms to provide bill reductions to customers who need help. We are also committed to delivering a charging trial in AMP8 to support affordability, however, does not at this stage have firm plans regarding innovative charges. Therefore the forecast is zero throughout AMP8.

SUP15.25 Average net bill reduction for income-deprived households as a result of innovative charges

As per line guidance, this is the company estimate of average bill reduction (net) per income-deprived household. Supporting customers who need help is an important pillar of our plans. Throughout AMP8 we is utilising a breadth of financial support mechanisms to provide bill reductions to customers who need help. We are also committed to delivering a charging trial in AMP8 to support affordability, however, does not at this stage have firm plans regarding innovative charges. Therefore the forecast is zero throughout AMP8.

SUP15.26 Total bill reduction for income deprived households as a result of innovative charges

As per line guidance this line is SUP15.25 multiplied by (SUP15.23/1,000).

B3. Targeted demand side support

SUP15.27 Number of income-deprived households provided with water efficiency support measures.

This is the estimated number of income-deprived households provided with water efficiency support measures, including; water audits/house visits promoting and installing water efficiency devices, fixing leaks free of charge (where customers are

responsible for the pipes). The forecast is based on the introduction of water efficiency home visits in 2023/24, which will initially be higher on implementation, and the continuation of supply pipe repairs for customers in income deprivation. We do not have this line split between dual, water only and waste only customers, we have included all customers in the dual service cells, with the assumption that most customers will be both water and waste customers.
Customers in income deprivation is identified utilising credit reference data which indicates customers with low incomes, calculated based on equivalised household incomes. This enables more up to date income data than available via ONS, as well as providing the information at a household level to enable support to be provided.

SUP15.28 Average net bill reduction from water efficiency support measures provided to income deprived households
This is the estimated additional savings to income deprived customers beyond social tariffs and innovative charges through water efficiency support measures. The calculation is based on average supply pipe repair costs, using AMP7 existing repair costs, and the average savings from water efficiency home visits, calculated by the cubic metre rate.

SUP15.29 Number of income-deprived households moved from unmeasured to measured billing
Similar to line SUP15.27 but relates to income-deprived households that will be moved to metered billing.
The forecast is based on assumed continuation of the existing meter promotion activity for customers with low incomes/struggling to pay their water bills which we have undertaken throughout AMP7. Increased outturn in 2023/24 is due to pilot activity through community engagement partners to ensure customers in social housing are proactively engaged in metering for bill reductions. Increased uptake in metering for low-income households, compared to AMP7, is assumed to continue into AMP8 and maintained throughout the 5 year period due to increased promotion and community engagement partnerships.
Within the first two years of the meter install, we will also monitor customer accounts to ensure a saving is being made, and where not, proactively contact the customer to offer to revert to unmeasured charges. Customers may also opt to do this any time within this period.
Customers in income deprivation are identified utilising credit reference data which indicates customers with low incomes, calculated based on equivalised household incomes. This enables more up to date income data than available via ONS, as well as providing the information at specific household level to enable support to be provided. This approach has been utilised throughout AMP7 and externally consulted on as part of

PR24 which found it reasonable and justifiable as an approach. This approach is also aligned with comparable processes within the energy sector.

SUP15.30 Average net bill reduction from meter provision to income-deprived households

This is the estimated additional savings to income deprived customers beyond social tariffs and innovative charges through moving from unmeasured to metered billing. The saving calculation is based on AMP7 actual average savings for low-income households when switching from unmeasured to measured charges. We have maintained this saving throughout AMP8.

SUP15.31 Total bill reduction for income deprived households as a result of targeted demand side support

As per line guidance this line is equal to (SUP15.27 multiplied by SUP15.28 + SUP15.29 multiplied by SUP15.30) divided by 1,000.

B4. Other affordability support measures that reduce bills for customers struggling to pay
their bills

SUP15.32 Number of customers provided with affordability support from financial hardship funds

This line shows the estimated number of households struggling to pay who are provided with financial support via the Yorkshire Water Community Trust. The support provided by the Trust increased in 2022/23 in response to the cost-of-living crisis and the increased customer need. This was funded from additional Kelda donations. The forecast is based on this increased level of funding being maintained throughout AMP8 and the continuing level of customer demand due to the economic climate.

We do not have this information from the Community Trust split by dual and single service customers. However, we know from the sampling of other debt scheme customers that almost all customers receiving help are dual service customers (see SUP15:38). As such, we have included all volumes for this line in the dual service cells.

SUP15.33 Average affordability support payment from financial hardship fund

This line shows the estimated average Community Trust award amount provided per household. The average is calculated based on actual AMP7 awards provided to customers. The AMP8 forecast is based on the increased level of funding continuing from 2023/24 and the average award being maintained – with the maximum award set by the Trust at £900.

SUP15.34 Number of customers whose charges are written off during application period for Universal Credit

This line shows the estimated number of households whose charges are written off during the application process for Universal Credit. The forecast for AMP8 is zero as this is not a financial support mechanism we provide solely for applicants of Universal Credit. There are a number of alternative support options available for all customers during periods of low/no income, inc. payment breaks; special payment arrangements, Community Trust awards; Breathing Space allowances; dependent on the customers circumstances. These are included in other SUP15 data lines and/or commentary.

SUP15.35 Average amount of charges written off during application period for Universal Credit

The average amount of charges written off per household is forecasted for AMP8 as zero as this is not a financial support mechanism we provide solely for applicants of Universal Credit. Appropriate alternative support is referenced in other SUP15 data lines and/or commentary.

SUP15.36 Number of customers supported through matched payment schemes

This line shows the estimated number of households provided bill support via Resolve and Direct Support, our payment matching schemes. Direct Support is provided to customers paying via benefit deductions which has decreased in AMP7 due to customers not being in receipt of enough benefit to pay all creditor deductions, this is forecasted to remain at the 2023/24 levels throughout AMP8. Resolve is forecast to continue at 2023/24 levels of customer demand throughout AMP8 in line with continuing expected customer demand.

We do not have this information split by dual and single service customers. However, we know from the sampling of debt scheme customers that almost all customers receiving help are dual service customers (see line SUP15:38). As such, we have included all volumes for this line in the dual service cells.

SUP15.37 Average amount of matched payments

This line shows the estimated average payment matching amount provided per household. This is calculated based on actual average payments made to customers in AMP7. The average value is forecast to increase in AMP8 due to analysis which shows that customers already struggling are struggling further in light of impacts from the cost-of-living crisis and the future bill value increases. As such, an appropriate uplift in the expected write-offs for payment matching schemes has been applied to ensure these customers are supported.

SUP15.38 Number of customers supported through other measures

This line shows the estimated number of households who are struggling to pay water and sewerage bills who will be supported via the following mechanisms. Volume split relates to 2023/24 onwards;

- Breathing Space allowances: 2500 customers per year awarded Breathing Space allowances to provide customers with no water charges during the 60day legislated Breathing Space period;
- Allowances for water leaks (customer responsibility): 850 customers per year receiving discretionary allowances for leaks where they are the responsibility of the customer but the household is identified as income deprived;
- Water saving devices: 2000 water saving devices provided to households identified as income deprived. Forecasted volumes are based on trend analysis of existing AMP7 performance with maintained projections for AMP8.

We do not have this information split by dual and single service customers. However, the largest volume of customers included in this line are those receiving support via the Breathing Space allowance. These customers were all sampled and only 4 were water only or waste only customers. We have included this data. However, as this evidenced that most customers receiving support are dual customers, we have included all other customers in this line in the dual service cells. This also supports other lines where this split is not available and we have applied the same assumption to include all customers in the dual service cells.

SUP15.39 Average net bill reduction through other support measures

This line shows the estimated average bill reduction per household struggling to pay water and sewerage bills through the measures listed in SUP15.38. Average savings are calculated based on AMP7 actual savings.

SUP15.40 Total bill reduction for customers struggling to pay as a result of other affordability support measures

As per table guidance, this line is calculated by (SUP15.32 multiplied by SUP15.33 + SUP15.34 multiplied by SUP15.35 + SUP15.36 multiplied by SUP15.37 + SUP15.38 multiplied by SUP15.39) divided by 1,000.

B5. Other measures that assist customers struggling to pay their bills without reducing those bills

SUP15.41 Number of customers assisted with advice on income maximisation and managing debt

This line shows the estimated number of households supported through income maximisation advice and managing debt. We provide this support by signposting to

external organisations with appropriate expertise in these areas. The forecast is based on existing signposting activity for debt and introduced initiatives for income maximisation in 2023/24 with assumed continuing customer demand throughout AMP8. In addition to the number of customers referenced in this table, further signposting to debt support is proactively provided to customers via multi-channels across the collections processes to ensure customers receive support.
We do not have this information split by dual and single service customers. However, we know from the sampling of debt scheme customers that almost all customers receiving help are dual service customers (see line SUP15:38). As such, we have included all volumes for this line in the dual service cells.

SUP15.42 Number of customers granted payment breaks / deferrals
This line shows the estimated number of households supported through payment breaks and/or deferrals. This form of support is most appropriate for customers where there is a short term need for reduced outgoings but where a sustainable income is expected again within a short period of time. During the pandemic payment breaks increased significantly in volume but have since reduced to a stable level. This trend is assumed to continue with lower volumes of customers requiring short term support of this type. Customers, where there is an ongoing need for support, are operationally provided more appropriate support with their bills.
We do not have this information split by dual and single service customers. However, we know from the sampling of debt scheme customers that almost all customers receiving help are dual service customers (see line SUP15:38). As such, we have included all volumes for this line in the dual service cells.

SUP15.43 Number of customers struggling to pay their bills assisted through other measures that do not reduce their bills
This line shows the estimated number of households who will be supported via other measures that does not reduce their bill, this includes;

- signposting to wider support services such as, health advice (including mental health) and support with other utility issues. We understand from customer research that wider domestic or health issues can be significantly impactful on customers' ability to pay and as such our external signposting for wider support and expertise is a significant additional support provided to our customers.
- special payment arrangements for customers in debt which are tailored specifically to what can be afforded and for the period of time required.

In 2023/24, we are trialling a 'pay as you go' type arrangement which may also support customers struggling to pay by standard arrangements. This trial is not included within the data table as specifics have not yet been finalised to confidently provide this.

As per the guidance, Water Direct (the ability for customers to pay their water bill via their benefits) is not included within this line but is another payment channel available to customers in debt and/or in need of budgeting support. On average, 25,000 customers pay via this mechanism each year but this is decreasing year on year due to the impacts of the cost-of-living crisis and reducing levels of deductions available from customers.
We do not have this information split by dual and single service customers. However, we know from the sampling of debt scheme customers that almost all customers receiving help are dual service customers (see line SUP15:38). As such, we have included all volumes for this line in the dual service cells.

B6. Total benefit of affordability support measures for customers struggling to pay their bills

SUP15.44 Total net bill reductions for customers struggling to pay.

This line is equal to total amount of financial benefits resulting from reductions to bills for income deprived
households and households struggling to pay.
As per table guidance, this line is the sum of lines SUP15.4, SUP15.6, SUP15.26, SUP15.31 and SUP15.40.

SUP15.45 Average household bill

As per guidance, this line shows the average household bill in the relevant period.

SUP15.46 Average net bill reduction per income-deprived household

This is an average measure of benefits resulting from reductions in water bills per income-deprived household. As per table guidance, this line is calculated by Line SUP15.44 divided by (SUP15.22 divided by 1000).

SUP15.47 Net reduction (%) in average bill per income-deprived household

As per table guidance, this line is calculated by Line SUP15.46 divided by SUP15.45, multiplied by 100.

SUP15.48 Number of households below the water affordability threshold before affordability support measures

This line has been modelled for 2023/24 to 2029/30 in line with CCW's definition and the sector developed methodology by Frontier Economics using calculation: Equivalised Net income = (Gross income – govt/council taxes and National Insurance - housing costs – disability benefits) / (Equivalisation Factor).
The forecast utilises projected income levels (OBR) and company bill values for the AMP8 period.

Data included in 2020/21 is reflective of previous water affordability modelling undertaken for the industry by CEPA ('Quantitative analysis of water poverty in England and Wales, CEPA: 2021).

SUP15.49 Number of households below the water affordability threshold after affordability support measures

The net bill reduction per income deprived household (SUP15.46) will be distributed disproportionately in favour of the lowest income customers to ensure they are provided the greatest level of support. The social tariff is modelled with a banded approach and value set to remove these customers from below the water affordability threshold. This will therefore have a more material impact on the reduction of the number of households below the water affordability threshold than just reviewing the average saving overall.

Due to not including all bill reduction measures, this line may be under-estimating the impact of our affordability support but where we are unable to quantify that customers have been completely removed from below the water affordability threshold these bill reduction measures have not been included.

As such, this line is calculated with the following assumptions;

- the social tariff will be means tested with bill values set at optimum levels for removing customers from below the water affordability threshold (rather than a discount percentage/value or aligned with average bill value). As such, we expect all social tariff customers to be removed from below the water affordability threshold;
- based on water affordability modelling in 2023, we assume that approx. 30% customers below the water affordability threshold will have household income over £30k and, therefore, may not be equivalent to those in income deprivation. Measures of support for these customers may be more appropriate via water efficiency measures and with those associated average savings (SUP15.28 and SUP15.30).
- all low-income customers moving to measured charges will benefit from an average saving of £320 per year. This is in line with the average social tariff saving so we would expect these customers will also be removed from below the water affordability threshold. As these customers would also be eligible for the social tariff, should this not be the case we would expect our embedded business process to highlight this and offer the customer the social tariff for the additional benefit. To note, these customers have been included from the year that they switch to measured charges.

B7. Total funding of affordability support measures for customers struggling to pay their bill

SUP15.50 Total revenue foregone by company to fund social tariffs

This line is equal to line SUP15.10.

SUP15.51 Total revenue foregone by company to fund other measures to support affordability for customers struggling to pay

As per line guidance, this line shows the estimated funding for all other measures to support affordability, including innovative charges, targeted demand side support and other measures supporting customers struggling to pay. The funding is zero in this line throughout the plan based on data table guidance. We provide company contribution of £2m per year to support customers via the social tariff. This is included in the respective line for social tariffs.

There is also £6m worth of debt support each year through write-offs for debt schemes. This is included in Opex costs.

In addition, the company has also funded a further £15m in AMP7 between 2022-25 into further support for customers struggling to pay their bills in response to the cost-of-living crisis which has included increased target demand side support for low income households; additional debt support and additional social tariff contributions. This funding has been included in the appropriate lines in this data table (SUP15.10, SUP15.31, SUP15.40)

SUP15.52 Total revenue forgone by company to fund all measures to support affordability for customers struggling to pay

As per table guidance, this line is the sum of lines SUP15.50 and SUP15.51.

SUP15.53 Total revenue from customers to fund social tariffs

As per table guidance, this line is equal to line SUP15.8.

SUP15.54 Total revenue from customers to fund other measures to support affordability for customers struggling to pay

This line relates to the estimated funding for all other measures to support affordability which is derived from revenue collected through charging customers. All funding from customers is included in the social tariff lines of this data table.

SUP15.55 Total revenue from customers to fund all measures to support affordability for customers struggling to pay

As per table guidance, this line is the sum of lines SUP15.53 and SUP15.54.

SUP15.56 Total contributions from hardship funds to fund all measures to support affordability for customers struggling to pay

This line shows the estimated financial contributions from Yorkshire Water Community Trust used to reduce bills for customers struggling to pay.

SUP15.57 Total contributions from other third parties to fund all measures to support affordability for customers struggling to pay
This line shows the estimated financial contributions from other third parties used to reduce bills for customers. The forecast for AMP8 is zero as we do not have any other financial contributors.

SUP15.58 Total revenue from all third parties to fund measures to support affordability for customers struggling to pay
As per table guidance, this line is the sum of lines SUP15.56 and SUP15.57.

B8. Impact of affordability support measures on bad debt
SUP15.59 Doubtful debt in absence of affordability support measures
This line shows the estimated doubtful debt before the application of affordability support measures, i.e. the gross doubtful debt position.

SUP15.60 Reduction in doubtful debt due to affordability support measures
This line shows the estimated reduction in doubtful debt as a result of support measures provided the company. This has been calculated by measuring the financial impact resulting from reduced bills and support scheme write offs offered to customers.

SUP15.61 Doubtful debt after application of affordability support measures
As per table guidance, this line is SUP15.59 minus SUP15.60.