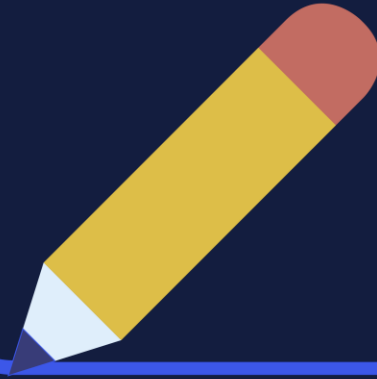


YW / NAVs – Ways of Working

Yorkshire Water Customer Research

22/06/23



YorkshireWater

YW Customer Research

What are NAVs?

- New Appointments (**NA**) are "mini water companies", they operate in the same way as "traditional water companies" (like Yorkshire Water)
- Variations (**Vs**) are the specific parcel of land they serve
- They have the same obligations as traditional water companies for water and / or wastewater services

Why NAVs?

- NAVs (New Appointments and Variations) exist as Ofwat (the water industry economic regulator) want competition in the water industry and believe NAVs offer:
 - simplicity for the end-customer having single multi utility provider operating networks on site.
 - cost saving benefits for developers as they act as a multi utility provider (Gas, Water & Electric)
 - competition in the water industry by allowing someone other than the traditional water company to provide water and sewerage services
- The number of NAVs in Yorkshire is increasing so this provides a great opportunity to engage with them and build relationships to support the future and deliver a great customer experience



Objectives of the research

Primary

- Insight to help Yorkshire Water shape the customer service (post-contract) we provide in the short term.
- Gain an understanding of NAVs strategic view to enable a collaborative partnership going forward.

Secondary

- Identify NAVs perceptions of Yorkshire Water as a wider business and discuss the rationale behind these perceptions.
- Explore satisfaction with services received from YW
- Identify some key areas of Strength and Weaknesses for Yorkshire Water and discuss how we can improve.

Key Insights

Short term

Our NAV key contacts are telling us that a great service looks like.....

- Proactive and responsive on key projects that will benefit the water industry going forward;
- Working together to improve Water Quality data sharing; and
- Collaborative in incidents so that all customers receive quality service



Working on these short-term goals will make our post contract relationships even better and improve the service we provide.

Longer Term

"Develop approach to data sharing to support water efficiency initiatives"

"Work in a more collaborative way in a planned/unplanned incident to support the end customer"

"Consulting and collaborating on Water Resources Management Plans"

"Incumbent bulk supply tariffs for AMP7 have been bespoke and there is not standardisation across the sector"

"Water quality improvements including data sharing and future standardised reports."



*QUALITATIVE CAVEAT

This research is qualitative in nature, having been undertaken with a small sample of customers. As such, it should be treated as indicative rather than robust.

YW Customer Research

Methodology

1. Engage with NAV representatives through existing meetings including any feedback on questions/ topics to include
2. Agree primary and secondary objectives with YW stakeholders including key areas and questions to be included
3. Agree agenda for the research session with NAV representatives
4. Set up research session with NAV representatives including agenda
5. Once research sessions are completed, YW will provide a written summary for NAV representatives
6. Internal review of key themes and share with key internal stakeholders
7. Agree short-term actions and longer term focus

Approach Taken

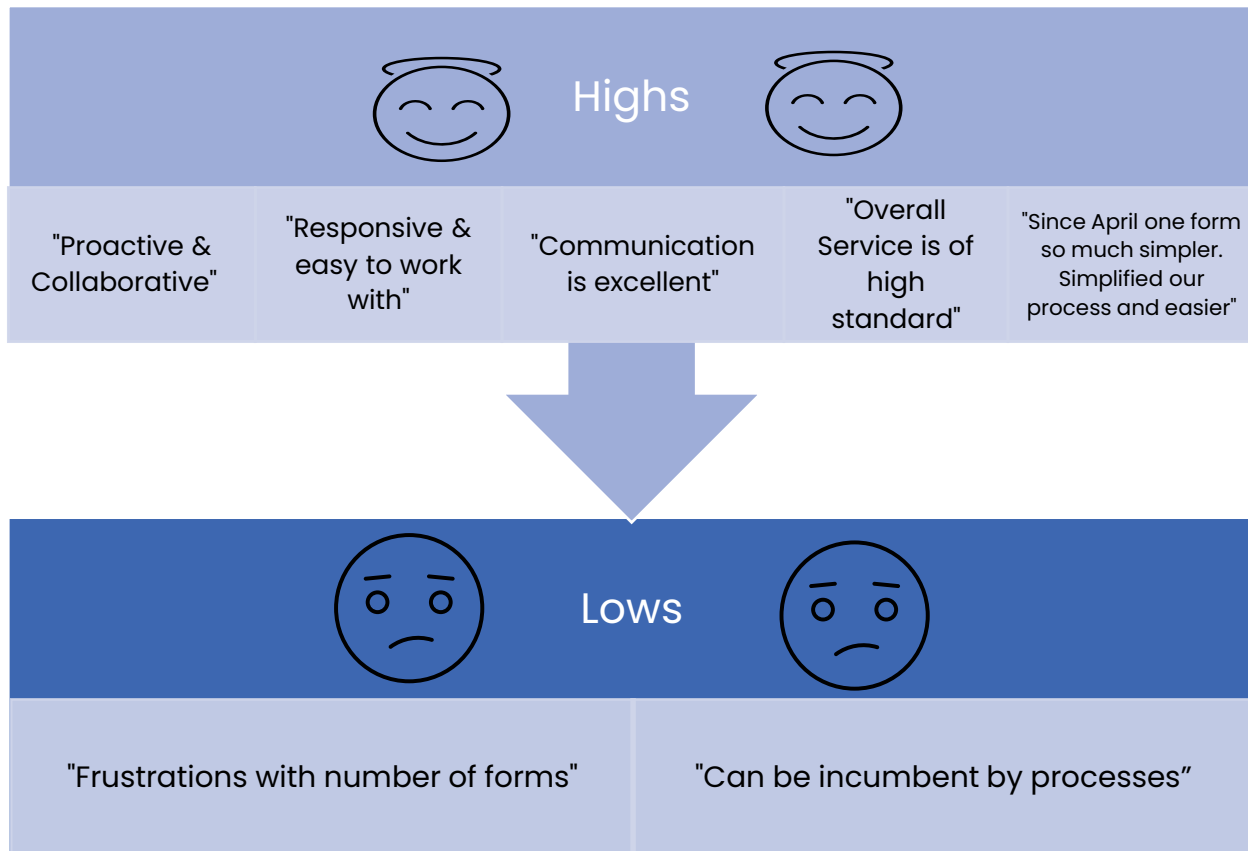
- Colleagues from the Wholesale market services team facilitated the research session.
- All NAVs operating in the Yorkshire Water region were invited to attend the research sessions.
- The key risk identified is the independence of research therefore YW documented each NAVs input and verified the accuracy of the findings with the NAV attendees.
- The research project will primarily involve colleagues from Wholesale Market Services with support from key stakeholders from legal, developer services, strategy and regulation and the customer insight team.

YW Customer Research

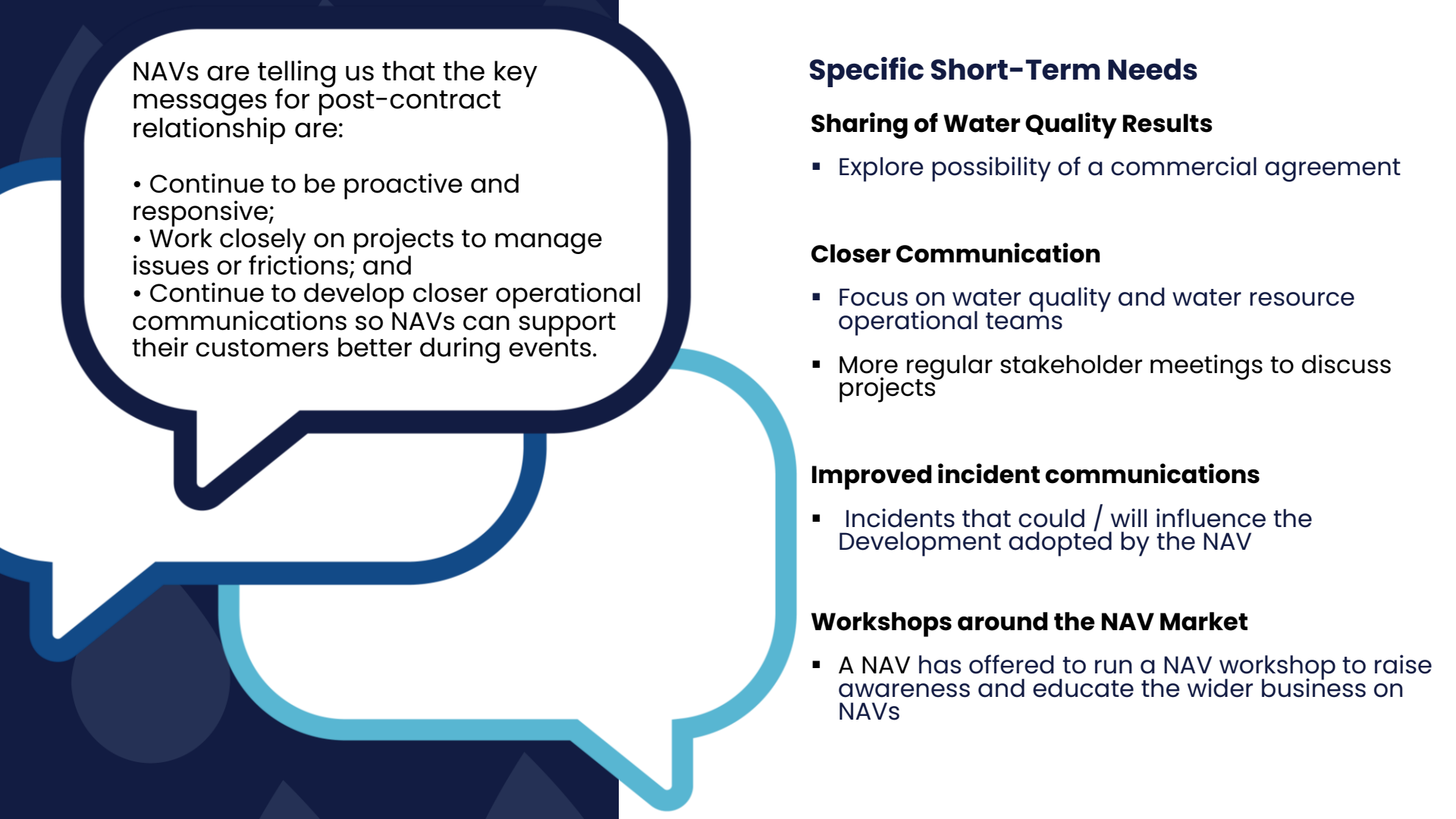
General Perception of YW

We asked our NAVs what their perception of YW is? There were varied responses from us being proactive and pragmatic to wanting YW to take a lead in the market on consistency and transparency.

- "Yorkshire Water more proactive and pragmatic in Industry"
- "Regular and proactive comms from different departments in Yorkshire Water"
- "Overall positive despite a few tricky scenarios"
- "Would like YW to be the lead on a more consistent and transparent approach to the BSA/BDA contract"



YorkshireWater



NAVs are telling us that the key messages for post-contract relationship are:

- Continue to be proactive and responsive;
- Work closely on projects to manage issues or frictions; and
- Continue to develop closer operational communications so NAVs can support their customers better during events.

Specific Short-Term Needs

Sharing of Water Quality Results

- Explore possibility of a commercial agreement

Closer Communication

- Focus on water quality and water resource operational teams
- More regular stakeholder meetings to discuss projects

Improved incident communications

- Incidents that could / will influence the Development adopted by the NAV

Workshops around the NAV Market

- A NAV has offered to run a NAV workshop to raise awareness and educate the wider business on NAVs

YW Customer Research

Looking to the future

We asked our NAVs what a "top of the class" relationship would look like and they said:

- Sharing of Water Quality / Water Resources Management Plans (WRMP)
- Future innovations and processes
- Stakeholder meetings
- Improved incident management processes and communications
- Smart metering engagement

"Team effort rather than silo companies"

"We'd like to see more sharing of information which is of benefit to the end customer"

Why is this important

- Sharing of Water Quality and WRMP Plans
 - Explore possibility of a commercial agreement to share WQ Data which isn't readily available to support NAV customers
 - Look at how we submit our WRMP to include NAV's. Incumbents need to be proactive and consultative in our submissions to ensure all Yorkshire customers are protected
 - Standardise approach to how WQ reports are produced
- Future Innovations and Processes
 - Opportunity to work together on Water efficiency / Water saving / demand trials to support longer term water scarcity challenges
 - Establish an escalation process to provide re-assurance of gaining positive outcomes.
- Stakeholder meetings
 - This will enable the NAV to discuss current / future projects
 - Improves communication between NAV and Incumbent leading to a more productive approach.
 - Allows Wholesaler and NAVs to build key relationships which will ultimately benefits Yorkshire customers
- Improved incident management processes and communications
 - Work in a more collaborative way in a planned / unplanned incident to minimize impact on end customers
 - This will enable the NAV to improve their customer service in these situations.
- Discussions around Smart Metering pilot
 - Promotes a collaborative approach on smart metering which enables customers to understand their consumption better with more accurate and timely bills
 - Enables NAV's to follow suit and prepare for the future.

Value Added Services

- The Independent Network Association (INA) had recommended 7 potential additional services water companies could offer to NAVs*
- Yorkshire Water already offer a **Water Network Emergency Response** agreement of which any NAV operating in Yorkshire can request to receive this service
- We welcomed the opportunity to ask our current NAVs in these research sessions their thoughts on the other 6 services.
- This helped identify Wastewater Network Emergency Response, Bulk Meter Logger Data Portal access & Meter Reading were regarded as the top priorities.

All 3 NAV's agreed that a Waste Water Emergency Response would be the highest priority

"One stop shop within Yorkshire areas which provides consistent processes and a better customer experience"

Bulk Meter Logger Data and a Meter Reading would also be beneficial to some NAVs

"Water consumption data is paramount for leakage, demand management & billing"

***See Appendix A – This is a table provided by the INA (Independent Network Association) on the services NAVs would like the wholesalers to look at offering long term. The INA represent all the NAVs within the UK.**

Next Steps

- Undertaking this research has enabled us to gain an **insight** into where the NAV Market is heading and build this into PR24 planning.
- Potential future NAV business case so Yorkshire Water can provide the best possible **service** to our NAV stakeholders.
- Continue to provide a great and **proactive** post contractual service to our NAVs.
- Aim to provide quick wins and keep building the blocks to a **collaborative** relationship.
- Outside our future strategy development, we will implement quick & simple wins (see examples to the right) with the aim of optimising the current service we are offering our NAV's



Quick and Simple Wins



Working closely with a NAV on data logging



Water quality meetings established



Monthly meetings to review projects established



Research captured in PR24 narrative

Appendices

Link to [Yorkshire Water NAV Research Brief v0.1.docx](#)

Link to [Research Discussion Guides](#)

Link to [Research Notes](#)

Link to [Research Minutes](#)

Appendix A

INA Additional Services Identified

Water Network Emergency Response

Wastewater Network Emergency Response

Bulk Meter Logger Data Portal access

Meter Reading

Water Quality Sampling

Trade Effluent Sampling

Pumping Station Maintenance