

YKY02_Guide to reading our plan



YorkshireWater

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1. Overview of our plan

We have developed our PR24 business plan in line with Ofwat’s guidance. It focuses on getting the basics right, accelerating our performance improvements and future-proofing our activities. This will help deliver our vision – a thriving Yorkshire: right for customers, right for the environment.

The water sector is under intense scrutiny, with rising customer and stakeholder demands, statutory requirements and environmental legislation. Affordability is a significant concern for our customers, particularly with the current cost of living challenges. We have carefully considered all decisions in relation to this plan so that we are confident we have balanced competing interests, issues and risks appropriately.

Our plan addresses the key challenges set out by Ofwat in the final PR24 methodology:

- Meeting rising expectations about what water companies need to deliver for their customers and communities
- Protecting and enhancing our environment, including sustainably managing our natural resources, and making rapid progress on the operation of storm overflows
- Adapting to climate change and meeting net zero emissions
- Delivering affordable bills, in the context of increasing cost of living challenges



Our plan, and supporting documents, are available on our website: <https://www.yorkshirewater.com/Yorkshire-Water-2025-2030-Business-Plan>

Links to our main business plan and the guide to reading our here.

- [YKY01 PR24 Business Plan](#)
- [YKY02 Guide to reading the plan](#)
- [YKY03 Signposting document](#)

2. Navigating the document

We have noted Ofwat’s [Our final methodology for PR24](#) statement: ‘We expect plans to be more focused, and accessible and easier to navigate than in PR19’.

As such, we have considered the needs of readers with visual impairments and learning difficulties when presenting content.

This is an addition to clear signposting throughout our plan, to aid the reader. Throughout the document, we have provided links to supporting appendices, or reference sources.

For example:

Read more links

This icon can be clicked on to link to any further documents or resources outside of this report



Read more about this at [websiteaddress.com](#) or link

Business plan links

This icon can be clicked on to go to the main Yorkshire Water Business Plan document where more information can be found.



More detail on this subject can be found here

3. Confidential documents

We want to be as transparent as possible in the information we present as part of our Business Plan. However, we have needed to anonymise or redact a few details in versions of appendices published on our website. This has been done where they contain commercially sensitive information or in the interests of security. The appendices are either not published, or redacted are:

- YKY05_TransUnion credit reference report – this report has not been published
- YKY23_Real Price Effects – redacted copy published
- YKY25_Introduction to enhancement cases – redacted copy published
- YKY26_Supply-demand enhancement case – redacted copy published
- YKY28_Metering enhancement case – redacted copy published
- YKY31_Water resilience enhancement case – redacted copy published
- YKY32_Security (SEMD) enhancement case – this report has not been published
- YKY34_Security (Cyber) enhancement case – this report has not been published
- YKY37_Security (ECAAF) enhancement case – redacted copy published
- YKY44_Water supply systems resilience strategy – this report has not been published
- YKY46_Cost adjustment claims – redacted copy published
- YKY54_DPC approach and assessment – redacted copy published
- YKY58_WACC assessment – redacted copy published

4. Plan structure

CEO Intro

Yorkshire Water’s CEO, Nicola Shaw CBE, introduces our business plan for 2025-2030, a plan which will help deliver our vision for ‘A Thriving Yorkshire: Right for customers. Right for the environment.’

Summary of the plan

The purpose of this chapter is to provide an accessible, executive summary of our business plan for 2025-2030.

Chapter 1: Strategic Context

The purpose of this chapter is to set out what we need to do as a water company, our vision for the region, how the water industry operates in the price review process, and how we consider the competing requirements and priorities when putting together our business plan.

Chapter 2: Bills and affordability

The purpose of this chapter is to show how we will ensure bills are affordable, balancing good value for our customers with external upward pressures on price. We set out our understanding of our customers and their needs, how we are balancing investment needs and maintaining affordable bills, and our plan for providing financial support to customers that need it most.

Chapter 2 is supported with the following appendices:

These are on our website:

- [YKY04 Frontier economics affordability report](#)
- [YKY06 Supporting customers in vulnerable circumstances](#)

YKY02_Guide to reading our plan

These have not been published due to the documents containing commercially sensitive information or in the interests of security.

- [YKY05_TransUnion credit reference report \(confidential and not published\)](#)

Chapter 3: Environmental and social value

The purpose of this chapter is to provide an overview of how we ensure environmental and social value sits at the core of our plan for our customers and the Yorkshire region. We outline the processes and tools we used to develop the plan, and provide information on the environmental and social value that our plan will generate through both its design and delivery. Finally, we describe how we will measure and report on the impacts that our plan will create for Yorkshire.

Chapter 3 is supported with the following appendices:

- [YKY07 Nature First commitment](#)

Chapter 4: Innovation and efficiency

The purpose of this chapter is to set out that we have developed our plan, through placing extra emphasis on the need for innovative and efficient thinking. The breadth of this thinking spans our entire business plan, including our ambitious modernisation programme, use of alternative funding routes, and robust cost estimating methodologies.

Chapter 4 is supported with the following appendices:

- [YKY08 Research & Development Innovation Strategy Process and Objectives for PR24](#)

Chapter 5: Our Long-Term Delivery Strategy

The purpose of this chapter is to give an overview of our Long-Term Delivery Strategy, including how we plan for 25 years ahead, our adaptive planning approaches based on future scenarios, and how we have engaged with stakeholders and customers.

Chapter 5 is supported with the following appendices:

- [YK09 Long-Term Delivery Strategy](#)

Chapter 6: Customer and stakeholder engagement

The purpose of this chapter is to set out our approach to customer and stakeholder engagement and how the insights have fed into the creation of our PR24 plan.

Chapter 6 is supported with the following appendices:

- [YKY10 Yorkshire Water customer research as specifically quoted in Chapter 6](#)
- [YKY11 Yorkshire Forum for Water Customers engagement timeline and log of challenges](#)
- [YKY12 Our research partners](#)
- [YKY13 Stakeholder responses to Ofwat's PR24 draft methodology](#)
- [YKY14 Letters of support for our PR24 Business Plan](#)
- [YKY15 Summary of 'Your water, your say' event](#)
- [YKY16 Summary of engagement with Yorkshire Leaders Board](#)
- [YKY17 Yorkshire Water response to the Wildlife and Countryside Link's Blueprint for Water](#)
- [YKY18 Alignment with Ofwat's customer engagement standards](#)
- [YKY19 Alignment with Ofwat's customer engagement principles](#)

Chapter 7: Performance commitments and outcome delivery incentives

The purpose of this chapter is to set out our approach to performance commitments (PCs) and our proposed performance commitment levels (PCLs). Our package of PCs for the next five years will hold us to account to deliver improved outcomes for our customers and the environment where it matters most.

Chapter 7 is supported with the following appendices:

- [YKY20 Detailed performance commitments](#)

Chapter 8: Our plan

The purpose of this chapter is to set out our planned expenditure for the next five years, explaining how we meet the long-term priorities of our customers, government targets, and regulatory requirements. We have structured the chapter in 3 parts:

Part 1: How we built our plan

In this section we set out our approach to building the plan, how we have implemented our decision making framework to ensure best value for our customers, and assessing efficient costs.

Chapter 8 Part 1 is supported by the following appendices:

These are on our website:

- [YKY21 Oxera cost modelling](#)
- [YKY23 Real Price Effects appendix \(redacted\)](#)
- [YKY24 Frontier shift appendix](#)

These have not been published due to the documents containing commercially sensitive information or in the interests of security.

- [YKY22 Real Price Effects appendix \(confidential and not published\)](#)

Part 2: What our plan will deliver

In this section we set out our plan for delivering services through base and enhancement expenditure, and how our increased investment is driven largely by the requirements of the WINEP including delivering the Storm Overflow Discharge Reduction Plan (SODRP) as well as improving and protecting river water quality, increasing our resilience and through our WRMP.

Chapter 8 Part 2 is supported by the following appendices:

These are on our website:

- [YKY25 Introduction to enhancement cases](#)
- [YKY26 Supply-demand enhancement case \(public\)](#)
- [YKY28 Metering enhancement case \(redacted\)](#)
- [YKY29 Water quality improvements enhancement case](#)
- [YKY31 Water resilience enhancement case \(redacted\)](#)
- [YKY37 Security \(ECAAF\) enhancement case \(redacted\)](#)
- [YKY38 Net zero enhancement case](#)
- [YKY39 Living with Water enhancement case](#)
- [YKY40 Coastal bathing water overflows enhancement case](#)
- [YKY41 Growth at sewage treatment works enhancement case](#)
- [YKY42 Appropriate measures enhancement case](#)
- [YKY43 WINEP enhancement case](#)
- [YKY46 Cost adjustment claims \(redacted\)](#)
- [YKY47 Oxera cost adjustment claim analysis](#)
- [YKY48 Bioresources strategy](#)
- [YKY49 Retail service priorities for 2025-2030](#)
- [YKY50 Bad debt pressures on bill forecasts](#)
- [YKY51 Developer services strategy](#)
- [YKY52 Non-household Wholesale Market Services Appendices](#)

These have not been published due to the documents containing commercially sensitive information or in the interests of security.

- YKY33_Introduction to enhancement cases (confidential and not published)
- YKY65_Supply-demand enhancement case (confidential and not published)
- YKY27_Metering enhancement case (confidential and not published)
- YKY30_Water resilience enhancement case (confidential and not published)
- YKY32_Security (SEMD) enhancement case (confidential and not published)
- YKY34_Security (Cyber) enhancement case (confidential and not published)
- YKY36_Security (ECAAF) enhancement case (confidential and not published)
- YKY44_Water supply systems resilience strategy (confidential and not published)
- YKY45_Cost adjustment claims (confidential and not published)

Part 3: How we will deliver our plan

In this section we discuss partnerships, markets and third parties and how we are using these to deliver service improvements. We set out how we have applied Direct Procurement for Customers (DPC) to our proposed expenditure programme, and our strategy for delivering the plan.

Chapter 8 Part 3 is supported by the following appendices:

These are on our website:

- [YKY53 Business resilience appendix](#)
- [YKY54 DPC approach and assessment \(redacted\)](#)

These have not been published due to the documents containing commercially sensitive information or in the interests of security.

- YKY66_DPC approach and assessment (confidential and not published)

Chapter 9: Risk and reward

The purpose of this chapter is to detail how we have understood and assessed the risks and returns within our business plan and provide evidence of the risk management processes that we have adopted. Importantly, this chapter also sets out our view that our plan is financeable, both under Ofwat's notional capital structure, and on Yorkshire Water's actual capital structure, and provides the key assumptions underpinning that assessment.

Chapter 9 is supported with the following appendices:

These are on our website:

- [YKY55 Uncertainty mechanisms and RoRE risk analysis](#)
- [YKY56 Notional financeability analysis](#)
- [YKY57 Cost recovery rates](#)
- [YKY58 WACC Assessment \(redacted\)](#)
- [YKY59 Reconciliation models](#)
- [YKY60 Financial resilience](#)

These have not been published due to the documents containing commercially sensitive information or in the interests of security.

- YKY64_WACC Assessment (confidential and not published)

Chapter 10: Board assurance

The purpose of this chapter is to provide information on key messages from the Board regarding the PR24 Business Plan, the role of the Board in the development of the plan and a summary of the assurance processes in place. This includes the Board Assurance Statement for PR24.

Chapter 10 is supported with the following appendices:

- [YKY61 PR24 Assurance](#)

- [YKY62 Board overview of development of the plan](#)

5. Data tables and table commentary

We have submitted the following data tables and supporting commentary requested as part of the PR24 Final methodology and additional data requests.

- [YKY67 PR24 Data Tables](#)
- [YKY68 Commentary Data Table Commentary – Section 1 Outcomes](#)
- [YKY69 Commentary Data Table Commentary – Section 2 Risk & Return](#)
- [YKY70 Commentary Data Table Commentary – Section 3 Costs – Water](#)
- [YKY71 Commentary Data Table Commentary – Section 4 Costs – Waste Water](#)
- [YKY72 Commentary Data Table Commentary – Section 5 Water Resources](#)
- [YKY73 Commentary Data Table Commentary – Section 6 Bioresources](#)
- [YKY74 Commentary Data Table Commentary – Section 7 Retail](#)
- [YKY75 Commentary Data Table Commentary – Section 8 Developer Services](#)
- [YKY76 Commentary Data Table Commentary – Section 9 LTDS](#)
- [YKY77 Commentary Data Table Commentary – Section 10 Supplementary](#)
- [YKY78 Commentary Data Table Commentary – Section 11 Sum](#)
- [YKY79 Commentary Data Table Commentary – Section 12 Past Delivery](#)

Financial models

- [YKY80 PR24 RCV Adjustments Feeder model](#)
- [YKY81 PR24 Revenue Adjustments Feeder Model](#)
- [YKY82 PR24 Financial Model](#)
- [YKY83 Bill Waterfall Model](#)

PR19 Reconciliation models

- [YKY84 Revenue Forecasting Incentive Model](#)
- [YKY85 Residential Retail Reconciliation Model](#)
- [YKY86 Developer Services Reconciliation Model](#)
- [YKY87 WINEP Reconciliation Model](#)
- [YKY88 Cost of New Debt Indexation Model](#)
- [YKY89 Tax reconciliation tool](#)
- [YKY90 Land Sales Model](#)
- [YKY91 RPI-CPIH Wedge True-Up-Model](#)
- [YKY92 Strategic Regional Water Resources Reconciliation Model](#)
- [YKY93 Bioresources Revenue Reconciliation Model](#)
- [YKY94 Cost Sharing Total Costs Reconciliation](#)
- [YKY95 ODI Performance Model Year 4](#)
- [YKY96 ODI Performance Model Year 5](#)

Additional information

- [YKY97 CW20 Additional Supporting Cohort Table](#)
- [YKY98 CWW21 Additional – Legacy sewers](#)
- [YKY99 CWW21 Additional – Rising Mains](#)
- [YKY100 CWW21 Additional – s105A sewers](#)
- [YKY101 CWW21 Additional – Pareto analysis for legacy and s105A combined](#)
- [YKY102 CWW21 Additional – Other WW network pipes](#)

The following additional information has not been published due to the documents containing commercially sensitive information or in the interests of security.

- [YKY103_Energy Cost Additional Information Request](#) (not published)
- [YKY104_Energy Cost Commentary](#) (not published)
- [YKY105 Energy Cost Evidence - Hedge Percentage – Percentage](#) (not published)
- [YKY106 Energy Cost Evidence - Hedge Percentage - PR24 Hedge Record with Prices](#) (not published)

- YKY107 Energy Cost Evidence - Hedge Percentage - PR24 Volume Projection (not published)
- YKY108 Energy Cost Evidence - Net Nominal Import Price - Volume & Cost Projection (not published)
- YKY109 Energy Cost Evidence - Nominal Export Price - 2022-23 Wholesale Cost (not published)
- YKY110 Energy Cost Evidence - Nominal Export Price - Npower Statements (not published)
- YKY111 Energy Cost Evidence - Nominal Import Input - Swap Benefit FY21-FY23 (not published)
- YKY112 Energy Cost Evidence - Nominal Import Input - Water UK Cornwall Insight 2022-23 to 2029-30 (not published)
- YKY113 Energy Cost Evidence - Nominal Import Input 2022-23 Wholesale Costs (not published)
- YKY114_Energy Cost Evidence - Nominal Import Input - Cost and KWh data 2017-18 to 2023-24
- YKY115 Energy Cost Evidence - Source - WINEP24 Operational Carbon - 20230526 (not published)
- YKY116_IN2305 Data Request (not published)
- YKY117_IN2305 Data Request Commentary (not published)

6. Meeting Ofwat's QAA requirements

We have adopted a business plan structure that aligns to Ofwat's final methodology for PR24, with the aim that the plan is accessible and follows a clear structure. We believe we have met all of the quality and ambition requirements for company business plans and narratives set out in section 10.3 of the final methodology.

Signposting document



Our Signposting document can be found here:
[YKY_03 Signposting document](#)