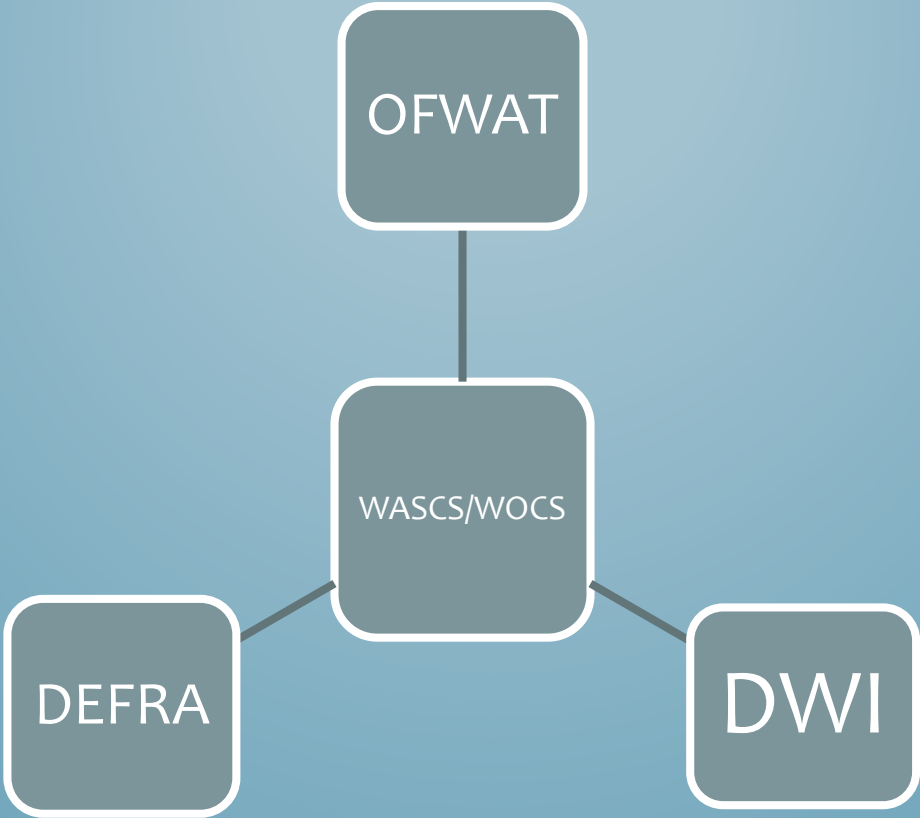


# Role of “stakeholder engagement” in the “Price Review Process” in the English and Welsh Water Sectors

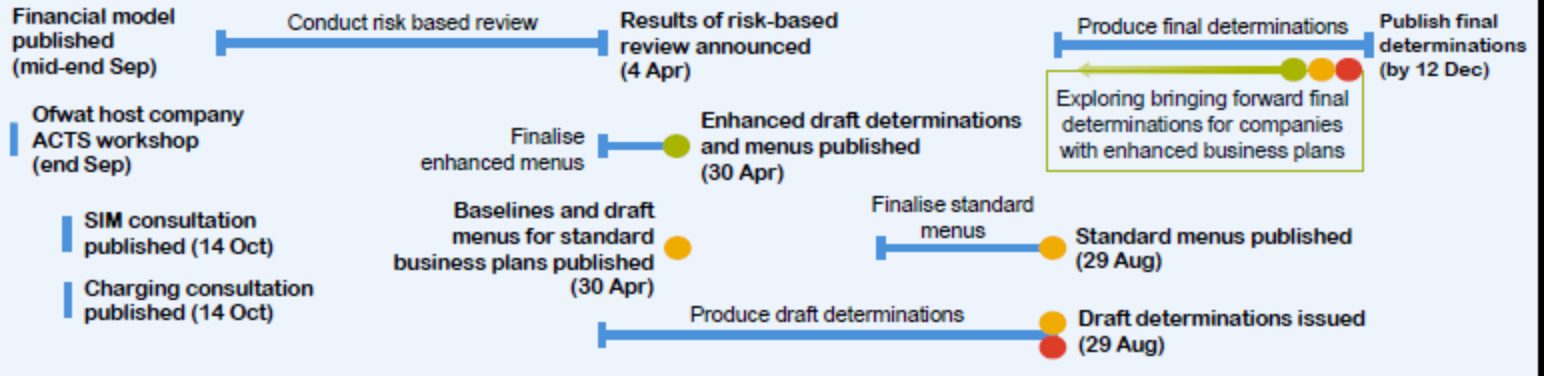


# PR14 Plan v1.0

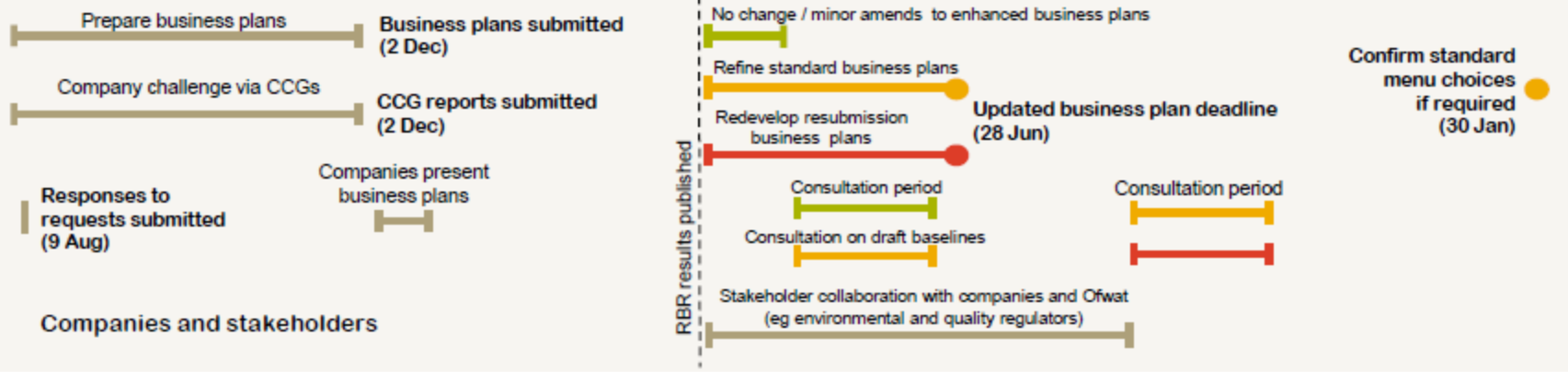
**PHASE 1:**  
Clarification

**PHASE 2:**  
Restricted Communications

**PHASE 3:**  
Risk-based Review Categorisation



Aug 2013 | Sep | Oct | Nov | Dec | Jan 2014 | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan 2015



**Key:** ● Enhanced business plans   ● Standard business plans   ● Resubmission business plans   Plan elements are subject to change

**Water today, water tomorrow**

## Appendix A – Proposed PR14 Customer engagement timetable and agenda

Meeting	Agenda	Proposed Date (w/c - week commencing)
1	Outline of process and key submissions Agree terms of reference and timetable	24 <sup>th</sup> January 2012
2	Outline of previous customer research Agree Scope of SDS research	8 <sup>th</sup> February 2012
3	Present SDS research results and draft SDS Agree Scope of PBP research (WTP) Early view of WRMP (Demand Forecast + Options)	w/c 14 <sup>th</sup> May 2012
4	Present results of PBP research (WTP) Present potential outcomes and Draft SDS	w/c 10 <sup>th</sup> Sept 2012
5	Present SDS and interim DWMRP (25 year view)	w/c 15 <sup>th</sup> October 2012
6	Early capex proposals for PBP Agree further WTP research and non-household research to refine PBP Interim DWRMP (5 year investment)	w/c 10 <sup>th</sup> December 2012
7	Present WTP findings and implications Present DWRMP	w/c 4 <sup>th</sup> March 2013
8	Show how updated WTP has affected capex proposals Present draft PBP	w/c 13 <sup>th</sup> May 2013
9	Present final PBP Agree scope of research for FBP (AR) Discuss feedback on WRMP	w/c 22 <sup>nd</sup> July 2013
10	Present draft FWRMP Present results of FBP research and how research has affected FBP	w/c 25 <sup>th</sup> November 2013
11	Present final FBP	w/c 3 <sup>rd</sup> March 2014
12	<i>Present final FWRMP + Discuss research for DD</i>	<i>w/c 16<sup>th</sup> June 2014</i>
13	<i>Present Response to DD</i>	<i>September 2014</i>

## Research Objectives and Overview

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### Objectives

- To test the overall acceptability of the proposed business plan for the 2015-2020 period
- Understand both consumer and business customers' responses

### Methodology

- Mixed methodological approach comprising in-home computer assisted interviews (CAPI) with domestic consumers and semi-structured depth interviews with business customers
- Fieldwork period: September 2013

### Domestic Customers

- 519 in-home CAPI interviews with a representative sample of Bristol Water customers
- All solely or jointly responsible for paying the water bill

### Business Customers

- 27 semi-structured telephone interviews with businesses, quotas set to ensure spread according to spend and type of business
- 3 with high spenders remaining to complete
- All responsible for paying the water bill or making decisions concerning utilities, including water

# The survey covered a broad spectrum of the population

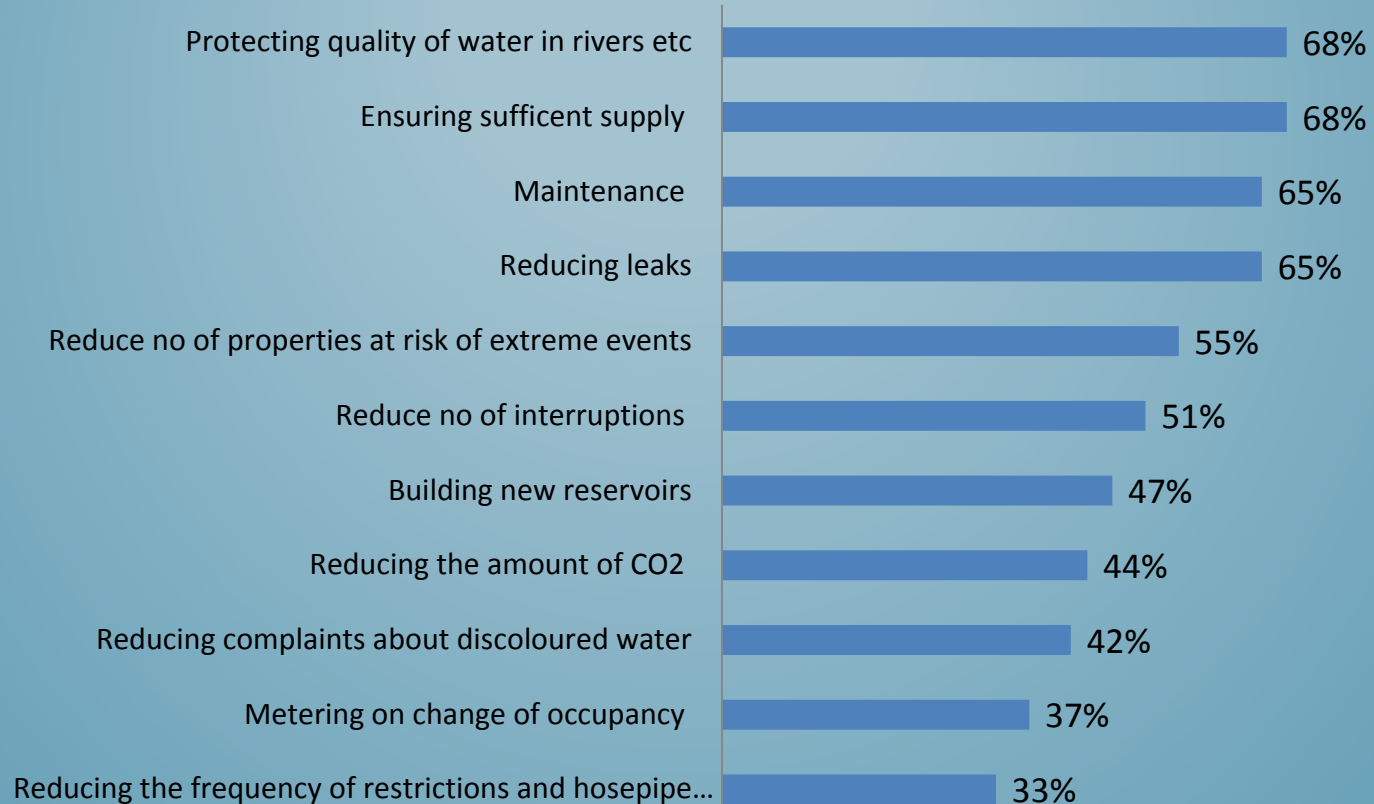


	Main Survey	Population	Delta
<b>Income</b>			
<17.5k	43%	30%	14%
17.5K - 50K	44%	50%	-6%
>50k	12%	20%	-8%
<b>Gender</b>			
Male	48%	49%	-1%
Female	52%	51%	1%
<b>Age</b>			
18-29	16%	17%	-1%
30-44	28%	23%	6%
45-59	29%	26%	4%
60+	26%	34%	-8%
<b>SEG</b>			
A	1%	9%	-8%
B	17%	34%	-17%
C1	32%	20%	12%
C2	21%	26%	-5%
D	15%	8%	7%
E	14%	3%	11%

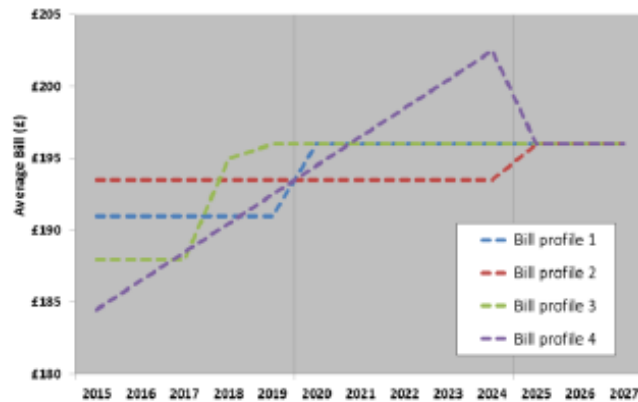
- Although the survey covered all the main social groups, the survey was not entirely representative
  - Under representation of younger people and high earners
- We overcame this by weighting the sample for our quantitative analysis

## Domestic Customers: importance of investment areas

How important do you think each of the following is on a scale of 1 to 10? Scores of 9 or 10



## Bill profiles over the longer term



Overwhelming preference for 'profile 2' (red line) and flat bills.

Only very small minorities expressed a preference for any other profile

### Profile 1 (blue) & Profile 3 (green) minority support:

- ✓ Lower bills now, rise in future when expect economy & personal circumstances to have improved
- ✓ Doesn't involve too steep a rise

*"Go low now and then when economy picks up I might not mind paying a bit more."* BC1 Older

### Profile 4 (purple) minority support:

- ✓ Lower starting point is *"better for now"*
- ✓ Gradual increases are less noticeable
- ✓ Good for older people
- ✓ Good for those struggling to pay now

### Profile 4 (purple) majority reject:

- ✗ Steep rise too *'aggressive', 'scary'*
- ✗ Drop at end of period unbelievable
- ✗ Not good for younger people

*"When you have these big jumps. It's a shock to the customer. You could get more complaints."* BC1 Younger

Gracias!