

Evidence of customer support

Customer research

In order to better understand customers' views on proposed Green Recovery projects primary acceptability research was conducted on project benefits, and associated bill impacts. This research has sought to establish levels of support from UU customers for investment in each green recovery proposal and degree of acceptance of the impacts this would have on future bills. The research looked to understand levels of customer support for investing in each of the Green Recovery proposals in isolation, and the programme as a whole.

The full summary of research findings has been included as an appendix to United Utilities Green Recovery submissions [insert reference].

Approach to research

We conducted a regionally representative online survey of over 2,000 household customers. This sample size ensures we have robust numbers by which to evidence levels of customer support and willingness to pay. This approach took into account the tight timelines to produce the research and the challenges of conducting customer research over the Christmas period, and with enhanced Coronavirus restrictions in place.

The research targeted a regionally representative household sample of bill payers across the UU region. We achieved sufficient coverage of each of the following groups to allow for analysis by subgroups, including; rural/urban; metered/unmetered; age groups; vulnerable customers; and affordability challenges/in debt groups.

Whilst we believe the research provides a good indication of customers' views we recognise that adapting to Green Recovery timelines has required some variance from best practise for this type of research. Specifically we would ordinarily supplement online survey with CATI (telephone surveys), as we have done for previous acceptability research. We would also normally conduct some qualitative research to help shape our questioning, however, timings meant we used a quantitative, online method only. In addition we conducted surveys over the Christmas period, which is generally avoided due to difficulties in engaging respondents.

In addition we would typically have included research with non-household customer groups, however again timelines limited our ability to do so in this instance. Whilst it was not possible to conduct primary research with non-household customer groups on these proposals we do know that in previous acceptability research conducted at PR19 non-household customers expressed views that were very similar to those held by household customers.

CCW and the UU Customer Challenge Group (YourVoice) have had an opportunity to review and comment on the methodology and question structure used before surveys began. We adapted both the questions asked in the survey and the description of project benefits in response to their comments. CWC and YourVoice have both had an opportunity to review the results of the survey, [and comment on interpretation of results].

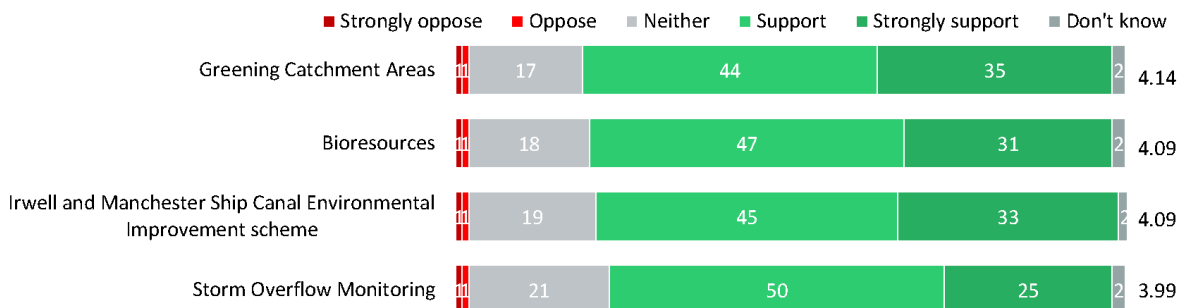
In line with CCW recommendations we tested support for:

- individual Green Recovery projects and benefits;
- support for individual project bill impacts;
- combined programme bill impacts, before considering additional bill impacts due to Green Recovery acceleration;
- combined programme bill impacts, after including additional bill impacts due to Green Recovery acceleration.

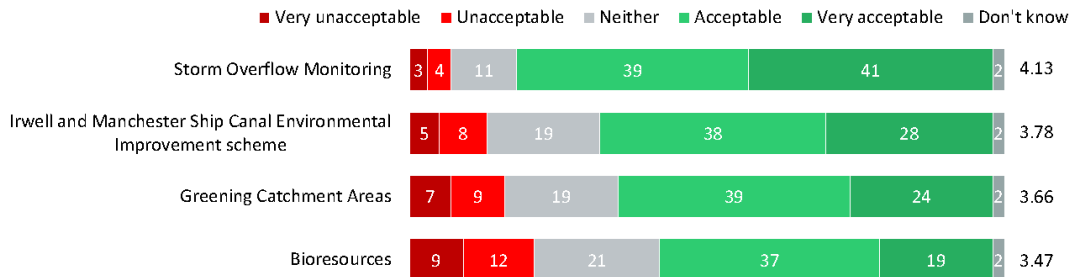
Results of Green Recovery primary research

Key findings of the Green Recovery acceptability research:

- A regionally representative sample of over 2,054 responses was achieved, covering key customer sub groups
- Each of the proposals individually gained high levels of customer support for proposed benefits before bill impacts were presented, with between 75% and 79% of respondents supporting the projects.



- When bill impact were presented levels of acceptance for individual proposals reduced slightly, but remained high at between 56% and 81%.



- When testing support for a total combined Green Recovery programme, before considering the costs of Green Recovery acceleration, a £5 increase in annual bills attracted 67% support, with only 14% opposing the proposals.
- When testing support for a total combined Green Recovery programme, including the costs of Green Recovery acceleration, a £6.50 increase in annual bills attracted 57% supportive, with only 22% opposing the proposals.
- Levels of support for Green Recovery acceleration and associated bill impacts are lower amongst some customer groups. Most notably levels of support are between 41% and 47% amongst lower income and vulnerable customer groups.

Overall we can conclude that a majority of customers support United Utilities' Green recovery proposal. We note however that a sub group of customers have reservations, primarily linked to

increases in future bills, and that these concerns appear to most prominent amongst lower income groups.

In recognition of these concerns we have proposed a number of important mitigations to future bill increases. We have delayed bill increases until AMP8, [and sought to profile the introduction of bill increases to closely match the bill impacts that would occur of Green Recovery investment was not accelerated] (see section [x.x]). By delaying the introducing of bill increases we are avoiding additional charges at a time when customer affordability is at its most stretched. We also ensure that more detailed affordability research as part of the PR24 process can be conducted before bill increases begin, providing an opportunity to develop further support options if needed.

As part of our wider response to COVID, and its impacts, we have introduced extended social tariff affordability support to help address increased affordability challenges. We have also continued to make substantial direct company contributions to support schemes, for example in April 2020 we made a £3.5m contribution to the UU Trust Fund specifically to help people who struggle to pay their water bills.

Changes since research was completed

Since customer acceptability research was completed there have been some changes to the scope and bill impacts of Green Recovery proposals. These changes are likely to have increased levels of customer support.

- We have further developed scheme costs and associated bill impacts since customer research completed. In all cases tested bill impacts are higher than those being proposed, giving confidence that stated customer acceptance levels are higher.

Scheme	Tested bill impacts	Final proposed bill impacts
Greening Catchment Areas	£1.30	[£1.20]
Bioresources	£2.00	[£1.97]
Irwell and Manchester Ship Canal	£0.70	[£0.58]
Strom Overflow Monitoring	£0.10	[£0.06]
Enhanced customer metering	£0.90	n/a
Total (before acceleration)	£5.00	[£3.81]
Cost of acceleration	£1.50	[£0.56]
Total (after acceleration)	£6.50	[£4.37]

- We have removed a project proposal related to enhanced household metering from the Green Recovery programme. This scheme was tested as part of survey work, but later removed from Green Recover proposals. As set out in the research report this scheme had levels of customer support which were lower than the Green Recovery programme as a whole. As such we can conclude that total programme acceptance levels will have been increased by the projects removal from the programme.
- We have modified the scope the Bioresources project. These changes have reduced bill impacts from the scheme, and provided greater confidence that the proposals offer customers value for money (see [project proposal]). As such we can have confidence that the changes are likely to have a positive impact on levels of customer support.

