Quarterly Report: Q1 2022/23

We are pleased to present our Quarterly Report (Q1) for 2022/23, which outlines progress against our 2022-25 Business Plan commitments and performance against our Key Performance Indicators (KPIs)

Click here to read MOSL's Q1 Quarterly Report

Business Performance - overall summary

3
Services improved year on year

7
Remained stable
(all are at 100 per cent)

2
Reduced year on year
(one remained above target)

29%
of our business plan commitments are assessed as complete

Click here for our performance against KPIs

Summary

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Our core services are delivered across four key service areas - Market Operations, Market Assurance, Market Improvement and Governance and Support Services - which form part of our Market Services Framework. We track our performance using key performance indicators (KPIs)

In addition to a summary of our performance against these KPIs, this report also includes other key measures which help provide the wide market context.

Central Market Operating System (CMOS) KPIs performing above target

7/7 ✓

Number of defects identified in User Acceptance Testing (UAT)

2 ✓

Last year: 3 (-1)

Open Market Operator (MO) compliance audit actions (high/medium risk)

1 !

Target: 0

Planned settlement runs delivered on time

100% ✓

Last year: 100% (+0%)

Average days lead time for unplanned settlement runs (USRs)

4.5 ✓

Last year: 6.5 (-2.0)

Employee net promotor score (eNPS)

51 ✓

Target: 50 (+1)

Budget on track

✓

Per cent of business plan commitments assessed as complete

29% ✓

Key

✓ = Performing on target/improved vs last year
! = Performing below target/decreased vs last year

Market Operations - Settlement

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Registration, switching and financial settlement

4,867 new supply point IDs (SPIDs) were registered in Q1, and 4,640 SPIDs were deregistered, a net increase of 227 SPIDs in the market.

Average number of SPIDs
2.61M
Last Year: 2.61M (-0.01%)

Number of Switches
22,881
Last Year: 20,611 (+11.01%)

New SPIDs
4,867
Last Year: 6,400 (-23.95%)

De-registered SPIDs
4,640
Last Year: 4,646 (-0.13%)

Settlement Runs

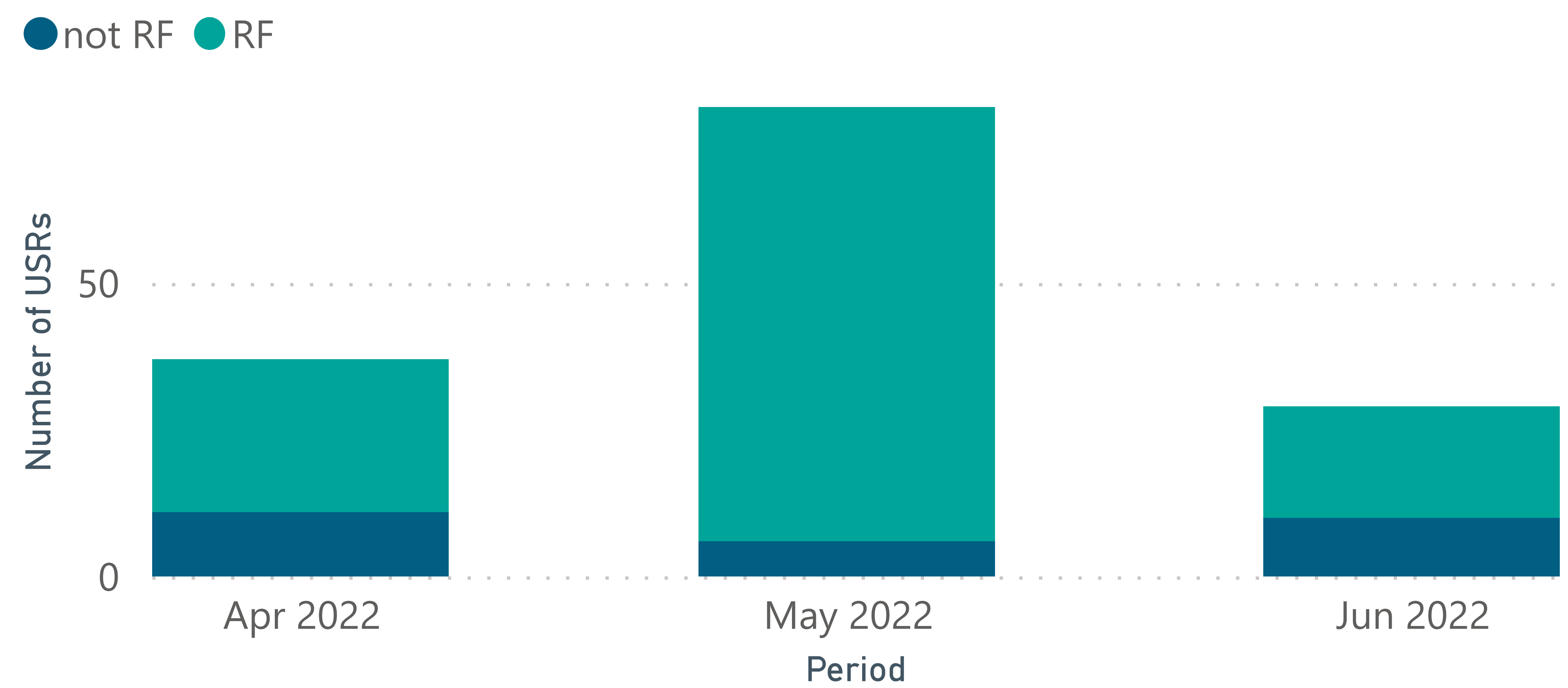
Unplanned settlement volumes continued to increase, mostly for post RF (final reconciliation) runs. This is due to the final deadlines for reruns of certain periods approaching for the first time. We expect this level to continue to remain high. The lead time for unplanned settlement runs (USRs) is shorter than the prior year by an average of two days.

Number of Unplanned Settlement Runs
146
Last Year: 105 (+41)

KPI: Planned settlement runs delivered on time
100%✓
Last year: 100% (+0%)

KPI: Average days lead time for USRs
4.5✓
Last year: 6.5 (-2.0)

Number of Unplanned Settlement Runs RF/not RF



Market operation

- Registration, switching and financial settlement
- Market systems
- Dispute management

Key
✓ = Met criteria
! = Did not meet criteria

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Market Operations - Market Systems

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CMOS system availability and service desk performance

CMOS (Central Market Operating System) availability and service desk performance exceeded all defined Service Level Agreements (SLAs) and KPIs in Q1. CMOS portal/screen response time decreased 0.01 per cent on performance compared to last year but was still at 99.99 per cent and above the 99 per cent target.

There has been one CMOS release (Release 12.0) in Q1, which was delivered on time, and with only two minor defects identified in User Acceptance Testing (UAT).

KPI: Availability during work day target 99.9%
100% ✓
Last year: 100% (+0%)

KPI: Portal / screen response time target 99%
99.99% !
Last year: 100% (-0.01%)

KPI: Transaction response time target 96.5% in 15min
100% ✓
Last year: 100% (+0%)

KPI: Defects identified in UAT target 1 medium, 3 low
2 ✓
Last year: 3 (-1)

KPI: Service desk priority 1 response target 90% in 15min
100% ✓
Last year: 100% (+0%)

KPI: Service desk priority 1 fault fix target 90% in 4hrs
100% ✓
Last year: 100% (+0%)

KPI: Service desk priority 2 response target 90% in 1hr
100% ✓
Last year: 100% (+0%)

KPI: Service desk priority 2 fault fix target 90% in 8hrs
100% ✓
Last year: 100% (+0%)

Bilaterals Hub system performance

Five new measures have been introduced for Bilaterals Hub system performance to establish a baseline and will be included within KPIs from April 2023-24.

Bilaterals hub system availability per cent
100%

Service desk priority 1 response time per cent
100%

Service desk priority 1 fault fix time per cent
100%

Service desk priority 2 response time per cent
100%

Service desk priority 2 fault fix time per cent
100%

Market operation

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Market Assurance

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Entry, exit and reassurance

In Q1 no new entrants entered the market. Two retailers are in the process of entering the market, one retailer is in the process of exiting, however these processes have not been completed.

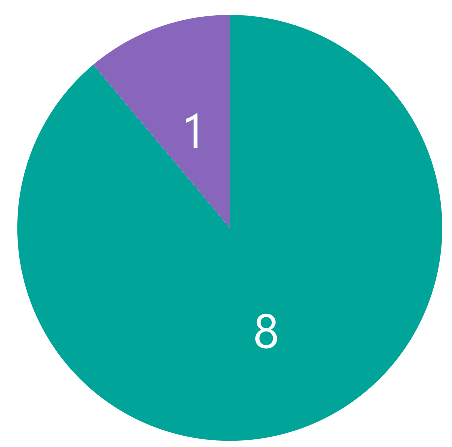
Number of Market Entrants	Number of Market Exits	Number of Reassurances	Reassurances in-flight
0	0	0	2
Last year: 0	Last year: 0	Last year: 0	Last year: 0

Market Operator Compliance

The high risk Market Operator (MO) compliance open audit action refers to the lack of progress made on MOSL developing the Compliance Framework that was observed by PwC in its audit of MOSL. Progress has been made against this action with all activities now identified and documentation, including risk and controls matrices being developed.

The one audit completed in the period was the audit of the Bilaterals Programme. MOSL internal audits will be focused on the

Open MO compliance audit actions by risk rating



Low risk High/medium risk

Number of audit activities in quarter

1

KPI: Open MO compliance audit actions (high/medium risk)

1 !

Target: 0

Market Audit

An audit assessing the consistency of market data between a retailers billing system and CMOS was carried out throughout Q4 2021/22 and Q1 2022/23. This focussed on the **completeness of meter reading data and vacancy statuses**. The findings report is due to be published within Q2. A second audit assessing the **consistency of market data between a wholesalers system and CMOS** has just begun. This will focus on meter and premises data. This audit will be completed throughout Q2 and Q3 with a findings report published within Q4. Further to these main audit pieces, smaller, more targeted audits may be completed at an individual trading party level where inconsistencies or oddities are seen within the data.

Key

✓ = Met criteria

! = Did not meet criteria

Market Improvement

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Change delivery

Only one change CPW134: Clarifications to Default Provisions was raised in Q1 although CPW070e and CPW070f relating to stage 4 of the Bilaterals Interface Solution were also developed. The Code Change Committee made recommendations on five changes with assessment times of 181 days (measured from the change being raised to recommendation). CPW105: Provisions of information obligation was an outlier (365 days) having been on hold due to lack of OFWAT resource. CPM048/CPW131:Suspension of certain MPS charges was in assessment for 214 days during which data was collected from retailers on the causes of missed meter reads.

During Q1, Ofwat approved CPW134 which was raised by MOSL. It also approved CPW070d relating to stage 3 of the Bilaterals Interface Solution and CPW085: Premises Vacant transaction link to DPID to implement into CMOS in December 2022. Ofwat rejected CPW122: Introducing Direct Debit as a Payment Method which was raised by a Trading Party.

CPW123: Improved codes for remote read type was implemented into CMOS on 13 May and Bilaterals Interface Solution phase 3 (CPW070b-1/c) was implemented on 31 May. The average time to implement these was 124 days, Bilaterals being three times quicker due to the agile nature of this programme.

Number of changes raised
1

Number of Ofwat decisions
4

Days to assess change
181

% of changes assessed in line with agreed timeline

In line	Average days to assess change	Number of Changes	Per cent of changes
Yes	201	3	60%
No	150	2	40%
Total	**181**	**5**	**100%**

Number of changes implemented
2

% of MOSL raised changes approved
100%

Days to implement approved changes
124

Average days to implement approved changes

Change Type	Average days to implement approved changes	Number of changes
Central Systems	124	2
Total	**124**	**2**

Governance and Support

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Secretariat

There were 12 Committee meetings in Q1. These included two Strategic Panel meetings (one scheduled and one ad hoc) and three meetings each for the Code Change Committee, Market Performance Committee and Metering Committee. The Disputes Committee, which meets only as required, met once in the period. There were 23 Sub Group meetings in Q1. 16 Sub Group meetings were associated with support of the Bilaterals programme with the Code Advisory Group meeting six times and the Operational Advisory Group meeting 10 times. The recently formed Performance Advisory Group, which is supporting the work of the Market Performance Framework ("MPF") Reform programme, met twice in the period. The CPM046 Sub Group, which supported the development of a change proposal that would introduce Approved Codes of Practice to the market governance framework, met three times and concluded following its final meeting on 30 June where it signed off the CPM046 Draft Recommendation Report. The B-Mex Sub Group met twice in April before concluding its work and providing a recommended model to the MPF Reform programme.

Governance and support services

- Secretariat
- Maintenance and development of the market codes
- Market continuity, training and guidance

Number of meetings

35

Last year: 39 (-4)

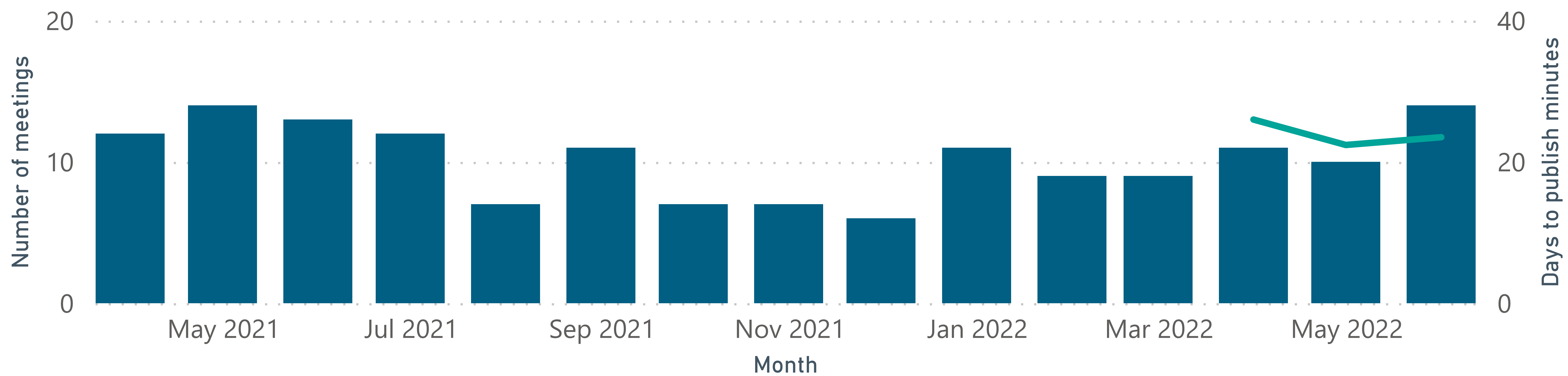
Average days to publish minutes on website

23.9

Number of changes to the Baseline Statement

21

Number of meetings and average days to publish minutes on website



Meetings included within analysis and target for publishing minutes

- Strategic Panel - minutes published within 15 working days
- Code Change Committee - minutes published within 15 working days
- Market Performance Committee (MPC) - minutes published on the MOSL website the business day after the meeting

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Building Capability

With a response rate of 92% to our eNPS survey in April we had an eNPS score of 51. We have added employee turnover as a measure this year as we recognise the current challenges in the UK to recruit and retain talented people. We therefore believe this is a key measure to share with trading parties, assuring them of our focus on developing our people to provide excellent service, choose MOSL as an employer of choice, and see the broader water industry as a career choice.

KPI: eNPS score

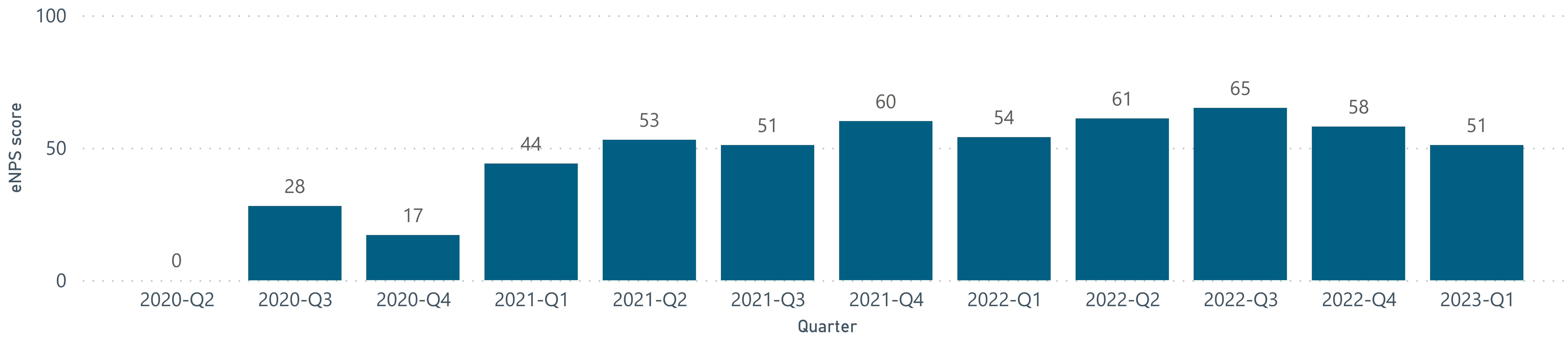
51 ✓

Target: 50 (+1)

Glassdoor score

4.50

eNPS score by quarter

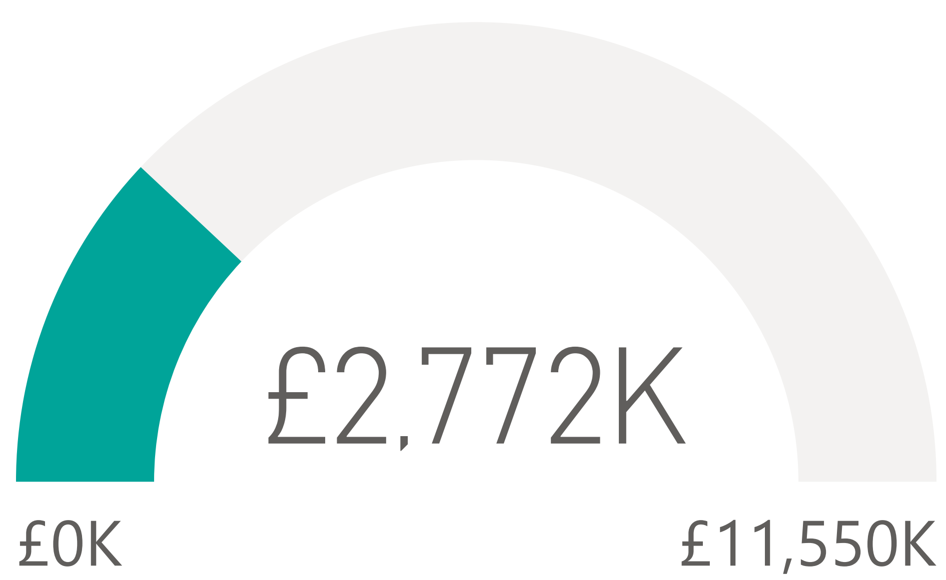


Finance

Overall spend for the quarter and the Q1 reforecast for the full year remains within the budget approved by members.

Budget on track ✓

Year to date spend vs budget



Improvement Programmes

Per cent of business plan commitments assessed as complete

29% ✓

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! = Did not meet criteria

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About

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Contact Info

We are always looking for ways to improve our communications. If you have any feedback on this report, or the Quarterly Report, please email comms@mosl.co.uk

Version Control

Report	Date Published	Description
Q1 Report	3rd August 2022	First report of 22/23 published

Glossary

Term	Definition
CMOS (Central Market Operating System)	CMOS manages all the electronic transactions involved in switching customers and provides water usage and settlement data.
MO	Market Operator (MOSL)
MOSL (Market Operator Services Limited)	MOSL is the market operator for the non-household water retail market in England.
Ofwat	The Water Services Regulation Authority (the water regulator) is the body responsible for economic regulation of the privatised water and sewerage industry in England.
Planned Settlement Runs	MOSL calculates the Primary Charges payable by each Retailer to each Wholesaler in respect of each Invoice Period by performing the Planned Settlement Runs. The Market Operator will perform at least five (5) Settlement Runs for each Invoice Period being P1, R1, R2, R3, and the Final Settlement Run, RF.
RF	The Final Settlement Report, which will be issued four business days after the end of the month which is the sixteenth month after the Invoice Period
Service desk priority 1	A full loss of service of functionality affecting multiple users or the whole system, with critical business impact, and there is no immediate workaround solution
Service desk priority 2	A partial loss of service or functionality with potentially critical business impact and for which there is no immediate workaround solution
Settlement	Settlement is the process through which MOSL calculates how much water has been consumed by different Supply Points in the market, which is then