

Change Proposal Reference: CPW148		Initial submission of this form is the first stage of the Change Proposal process, as outlined below. Its solution may evolve with further assessment and consultation.	
Original Title	Transfer Read Notifications for Outgoing Retailers	01	Change Proposal
Working Title	Transfer Read Notifications for Outgoing Retailers	02	Consultation
Date Raised	29/11/2023	03	Draft Report
Type	Code Change Proposal	04	Final Report
Urgent?	No		

Case for Urgency - required for Urgent Change Proposals only		
<i>If the change is Urgent, please state which urgency principles apply and rationale. Supporting evidence may be included as an attachment to this Change Proposal form. (?)</i>		
Principle	Applicable	Rationale and Evidence
Significant impact on a party, parties, consumers or other stakeholder.	No	
Significant impact on the safety and security of the Central Market Operating System.	No	
Party in breach of any relevant legal obligation.	No	
Material and immediate risk of significantly impacting the development and/or operation of the business retail market.	No	

Code modification is required to comply with/implement Law.	No	
<i>If the change is Urgent, please provide the date by which this change should be implemented and justification. (?)</i>		
Proposed Implementation Date		
Justification		

Summary of Change Proposal - required for all Change Proposals
<i>Please summarise the issue or defect this Change Proposal/Charging Change Proposal is seeking to address. (?)</i>
<p><u>Background</u></p> <p>Transfer Reads are reads that record the final volume of consumption for a customer before the customer switches from one Retailer (Outgoing Retailer) to another (Incoming Retailer). They're necessary because the Outgoing Retailer must be able to calculate an accurate last customer bill, and the Incoming Retailer have an accurate baseline from which future bills can be generated.</p> <p>In most cases, it is the Incoming Retailer who supplies this Transfer Read. When this happens, the Outgoing Retailer is notified, and can adjust their billing accordingly. However, if this Transfer Read is found to be inaccurate and later updated, the Outgoing Retailer is currently not informed.</p> <p><u>Problem Statement</u></p> <p>As the transactions in CMOS are currently set up, when Transfer Reads are removed or updated by the Incoming Retailer, the Outgoing Retailer is not notified. This is a problem because it means the last bill supplied by the Outgoing Retailer to the customer will not reflect this updated Transfer Read, as the Outgoing Retailer has not been made aware of the changed Transfer Read. The Outgoing Retailer may remain unaware of this change until the settlement report for that invoice period is run, which could be up to eight months later, depending on when the new Transfer Read was submitted in relation to the settlement run schedule.</p> <p>In the case where the Transfer Read was over-estimated, not notifying the Outgoing Retailer could result in the customer being billed by both Outgoing and Incoming retailers for the same consumption until the Outgoing Retailer issues a refund. Where the Transfer Read was under-estimated, not notifying the Outgoing Retailer could delay providing an accurate final bill.</p> <p>Code Subsidiary Document (CSD) 0102 (Registration: Transfers) currently states in Section 2.2.40: "The Market Operator will notify the Outgoing Retailer of any Transfer Read using Data Transaction T105.M (Notify Meter Read) in accordance with CSD 0202 (Meter Read Submission: Process)."</p>

However, T105.M (Notify Meter Read) as it is described in CSD 0301 (Data Catalogue) currently includes no reference to the Outgoing Retailer as a recipient of this Transaction (hence, current CMOS functionality does not align with this provision). As a result, the problem described above not only materially impacts Trading Parties and customers but is also an inconsistency within the CSD's.

Evidence of the Problem Statement

Since the market opened in April 2017, there have been 317,631 Transfer Reads recorded in CMOS. 37,128 of these (11.7% of Transfer Reads) have been replaced at least once. Of the Transfer Reads that were replaced, for 22% of cases the first Transfer Read was lower than the updated Transfer Read. For 78% of Transfer Reads that were updated, the first Transfer Read was higher than the updated Transfer Read. This means that for the majority of meters that receive a Transfer Read which is later updated, the customer may be initially overcharged by the Outgoing Retailer.

Table 1 below splits Transfer Read replacements by meter size group displaying the average change in consumption for each meter size group. It also shows the total change across all meters whose Transfer Reads were replaced, which amounts to 19,055,872 m³ in consumption inaccuracy. Assuming consumption is billed at £1.1 per m³, this is equivalent to £20,961,459.2 in inaccurate customer billing since market opening.

Meter Size Group	Average Monthly Consumption (Market Wide)	Transfer Read Replacements	Net Absolute Total Consumption Change	Absolute Weighted Average Consumption Change
0 -19	1,888,101	22,100	902,998	685,448
20 - 24	1,864,663	5,573	1,307,198	1,235,765
25 - 29	2,301,349	3,606	1,263,181	1,203,300
30 -39	185,801	200	171,705	171,286
40 - 49	2,769,245	2,106	678,490	151,288
50 - 79	1,119,246	1,415	1,206,484	1,102,557
80 - 99	1,706,645	454	31,237	30,439
100 -149	4,076,087	234	6,177,226	26,398
150 -199	1,573,019	94	4,866,701	51,773
200 -249	1,090,771	8	2,176,571	272,071
250 - 299	1,252,704	2	609	305
300 - 499	833,508	1	273,472	273,472
450 +	307,560	-	-	-
Totals		35,793	19,055,872	

Table 1: Transfer Read Replacements and Average Change in Consumption for each Meter Size Group

Note: In the table above, meters that ticked over as a result of a Transfer Read update were discounted (to simplify analysis) – for this reason, the total Transfer Reads analysed in the table is approximately 35,000 of the 37,000 mentioned above.

Table 2 splits the number of Transfer Reads by year. Although Transfer Read Replacements peaked in 2019, over 3,000 Transfer Read Replacements have been recorded this year so far and therefore this problem persists.

Year	Number of Transfer Read Replacements
2017	3,744
2018	6,969
2019	8,478

2020	5,071
2021	4,657
2022	4,849
2023	3,360
Total	37,128

Table 2: Transfer Read Replacements by Year

Please describe (in reasonable but not excessive detail) the proposed solution of this Change Proposal/Charging Change Proposal and its nature and purpose. (?)

CPW148 proposes to modify transaction notifications T105.M (Notify Meter Read) and TCORR172.M (Notify Inserted Meter Read) in CMOS so that where there has been any change to a Transfer Read, notifications are sent to the Outgoing Retailer.

Please summarise any impact on the customer journey by implementing this Change Proposal. (?)

CPW148 has positive impacts on the customer journey as it ensures that when switching, the final bill provided to customers by outgoing Retailers is as accurate and timely as possible. It will also reduce the likelihood of customers being billed by Incoming and Outcoming Retailers for the same consumption.

Where applicable, please summarise how the experience and responsibilities of other market participants will be impacted in implementing this Change Proposal/Charging Change Proposal. (?)

Participant (?)	Current Experience	Post-Implementation Experience
Trading Parties	Outgoing Retailers do not currently receive a notification if a transfer read is updated.	Outgoing Retailers will receive a notification if a transfer read is updated, allowing them to proactively update final customer bills.

Objectives and Principles - required for all Change Proposals

Summarise how the following Objectives and Principles, as set out under Part A of Wholesale Contract Schedule 1 Part 1 are impacted by this Change Proposal. (?)

Objective/Principle	Nature of impact	Detail of impact
Primary Principle	Positive Impact	CPW148 helps to ensure Transfer Reads and consequently final customer bills are accurate.
Continued development and sustainment of an effective market	No Impact (consistent)	
Seamless Non-Household Customer experience	Positive Impact	Customer experiences with switching will improve because of CPW148, as Outgoing Retailers will be automatically notified if Transfer Reads are replaced, and consequently the accuracy and consistency of customer billing will improve.
Resilience	No Impact (consistent)	
Transparency and clarity	Positive Impact	As a result of CPW148, updated transfer reads will become more visible to Outgoing Retailers.
Proportionality	No Impact (consistent)	
Efficiency	Positive Impact	Outgoing Retailers will be automatically notified if Transfer Reads are updated. As a result, Outgoing

		Retailers will be aware of changes faster and with less effort.
Non-discrimination	No Impact (consistent)	
Simple, cost effective and secure	No Impact (consistent)	
Business Terms Objectives	No Impact (consistent)	
Operational Terms Objectives	No Impact (consistent)	
Market Terms Objectives	Positive Impact	CPW148 enables a smooth transfer of Non-Household Customers between Retailers in line with the Market Terms Objectives.

Summarise how the following Principles, as set out under [Schedule 1 Market Arrangements Code Principles and Definitions](#), are impacted by this Change Proposal. (?)

Principle	Nature of impact	Detail of impact
Primary Principle	No Impact (consistent)	
Continued development and sustainment of an effective market	No Impact (consistent)	
Seamless Non-Household Customer experience	No Impact (consistent)	
Resilience	No Impact (consistent)	
Transparency and clarity	No Impact (consistent)	
Proportionality	No Impact (consistent)	

Efficiency	No Impact (consistent)	
Non-discrimination	No Impact (consistent)	
Market Led	No Impact (consistent)	
To support Innovation	No Impact (consistent)	

Proposer Details - required for all Change Proposals

Name	Hannah Allardice
Capacity to submit Change Proposal/Charging Change Proposal	Market Operator

Change Lead Details - required for all Change Proposals

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Codes, Appointments, Documents and Systems - Optional

Select which of the following may be impacted by this Change Proposal/Charging Change Proposal

- Market Arrangements Code (?)
- Wholesale-Retail Code Schedule 1: Terms and Conditions of a Wholesale Contract (?)
- Wholesale-Retail Code Schedule 1 Part 1: Objectives Definitions and Principles (?)
- Wholesale-Retail Code Schedule 1 Part 2: Business Terms (?)
- Wholesale-Retail Code Schedule 1 Part 3: Operational Terms (?)
- Wholesale-Retail Code Schedule 1 Part 4: Market Terms (?)

Wholesale-Retail Code Schedule 1 Part 5: Code Subsidiary Documents **(?)**

Wholesale-Retail Code Schedule 1 Part 6: Operational Forms **(?)**

Wholesale-Retail Code Schedule 1 Part 7: Operational Subsidiary Documents **(?)**

Scottish Core Industry Documents **(?)**

Appointment

Licences

Other industry code/agreement/document [please specify here]

Central Systems **(?)**

Trading Party Systems **(?)**

Where applicable, please summarise the nature of impacts on the items above.

Data transactions T105.M (Notify Meter Read) /TCORR172.M (Notify Inserted Meter Read) must be updated so that they are additionally sent to Outgoing Retailers, in scenarios where a Transfer Reading has been removed and a T105.R or TCORR172.R has been submitted to update the Transfer Reading only. This must be reflected in relevant Code Subsidiary Documents (CSDs).

Further Information and Additional Comments - Optional

*Please provide any further information that will support the development of this Change Proposal/Charging Change Proposal. Include references to related or supporting documents and consultations as required. **(?)***

N/A