

September User Forum Q&A

Meeting Date: Thursday 17 September 2020

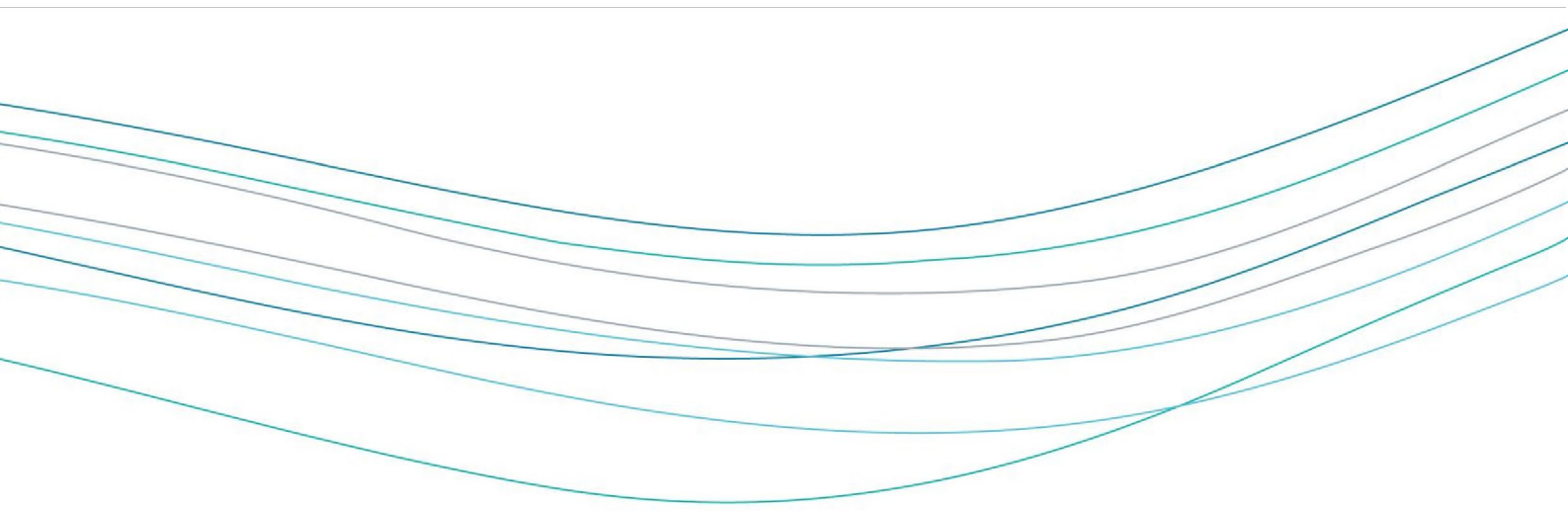
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Attendees: c. 70

Paper author: Secretariat & Market Performance

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September User Forum Q&A

RWG Water Efficiency plan feedback

Q. There was an action to go to a Steering Group for sign off before it goes to the National Framework Group, which would have representatives from Trading Parties, CCW and Water Wise. Is this happening? (Phillip Mills, The Water Retail Council)

A. There is a Steering Group that is being set up, but I'm not exactly aware of the Group structures. [Philip Mills had already emailed a couple of individuals to obtain information on the Group structures].

Delivering Water Efficiencies to Business Customers

Q. There is an area for debate around competitive elements to providing water efficiency services and potentially some non-competitive elements. In terms of your thinking, if Wholesalers are offering water efficiency interventions direct to end customers (e.g. such as water efficiency audits), does this complement what Retailers are currently doing or does it become a problem in terms of the customer. (Gerard Lyden, Thames Water)

A. What we found over the years is that trust and loyalty with customers is paramount. The challenge is where the encouragement for customers come from. Having the correct structures and mechanisms in place such as incentives, target and funding is paramount.

Recap of Ofwat's RISE reporting findings

Q. Have Ofwat had many responses so far from Wholesalers/CEO's? (Simon Bennett, Bristol Water)

A. Ofwat received submission of evidence from all companies in the Autumn 2019. In terms of the letters which Ofwat issued to individual companies' CEOs in August 2020, Ofwat were not necessarily expecting companies to write letters back to Ofwat. Some companies had responded really positively, for example, by improving behaviours. It is expected that actions for improvement will be discussed in the next CEO Forum.

Q. How much impact do you think Ofwat could/should have at PR24 with regard to tariff simplification, more common leakage allowances, vacant charging etc. (John Vinson, Independent)

A. In terms of tariff simplification, within Rise, Ofwat suggested that the RWG considers the structure of tariff simplification as a concept. As this is potentially a very complex exercise, a large amount of planning and scoping would be required before the work could be undertaken. Ofwat is happy to support this work, but felt that this should be an industry led piece of work. Ofwat acknowledged this will be a complex work and suggested that, firstly, a scoping exercise be undertaken.

Regarding more common leakage allowances, the RWG has some good practice guidance on this. Ofwat has set up some next steps within RISE and it has given Wholesalers a target date by which point Ofwat would like them to confirm on their website whether they are compliant with the RWG best practice guide and if not, to explain the reason for this.

Q. For poor performing wholesalers, is it thought that this is a continuation of pre-retail market performance or that the retail market has allowed them to back pedal? (Nick Butt, ConservAqua)

A. The introduction of the market has introduced complexity as, previously these were integrated monopolies, whereas now Retailers are not dealing with a higher number of Wholesalers and companies are adapting to this. Ofwat has seen anecdotal evidence that leakage allowances were becoming less generous. Therefore, there may be some examples of performance decreasing since the market opening. Ofwat re-iterated that this was anecdotal evidence as hard evidence had not seen on that.

Q. Any thoughts on OFWAT possibly addressing the issue of Wholesaler tariffs being approved early in the year, each year, making it hard for retailers to offer multi-year, multi-are contracts to customers (John Vinson, Independent)

A. Ofwat does not have an answer to this question at present. This is something that needs to be considered as part of the Tariff workstream. Ofwat re-iterated the need for a scoping exercise to be undertaken to understand the complexities.

Observation - 11:07 AM

The scoping exercise was in its infancy, but it was very much on the Tariff Workstream's list. There were conversations to be had before the scoping exercise could take place. However, the Tariff Workstream was keen to understand the scale and scope of this. (Richard Stanbrook, Pennon Water Services)

Observation - 11:09 AM

Ofwat's recommendations from the RISE Review provide useful input into planned Strategic User Forum work, as suggested by Steve Arthur. (Phillip Mills, The Water Retail Council)

Market Performance Operating Plan (MPOP) data cleanse activity – findings so far

Q. In the context of the RFI structure, would MOSL be asking Trading Parties to set out the specific customer impact and benefits for each of the data items identified? (Gerard Lyden, Thames Water)

A. Yes, the specific customer impact and benefits for each of the data items would be identified.

Observation - 11:33 AM

There is a group looking at the free descriptor and would be happy to work with you and share our good practice guide. (Angela Brown, Northumbrian Water)

COVID-19 unwinding reporting and guidance

Q. Will they take account of any evidence that the wholesaler may have provided e.g. AMR data? (Paul Stelfox, United Utilities)

A. Yes, all evidence we receive will be taken into account when determining the accuracy of the occupancy status.

Q. Will you seek any evidence from the Wholesaler? (Paul Stelfox, United Utilities)

A. We are encouraging Wholesalers and Retailers to work together to determine the correct level of 'evidenced' vacancy. We would contact Retailers for the evidence, so evidence would come from them unless they are not able to share it for whatever reason.

COVID -19 Transition Review Group

Q. For customers who have switched to another retailer and were still market as VACANT in CMOS - Will the reporting in the Assured/Unassured reflect this as a number to the old retailer as the new retailer cannot backdate occupancy status? (Lewis Orr, Pennon Water Services)

A. This question came to us earlier today. We are currently looking into this specific scenario and will advise as soon as we are able to.

Q. What about evidence that has previously been passed to retailers but has possibly not been acted upon, site visits, photos, AMR, will retailers be obliged to share our evidence with you? (Sian Forward, Northumbrian Water)

A. The evidence we request will likely be for those sites marked as evidenced vacant so Retailers would have acted on what they had been sent. Any other scenarios were picked up as part of the audit which require evidence be submitted, it would be in the Retailers best interest to share that with us.

Look forward to R-MeX

Q. Will Wholesalers get sight of the results before they're published? (Sam Dawson, Portsmouth Water)

A. There are two aspects to this. The full responses from Retailers (including all comments) would be passed to each Wholesaler. However, they will remain confidential and will not be published. Whereas, the numeric assessment will be compiled and published.

Q. Is there an option for retailers to say that particular questions aren't applicable to their relationship with a wholesaler and if they do, will that be treated as a zero score as it was in the trial? (Michael Rathbone, Severn Trent)

A. The scale has a neutral option, in case Retailers are neither satisfied or dissatisfied. In this instance, you would select number 5 and in the comments box you can add "not applicable".

Q. If a question is not applicable it feels more appropriate to discount it rather than it impacting the score. (Paul Stelfox, United Utilities)

A. A lot of work will go in the background in order to assess the results, the neutral results will not be assessed in isolation.

Observation - 12.19PM

It would be interesting to feedback before the survey is launched about which specific questions may be considered as “not applicable” to any Retailers. (Gerard Lyden, Thames Water)

Q. Is it expected that each Retailer will complete a questionnaire for everyone of their Wholesalers. (Pam Nash, MOSL)

A. It is optional as to whether Retailers fill out questionnaire for everyone of their Wholesalers. It would be “self-defeating” to mandate that a retailer has to submit an answer for every Wholesaler. However, the hope is that Retailers will want to complete the questionnaires for most of the Wholesalers that they have contract with.

Q. How do you answer a double question such as the one on the video regarding communication to the retailer and the customer, if there is a difference? Average of the two? the lowest score or the highest score? (Trevor Nelson, Business Stream)

A. Some of the questions do cover multiple topics and the idea is to try and limit the number of questions so that it is manageable. We ask that the person filling out the survey makes a judgement as to how they would like to weight it in terms of giving a score.

Observation - 12.20PM

In terms of the relationship between the R-MeX and the Bilaterals Programme, as the Bilaterals systems continued to be developed we can start to be able to capture more tangible information from that system.

Market Performance Standards (MPS) and Operational Performance Standards (OPS) charge restoration

Q. There were SLAs that changed on other MPS measures as part of Code changes (Jesse Wright, United Utilites)

A. Correct. There some SLA changes (e.g. the timeframe changes). CPW078, which could be found on the MOSL website if further information was required on this and it would show the new updated SLA .

AOB

Observation - 12:30 PM

Really useful session and shows the value that the RWG and other working groups are adding working through the detail offline and then reporting back. In earlier User Forums we debated a lot without the vehicles/forums to take action. (Paul Stelfox, United Utilities)