

Minutes of Code Change Committee

Meeting 14

12 April 2023

MS Teams

Status of the Minutes: FINAL

Anthony Pygram	AP	Independent Chair	Ulrike Hotopp	UH	Independent Member
Mike O'Connor	MO	Independent Member	Jesse Wright	JS	Wholesaler Member Alternate (for Paul Stelfox)
Mike Rathbone	MR	Wholesaler Member	Matthew Glover	MG	Retailer Member
Trevor Nelson	NP	Retailer Member Alternate (for Claire Yeates)	Christina Blackwell	CB	Customer Representative
Steve Creighton	SC	Alternative Customer Representative			

AFFILIATE MEMBERS PRESENT

Sarah McMath	SM	MOSL Affiliate Member	Dan Mason	DM	Ofwat Affiliate Member
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SECRETARIAT

Adam Richardson	AR	Panel Secretary	Sam Mawby	SMA	Secretariat
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OTHER ATTENDEES

Stuart Boyle	SB	MOSL Presenter (item 3)	Sasha Pearce	SP	Ofwat
Martin Hall	MH	MOSL Presenter (item 4)	John Davies	JD	MOSL Presenter (item 4)
Simon Bennett	SB	MOSL Presenter (item 4)	Ivy Mandinyenya	IM	MOSL Presenter (item 5)
Claire Stanness	CS	Proposer (Item 5)	Monica Falasca	MF	MOSL Presenter (item 6)
Chris Dawson	CD	MOSL Presenter (item 7)	Steve Formoy	SF	MOSL Proposer (item 7)
Oli Robins	OR	MOSL Observer (item 7)	Spencer Mattia	SMat	MOSL Observer (item 7)
Amanda Hinde	AH	MOSL Observer	Stella Furniss	SF	MOSL Observer

APOLOGIES

Claire Yeates	CY	Retailer Member	Paul Stelfox	PS	Wholesaler Member
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1. Welcome and Introductions

- 1.1. The Chair welcomed members to the Code Change Committee (CCC) meeting.
- 1.2. It was confirmed that the meeting was quorate.
- 1.3. Apologies were received and accepted from CY and PS. TN attended as an alternate for CY and JW attended as an alternate for PS.
- 1.4. Code Change Committee members were asked to declare any potential conflicts of interest in relation to the meeting agenda. No declarations were made.

2. Minutes and Outstanding Actions

- 2.1. The Committee noted the minutes from CCC13 (08 March 2023) which had been circulated for review with the agenda and meeting papers for CCC14. There were no additional comments, and the minutes were approved for publication.
- 2.2. The Code Change Committee agreed that the following actions should remain open:

CCC02_01, CCC03_01, CCC12_02 and CCC13_01.

3. Change Report

- 3.1. SB presented a summary of the change report. This highlighted the current delivery programme, upcoming changes, changes that were currently on hold, those in the pipeline, consultations, trading party requests, post-implementation reviews and Ofwat decisions.
- 3.2. SB made the committee aware that, with the proposer's support, MOSL were looking to bring CPW132 '[Credit Support and Wholesaler Credit Ratings](#)' off hold in light of the Ofwat decision on [Company Dividends](#) published in March. It was anticipated that the amended plan would be submitted to the May CCC meeting, subject to engagement with the proposer of the change.
- 3.3. AP made the committee aware that Paul Stelfox had indicated his intention to stand down from the committee (hence the Wholesaler Nomination trading party request noted in the Change Report). The recruitment process would include a further attempt to appoint Wholesaler alternates. The CCC noted that Paul intended to remain as a committee member until the recruitment process has completed.
- 3.4. The CCC noted that the call for inputs in relation to Customer Protection Code of Practice was likely to commence at the end of April 2023.
- 3.5. A committee member asked for clarification as to what PIP178: 'D3106 Data Item Ownership' related to. This would be checked, and a note circulated to the CCC to confirm.

ACTION CCC14_01¹

- 3.6. The Code Change Committee:
 - **NOTED** the change report.

4. Metering in the Non-Household Market Briefing

- 4.1 The CCC received a briefing on Metering in the Non-Household Market to support its understanding of the Strategic Metering programme. The aim of the briefing was to frame the subsequent code changes that would be submitted to the CCC over the coming year and to increase understanding of those code changes in the context of the wider goals and ambitions of the programme.

¹ This should have read D3016 which is a flag for a non-wholesaler data logger.

- 4.2 The briefing included details of the metering road map developed in collaboration with the Strategic Panel and the Metering Committee, national metering strategy, roles and responsibilities and the quick start projects that had been established.
- 4.3 JD advised the CCC that the various strands of work related to the metering programme had been scrutinised in detail by the Metering committee and, in some cases, by the Strategic Panel's Data workstream too.
- 4.4 JD confirmed that the core focus of the metering programme had always been, and would remain, to provide timely and accurate meter readings and to make granular consumption data available to all relevant stakeholders, with a particular focus on customers.
- 4.5 A committee member asked whether the team had insight into the consistency of water company meter replacement plans in general terms. JD responded that historically there was a lack of consistency and that this was one of the key drivers for the National Metering Strategy. However, it was possible we may see significant positive movement from Wholesalers as the Water Resource Management Plans (WRMPs) are being finalised for each organisation. The metering programme will continue to push for consistency of meter replacement.
- 4.6 A committee member commented that the implementation of a national strategy in the short term was very welcome. The member noted that there were several thousand supply points that did not have a meter and asked whether the strategy covered those non-metered sites to ensure that all customers could access water efficiency measures and accurate billing. JD responded that the intent of the strategy was to extend smart meter coverage as widely and inclusively as possible.
- 4.7 A committee member commented that the use of a common language to that of gas and electricity could be beneficial to the strategy to support customer understanding and engagement. The member added that in terms of accurate customer bills that it was possible for the customer to receive an estimated bill despite an AMR (Automatic Meter Read) having taken place. JD and MH agreed that this was a challenge and made the CCC aware that various workstreams were looking at these types of issue.
- 4.8 A committee member suggested that strengthening the language in the strategy could be beneficial e.g., removal of 'wherever possible' to ensure organisations do not avoid taking action. SB responded that it was possible to reflect this in good practice guidance, but it was also important to encourage all trading parties to work together.

- 4.9 A committee member raised a point around the consideration of the costs to the customer and whether there would be added value from having a smart meter, particularly for small customers. There were significant variations in considerations around affordability nationally which should be taken account of. JD acknowledged this and added that increasingly there was a more and more compelling case for the benefits of smart meters being deployed at scale but ultimately it had to be part of a best value plan.
- 4.10 A committee member asked who owned the data relating to a smart meter. MH responded that all data would be handled applying the principles of GDPR and that discussions had taken place in relation to how to use the data effectively both for customers and trading parties e.g., measuring water consumption, identification of leaks.

5. Change Plan – CPW141 SMR.QSP6 & 10: Clarification of Read Definitions and Meter Chamber Ownership

- 5.1 The Code Change Committee considered the change proposal plan for '[CPW141 SMR.QSP6 & 10: Clarification of Read Definitions and Meter Chamber Ownership](#)' which had two elements: Part A sought to update the market code definitions of 'remote' and 'visual' meter reads to reflect changes in metering technology that were available in the market. Part B sought to clarify meter chamber ownership and repair/replacement responsibilities to remove inconsistencies in Trading Party and meter reader approaches.
- 5.2 The CCC had a detailed discussion noting and querying the following points:
- Consideration was given to separating the change into two distinct elements on the basis that Part A was seen to be straightforward, whereas Part B was potentially more contentious. Consideration was also given to the potential additional costs of taking this approach.
 - Part A could be brought forward working to a faster timetable which would realise the benefits to customers earlier.
 - Part A could progress without a consultation as the resulting change, if approved by Ofwat, would have no material effect on trading parties. The CCC also noted that Part A had been discussed in detail by the Metering Committee.
 - Part B was not contentious in terms of meter ownership definition. The contention lay in the potential creation of additional responsibilities and associated costs for Wholesalers. The Proposer acknowledged the challenges in this regard but added that it was important for the industry to work together to define Wholesaler responsibility to improve the customer experience.

- Part B was established by the Metering Committee, as part of its prioritisation work, as being an issue that warranted a code change. The points around ownership and the complexities around accessibility would be covered within the consultation and the solution that was subsequently developed by the Metering Committee.
- The work of the RWG (Retail Wholesale Group) Access Sub-group was noted and that it would be beneficial for the sub-group and the Metering Committee to have good sight of their respective activities.

5.3 The Code Change Committee:

- **AGREED** (unanimous) to progress the change proposal as two separate parts noting that Part B was a potentially more complex issue;
- **AGREED** (unanimous) that CPW141A would not require a consultation and may therefore be recommended earlier than the proposed plan;
- **AGREED** (unanimous) that CPW141B would require a consultation and would therefore follow the proposed plan accepting that it may be accelerated if opportunity for earlier consultation arose.

6. Change Plan – CPM052 & CPW140 BR-MeX Business Customer and Retailer Measure of Experience

- 6.1 The Code Change Committee considered the change proposal plan for '[CPM052 & CPW140 BR-MeX Business Customer & Retailer Measure of Experience](#)' which sought to facilitate the inclusion of BR-MeX (Business customer and Retailer measure of experience) as a common performance commitment in the price control period PR24 for wholesale companies operating wholly or mainly in England.
- 6.2 A committee member commented that significant work and engagement would be needed from Trading Parties between now and January 2025 to develop BR-MeX. DM acknowledged this and also commented that Ofwat would be responsible for the design of the incentive with the final specification for BR-MeX being included in the draft and final determinations of PR24 (Price Review 24).
- 6.3 A committee member queried whether it was necessary to wait until 1 April 2025 to deploy BR-MeX if the PR24 determination was made in December 2024. Was there scope to have a soft start to the incentive maybe starting in January 2025 which would allow time to resolve

any teething issues and provide an early set of data. AR responded that a pilot survey would be undertaken ahead of 1 April 2025. AR added that the advantage of raising this change now meant that the industry had transparency that the work was getting underway. In terms of timings the final form of BR-MeX was not scheduled to be confirmed until December 2024 which would limit the ability to bring the change proposal forward from February 2025 to January 2025.

6.4 The Code Change Committee:

- **AGREED** (unanimous) the Change Proposal plan for CPM052 & CPW140.

7. Recommendation – CPW139a Bilateral Hub

- 7.1 The Code Change Committee considered the draft recommendation report for '[CPW139a Bilateral Hub \(Allowances and Adjustments\)](#)' which set out the proposed code amendments to deliver the first implementation of processes into the Bilateral Hub under '[CPW139 and CPM051](#)', featuring technical solutions for H1 (Application for an allowance and/or Volumetric Adjustment) and H2 (Application for a Contribution Offer in respect of installing a meter at an Unmeasured or Assessed Service Component).
- 7.2 The CCC noted that the go live date referenced in the draft recommendation report (19 June 2023) should instead read 20 June 2023.
- 7.3 The CCC also noted that in terms of governance the Code Advisory Group had closely scrutinised and signed off the code documents.
- 7.4 The Code Change Committee:
- **AGREED** (unanimous) to recommend to Ofwat that CPW139a be approved;
 - **AGREED** (unanimous) the rationale that CPW139a better facilitated the principles of the WRC (Wholesale Retail Code);
 - **AGREED** (unanimous) to recommend that, if approved, CPW139a be implemented on 20 June 2023, if Ofwat approval was received by 20 May 2023.

8. Post-Implementation Review: CPM045 & CPW127 Extending the ability for the Market Operator to raise change proposals

- 8.1 The CCC considered the Post Implementation Review for CPM045 and CPW127 [‘Extending the ability of the Market Operator to raise change proposals’](#).
- 8.2 The CCC noted that the efficiency benefits had been realised and that, to date, there had been no unintended consequences following the implementation of the change.
- 8.3 The Code Change Committee:
 - Noted the findings of the Post Implementation Review for CPM045 & CPW127

9. AOB

- 9.1 There was no AOB for discussion.

CLOSED SESSION:

10. Committee Reflections

- 10.1 The committee shared their learning from other market governance committees and group they were involved in and reflected on the meeting.