

Minutes of Code Change Committee Public Session Meeting 19

13 September 2023

MS Teams

Status of the Minutes: FINAL

Anthony Pygram	AP	Independent Chair	Steve Creighton	SC	Alternative Customer Representative
Mike O'Connor	MO	Independent Member	Kye Smith	KS	Wholesaler Member
Ulrike Hotopp	UH	Independent Member	Matthew Glover	MG	Retailer Member
Trevor Nelson	TN	Retailer Member Alternate (for Claire Yeates)	Christina Blackwell	CB	Customer Representative
Mike Rathbone	MR	Wholesaler Member	Jesse Wright	JW	Wholesaler Member Alternate (for Mike Rathbone – item 9 only)

AFFILIATE MEMBERS PRESENT

Sarah McMath	SM	MOSL	Dan Mason	DM	Ofwat
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SECRETARIAT

Adam Richardson	AR	Panel Secretary	Sam Mawby	SMY	Secretariat
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OTHER ATTENDEES

Holly Woodhead	HW	Ofwat	Sasha Pearce	SP	Ofwat
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Stuart Boyle	SB	MOSL Presenter (items 3 and 9)	Luke Coyle	LC	MOSL Presenter (item 4)
Andrew Johnson	AJ	MOSL Proposer (item 4)	Phoebe Nixon	PN	MOSL Presenter (items 5 and 10)
Steve Formoy	SF	MOSL Proposer (items 5 and 12)	Monica Falasca	MF	MOSL Presenter (items 6 and 8)
Michelle Thompson	MT	Anglian Water Presenter (item 7)	Martin Hall	MH	MOSL Presenter (item 7)
Miles Robinson	MRO	MOSL Proposer (item 10)	Spencer Mattia	SMA	MOSL Presenter (item 11)
Chris Dawson	CD	MOSL Presenter (item 12)			

APOLOGIES

Claire Yeates	CY	Retailer 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. TN attended as an alternate for CY. JW attended as alternate for MR for item 9 only.
- 1.4. CCC 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 CCC18 (09 August 2023) which had been circulated for review with the agenda and meeting papers for CCC19. The minutes were approved, with a small number of changes, including the open session minutes for publication.
- 2.2. The CCC agreed to close the following actions:
CCC08_01 and CCC12_02
- 2.3. The CCC agreed that the following actions should remain open:
CCC03_01, CCC13_01 and CCC18_01

3. Change Report

- 3.1. SB presented a summary of the change report. This highlighted the current delivery programme, the context of the Strategic Panel priorities, upcoming changes, changes in the pipeline, consultations, trading party requests, post-implementation reviews and Ofwat decisions.
- 3.2. SP commented that with regard to the consultation on interim supply, Ofwat were anticipating that this would be published in the next week. As a result, it might be necessary to defer the associated code change to later than currently scheduled.
- 3.3. SP noted that given the increasing number of recommendations that were in the pipeline for submission to Ofwat, in terms of resourcing, it would be useful if the Committee could indicate how the recommendations would ideally be prioritised.
- 3.4. A CCC member commented that prioritisation was a key Committee role and that providing guidance to Ofwat to help focus resources efficiently was important. The member added that the process of prioritisation would not only consider new changes but would also need to incorporate decisions made at previous CCC meetings.
- 3.5. A CCC member noted that with regard to housekeeping changes the scenario could arise that the change would never be progressed because there was likely to be a higher priority change ahead of it.
- 3.6. A CCC member asked whether introducing an SLA (Service Level Agreement) with Ofwat could be beneficial. (DM was not in attendance at this point of the meeting but addressed this question under AOB).
- 3.7. The Code Change Committee:
 - **NOTED** the change report.

4. Change Plan CPM055 CMOS Data Escrow

- 4.1 The Code Change Committee considered CPM055 '[CMOS Data Escrow](#)'. The change proposal sought to amend the wording of the MAC (Market Arrangements Code) to remove the obligation for a physical backup of CMOS and replace this with a cloud-based solution.
- 4.2 LC made the committee aware that the current arrangements whereby the back up of data was held digitally meant that MOSL was not in compliance with the requirements of the MAC. However, creating a physical back up was not realistic or effective.

- 4.3 LC commented that as the proposed change would not have a direct impact on Trading Parties or customers MOSL were recommending that the CCC delegated the recommendation of the change to Ofwat to MOSL which would facilitate a faster implementation of the change. LC added that MOSL were not proposing to consult on the change as this would have very limited value given the minimal impact to Trading Parties and customers.
- 4.4 AJ reassured the CCC that the system backups were already in place in real time and were held securely. In terms of priority the change had been an issue since market opening and should be addressed. AJ added that there was an obligation to retain data for seven years and that there were clear obligations in the contract with CGI around the backup of data.
- 4.5 A CCC member agreed that the change would enable MOSL to fully comply with the Code.
- 4.6 A CCC member asked whether the planned CMOS migration to Microsoft Azure had gone ahead given that the proposed solution was based on that migration having taken place. The CCC member also asked that, should MOSL be replaced by another organisation as the market operator, would it still be possible to access the cloud based back up. AJ responded that the CMOS migration did not go ahead as planned but was scheduled for later in September. The implementation would be complete ahead of the change implementation date. Should MOSL be replaced as the market operator all data and contracts would transfer across to the successor organisation.
- 4.7 SB suggested that an implementation date could be discussed between MOSL and Ofwat ensuring that the change was not implemented until the migration had taken place.
- 4.8 The CCC discussed the merits of the change being treated effectively as a housekeeping change and therefore be delegated to MOSL noting that the change was a low priority.
- 4.9 A CCC member queried whether the change could be pushing the boundaries of a housekeeping change and whether it should come back to the CCC with a draft recommendation report.
- 4.10 The CCC asked that MOSL provide confirmation that the CMOS migration had taken place prior to a recommendation being made to Ofwat.

ACTION CCC19_01

- 4.11 The Code Change Committee:

- **AGREED** (unanimous) that CPM055 better facilitated the Principles of the MAC;

- **AGREED** (six in favour, three against) to delegate the change recommendation to MOSL to submit directly to Ofwat for decision as a housekeeping change; and
- **AGREED** (unanimous) that, if approved, CPM055 would be implemented 18 December 2023 if Ofwat approval was received by 15 November 2023.

5. Change Plan – CPW147 MPS 18 and 19 Clarification

- 5.1 The Code Change Committee considered CPW147 ‘MPS 18 and 19 Clarification’. The change proposal sought to confirm how successful and failed meter reads factor into Market Performance Standard 18 and 19 charge calculations. The code provisions must be clear and unambiguous that only one meter read in any given month should be considered in performance calculations.
- 5.2 PN outlined the background and scope to the change as outlined in the change proposal. PN commented that the change would have an enhancing effect on multiple code principles including the primary principle by confirming the incentive that retailers should provide regular meter reads on all relevant meters, thus reducing the risk of bill shock to customers.
- 5.3 PN outlined the two potential change plan assessment options with and without consultations. Opting to proceed without a consultation would enable the benefits of the change to be realised earlier ahead of the implementation of the reformed Market Performance Framework (MPF) in April 2025 where the affected code documents would be substantially altered.
- 5.4 A CCC member queried that the purpose of the change was to remove ambiguity in relation to the ability to put in more meter reads than would be needed and therefore increase the success rate and reduce any financial penalty. The member noted that this seemed like it could also be a feature of biannual meter reads where a read could be provided each month. SF responded that even for a biannual read, there was a benefit from putting in a read sooner than the biannual deadline as it improved the quality of settlement. Inputting meter readings at a higher frequency would not have a substantial settlement impact and therefore should not count as a success against MPS 18 or MPS 19 and affect the charge free allowance.
- 5.5 A CCC member commented that they were supportive of the change proposal and its intention to remove ambiguity and ensure that the codes reflected actual practice. The member queried why the change was not classed as a housekeeping change in the same way that CPM055 had been earlier in the meeting. AR responded that CPW147 ensured that the code would be unambiguous in relation to outlined calculations and would not be able to be interpreted differently by Trading Parties. For CPM055 there was a very clear requirement in

the code around the data escrow requirements, the issue and solution were simple and unambiguous with no perceived value in going out to consultation. In relation to CPW147 where there was clarification required concerning the calculations it was appropriate for the CCC to decide on the most appropriate way forward.

- 5.6 A CCC member asked whether the change was designed to address a behavioural issue where performance could be enhanced by Trading Parties adding in successful meter reads. PN responded that the change was not seeking to change behaviours but to ensure that retailers who took meter readings were clear on what the incentives were and aware what they would and would not be charged for (confirm the incentives already in place). If multiple meter readings submitted within a given settlement period from the same meter were to each be counted as successful tasks, this could incentivise retailers to read easy-to-read meters and avoid harder-to-read meters.
- 5.7 A CCC member asked why the change was being put forward at this point. SF responded that a Trading Party had raised a query concerning the clarity of the code in relation to the calculations. After reviewing, MOSL had agreed that the code was not fit for purpose and raised CPW147 to address the query.
- 5.8 A CCC member commented that they were supportive of the change and agreed that it was important to have clarity in relation to incentives and consistency of Trading Party understanding. It was also important to encourage actual reads across the market to increase the accuracy of customer billing. In relation to a customer's billing, where multiple reads were taken in a month these should be taken into account by retailers as part of the billing process.
- 5.9 The CCC considered whether a consultation should be carried out for CPW147.
- 5.10 The Code Change Committee:
- **AGREED** (unanimous) the proposed Change Proposal Plan on the basis that it would not include a consultation; and
 - **AGREED** (unanimous) the approach/scope of the proposed assessment plan on the basis that it would not include a consultation.

6. Change Plan – CPM054 and CPW145 Deductions and Withholdings under the formal Dispute Process

- 6.1 The Code Change Committee considered an update to the change proposal assessment approach for CPM054 and CPW145 '[Deductions and Withholdings Under Formal Disputes Process](#)', in light of concerns raised by a Trading Party. The change proposal sought to bring

the deductions and withholdings currently allowed by [Section 9.7.2 of the Business Terms](#) under the formal Disputes Process.

- 6.2 MF reminded the CCC about the background to the change advising that, following the August CCC meeting, a letter had been received by the CCC Chair from a Trading Party objecting specifically to the decision not to consult on the change proposal.¹
- 6.3 The CCC was asked to consider an alternative change proposal timetable which would include a consultation to address the concerns raised by the Trading Party. The Trading Party had also proposed consultation questions for the CCC's consideration.
- 6.4 MF summarised the concerns by the Trading Party:
- Raising a formal dispute should be the last resort as it could be slow and costly for all parties. The mechanism currently in place was more effective than the proposed change.
 - The change would cause a significant increase in the number of disputes raised and questioned whether the Strategic Panel would have the resources to manage this.
 - A consultation was required because there were impacts in relation to the business terms that needed to be further explored and market conditions had changed significantly since CPW080 '[Simplification of the Default and Termination Process](#)' had been raised in 2019.
 - The proposed assessment plan would not provide Ofwat with sufficient information to approve the change proposal which could leave the authority open to challenge.
- 6.5 MF made the CCC aware that the current disputes process still allowed for informal discussions between trading parties to take place. This mechanism had proved useful in preventing disputes being escalated to the Disputes Committee. Of the 20 disputes raised since November 2020 only four had needed to be considered by the Disputes Committee.
- 6.6 MF observed that the volume of Disputes recorded since market opening was low and it was not anticipated that the implementation of the change would increase the numbers significantly. In terms of the Strategic Panel resources needed this would depend on the complexity of each Dispute and whether it was escalated to the Disputes Committee.
- 6.7 MF outlined the proposed consultation questions suggested by the Trading Party which were not included in the change proposal update due to being received after publishing the

¹ The correspondence (three letters) had been included in the member meeting papers pack.

relevant paper and therefore were included in the presentation for the Code Change Committee to consider the amended/additional questions.

- 6.8 MF highlighted the approved timeline presented to the CCC in August 2023 and an alternative timeline if the CCC opted to consult on the change.
- 6.9 The CCC considered whether the change should include a consultation in light of the Trading Party concerns raised.
- 6.10 A CCC member asked whether the recent Strategic Panel consultation on the Disputes process had included questions in relation to the suggested change. MF responded that a general question in relation to the proposed solution had been included in the consultation.
- 6.11 A CCC member asked whether the consultation questions suggested were seeking clarification of the number of potential Disputes that would be added to the process and the amount of money that could be at stake. MF responded that considering the Trading Party concerns it seemed sensible to include questions relating to frequency and materiality of the issue that would also provide input to the Post Implementation Review (PIR), if a consultation was undertaken.
- 6.12 A CCC member commented that the issue for consideration was whether the CCC took the correct decision not to consult on the change when the change plan was presented at the August CCC meeting. The CCC needed to consider whether there was further information that needed to be taken account of.
- 6.13 A CCC member highlighted that the Trading Party suggested that the process was flawed because the change plan did not include a consultation and that the CCC had failed to take all relevant factors into account.
- 6.14 MF advised that, aside from the letters received by the Trading Party since the August CCC meeting, no additional information had been received. MF also highlighted that the Trading Party did not acknowledge in their letter that the Strategic Panel had undertaken a consultation on the Disputes process. With regard to customer impacts these could be expanded upon further in the draft recommendation report but noted that CCW had provided input to the Strategic Panel consultation. At the August CCC meeting the Committee had considered the Strategic Panel consultation, how many Trading Parties had responded and how many were in favour of the proposed way forward.
- 6.15 A CCC member commented that the letters received from the Trading Party indicated a broad criticism of the change which should be considered at Gate 3. The member commented that it was not clear how much more evidence would be gathered by

undertaking a consultation. MF responded that MOSL was still of the view that a consultation would not be required. AJ added that the proposal to bring Section 9.7.2 under the formal Disputes process had been covered as part of the Strategic Panel consultation in March 2023. No specific feedback had been received from Trading Parties to suggest that this was not an appropriate way forward. However, a Trading Party had now expressed a strong view so it was important for the CCC to take account of that.

- 6.16 A CCC member queried whether there was a danger in not consulting on the change in terms of understanding the volumes of Disputes that might be generated.
- 6.17 A CCC member commented that if further exploration indicated that there could be higher volumes of Disputes this was not necessarily a reason not to progress with the change.
- 6.18 A CCC member asked whether MOSL had received responses from Trading Parties on customer impacts through the consultation process undertaken in March 2023. MF responded that there were no responses from Trading Parties on customer impacts.
- 6.19 DM commented that in relation to the question about the change opening Ofwat to challenge, the Authority was always open to challenge. The decision regarding whether to consult or not was for the CCC to make. Ofwat would consider the evidence provided in the Final Recommendation Report in order to reach a determination. DM noted that in the consultation already undertaken, and in the proposed consultation questions, other alternatives had not been included for consideration. DM concluded that ultimately the CCC needed to be satisfied that it had the evidence it needed to make a recommendation to Ofwat.
- 6.20 A CCC member noted that the question in the Strategic Panel consultation had been quite open and articulated that Section 9.7.2 would be brought into the Disputes process without providing the specific details. There may be other solutions to address the issue and consulting with Trading Parties would be an appropriate route to take.
- 6.21 A CCC member queried whether Trading Parties would provide transparent answers to the proposed consultation questions particularly if they were currently in dispute with another Trading Party. This could mean the consultation responses were diluted and may have limited value in informing the CCC's decision on the draft recommendation report. The member was not inclined to go out to consultation.
- 6.22 MF commented that when CPW080 was being developed a specific resolution route had been considered for Disputes relating to Section 9.7.2, but it had been concluded that it would be simpler to have a standardised approach aligned to the prevailing Disputes mechanism.

- 6.23 The Chair drew the discussion to a close asking the CCC to consider whether there was further information needed to inform a Gate 3 decision noting the range of comments from members.
- 6.24 The Code Change Committee:
- **AGREED** (six in favour, two against, one abstention) to continue with the original Change Proposal Plan which would not include a consultation.

7. Project AMIDST Overview

- 7.1 MH introduced an overview of Project AMIDST (AMI Data Strategic Transfer), a market improvement funded project undertaken by Anglian Water in collaboration with MOSL with a focus on Smart metering. MT from Anglian Water presented the background to, and the key highlights from, the project to date for member awareness, as outlined in the paper.
- 7.2 A CCC member asked whether the project had received feedback from other wholesalers to establish a sense of interest in uptake. MT responded that other wholesalers have expressed an interest in adopting the solution.
- 7.3 A CCC member asked whether the project would align with the interim, and ultimately the enduring, metering strategy. MH responded that the primary focus of the interim metering strategy had been to help wholesalers understand what the market needed in terms of smart metering. Wholesalers had in general responded positively to the interim strategy and development was now underway over the coming months to define the long-term strategy. The work of Project AMIDST would be important in supporting the development of a flourishing market and the enduring metering strategy.

8. Change Plan (Re-Plan) CPW142 Wholesaler Smart Reads

- 8.1 The Code Change Committee considered a re-plan for CPW142 '[Wholesaler Smart Reads](#)'. The change proposal sought to make wholesalers responsible for the submission of meter reads obtained from a smart meter.
- 8.2 MF outlined the background to the change and the rationale for proposing a change to the original expedited timeline, as outlined in the paper. MF advised that the Metering Committee (MC), in considering the solution, had identified the following areas that would need additional time to explore prior to a consultation:
- Notification to the retailer if a wholesaler read failed validation
 - Applicability of current retailer performance standards and charges to the wholesalers

- Functionality for the retailers to remove accepted wholesaler reads

- 8.3 MF outlined the revised timeline confirming that the CCC would receive the draft recommendation report by March 2024, or earlier, to enable implementation into CMOS in December 2024.
- 8.4 A CCC member asked whether the implementation date could be brought forward if the CCC were able to consider the draft recommendation report before March 2024. AR responded that this would not be possible as, at the request of Trading Parties, changes that would impact their systems could only be released into CMOS in May and December each year.
- 8.5 A CCC member asked whether, in relation to the concerns raised by the MC, further changes would be required that the CCC would need to consider. SF responded that all of the challenges raised by the MC had been worked through by MOSL and a sub-group of the MC. Draft proposals outlining a way forward for each of the concerns raised would be discussed with the MC this month and the outcome of these discussions would be incorporated into the consultation. On that basis there should be nothing further that the CCC need to consider ahead of receiving the draft recommendation report.
- 8.6 AR advised that it would be important to monitor the progress of the change over the coming months as there may be further complexities that are highlighted following consultation. If there were any challenges to the MC being able to make a decision in December this would be highlighted as soon as possible. The MC and MOSL would work to submit the draft recommendation report to the CCC earlier than March 2024 if possible. This would also provide Ofwat with additional time to reach a determination ahead of a December implementation date.
- 8.7 The Code Change Committee:
- **AGREED** (unanimous) the amended Change Proposal Plan.

9. Recommendation CPM053 and CPW146 Change Process Improvements

- 9.1 The Code Change Committee considered the draft recommendation report for CPM053 and CPW146 '[Change Process Improvements](#)'. The proposed change sought to improve the change process to make it a more flexible and agile process that prioritised impactful change. The proposed process would allow change proposals to be given the proportionate amount of time and resources and the opportunity for alternative solutions to be developed.

- 9.2 The CCC noted that MR was the proposer for the change and that JW was in attendance at the meeting as alternate for MR.
- 9.3 SB outlined the background to the change and its development, as outlined in the draft recommendation report, reminding members that as part of its priorities the Strategic Panel had directed the CCC to review the code change process.
- 9.4 SB highlighted the key elements of the proposed solution:
- The issue would be defined before the solution to ensure that solutions were tailored to the issue at hand rather than the other way around. This was intended to reduce nugatory work.
 - A change could be recommended for rejection without developing a solution if it did not meet the acceptance and prioritisation criteria.
 - Eligibility to raise a change would be broadened to include Strategic Panel committees and CCW (Consumer Council for Water) reflecting that strategic changes would be driven by these groups.
 - MOSL would be able to develop a solution if the Proposer was not able to undertake this work. If the Proposer did want to develop a solution then MOSL would be able to create an alternative solution. This would mitigate the need for proposers to put a lot of resource into the larger, more strategic changes.
 - Trading Party engagement would also be more flexible e.g., use of objection windows where appropriate to make efficient use of industry resource.
 - Urgent Change Proposal Criteria –the consultation suggested that a requirement was added that there had to be an unforeseen issue or event for a change to be classed as urgent. On reflection it was proposed that this element of the change was not introduced to ensure that an issue with a significant impact on customers was not prevented from being progressed as an urgent change. The acceptance and prioritisation criteria that would be put in place would effectively act to mitigate against non-urgent changes being raised in an attempt to expedite them.
- 9.5 SB highlighted the benefits of the change which included:
- The ability to prioritise change proposals, particularly those which had a customer benefit.

- The efficiency, effectiveness and flexibility of the process would be improved.
 - Enhanced transparency and accountability for decision making.
- 9.5 SB highlighted potential risks in introducing the change as outlined in the draft recommendation report and noted that none had been identified in relation to customers.
- 9.6 SB added that, if the change was approved, MOSL proposed to carry out a post implementation review (PIR) one year after the change was implemented. This assessment would include:
- How often and how effectively the ‘failing fast’ option had been used and whether that had resulted in cost savings.
 - A review of stakeholder engagement to understand who was raising change proposals and how the market was responding to the different engagement mechanisms.
 - A review of whether the original or alternative solution was implemented where MOSL had proposed an alternative solution.
- 9.7 A CCC member suggested that in relation to the focus of the PIR it would be useful to understand whether the urgent change process had been used appropriately. SB confirmed that this would be included in the PIR.
- 9.8 A CCC member asked whether the change would apply only to new code changes and not those currently in-flight. SB confirmed that for the in-flight changes, and for anything raised prior to the implementation date, the current change process would apply. These would still be subject to prioritisation but could not be recommended for rejection at an early stage. Although there was a risk that a higher number of change proposals could be submitted ahead of implementation this was expected to be manageable given the current levels of Trading Party generated change.
- 9.9 A CCC member commented that post implementation stakeholder engagement mechanisms would need to be monitored to ensure they were meeting the needs of Trading Parties and adapted as needed. SB agreed that this would be necessary to ensure Trading Parties were able to provide input to proposed changes appropriately.
- 9.10 A CCC member commented that a key advantage of the revised change process would be that a Trading Party could put forward a problem without having to develop a solution. This offered an inclusive process, particularly for smaller market participants. The CCC member also noted that the revised process put more responsibility on MOSL and the CCC in terms of applying acceptance criteria and taking a decision to make an early recommendation to

reject a change. This responsibility meant, more than ever, that the rationale for decisions needed to be clear and well communicated so that Trading Parties could understand why the CCC had reached a particular decision and learn from this.

9.11 The Code Change Committee:

- **AGREED** (unanimous) that CPM053 & CPW146 better facilitated the principles of the MAC and WRC (Wholesaler Retail Code);
- **AGREED** (unanimous) to recommend CPM053 & CPW146 for implementation;
- **AGREED** (unanimous) to recommend that, if approved, CPM053 and CPW146 be implemented on 18 December 2023, if Ofwat approval was received by 18 November 2023 or 18 January 2023, if Ofwat approval is received by 18 December 2023;
- **AGREED** (unanimous) that a PIR (Post-Implementation Review) was required; and
- **AGREED** (unanimous) to the proposed scope and trigger for the PIR.

10. Recommendation CPW144 MPF Incremental Improvements

- 10.1 The Code Change Committee considered the draft recommendation report for CPW144 '[MPF Incremental Improvements](#)'. The proposed change sought to incentivise the use of the Bilateral Hub to resolve meter reading issues and thereby provide customers with timely and accurate bills. CPW144 would enable this by suspending certain Market Performance Standards. Additionally, it proposed to remove a small number of Market Performance Standards deemed to be ineffective in that they failed to ensure accountability. In doing so, CPW144 would begin to streamline the existing Market Performance Framework and facilitate a phased implementation of MPF 2.0.
- 10.2 PN provided a detailed overview of the background and scope of the change as outlined in the draft recommendation report. PB reminded CCC members that the change had been described as an interim improvement because the proposed changes had been identified by the MPF (Market Performance Framework) Reform programme for early delivery as they were good candidates to deliver important customer benefits and would begin to enable and incentivise two key activities (A1 (retailers delivering timely and accurate consumption data) and A7 (wholesalers maintaining working and readable assets)).
- 10.3 PB commented that if CPW144 was approved, following its implementation there would be at least two further code changes delivering medium and high complexity interventions. CPW144 would begin to bridge the gap between MPF 1.0 and MPF 2.0, making space for

additional metrics and incentives that would address relevant risks and issues to be implemented in further phases of MPF reform.

10.4 PB confirmed that the solution had been socialised with the market through consultation and also with the Performance Advisory Group.

10.5 PB highlighted the expected benefits of the change:

- An estimated additional 40,000 Bilateral hub requests to resolve meter reading issues, which would benefit customers. This would provide MOSL with oversight of requests and enable issue resolution to be incentivised.
- Retailers would be able to take more visual meter readings and customers would benefit from more accurate billing and more timely issue resolution.
- Would begin to address issues with accountability in relation to MPF 1.0.
- The change was expected to have positive implications for the WRC principles of efficiency, simplicity, cost effectiveness and security, non-discrimination and proportionality.

10.6 PB outlined that MOSL proposed to undertake a post implementation review, should the change receive Ofwat approval, 12 months after implementation.

10.7 The CCC had a detailed discussion in relation to CPW144 covering the following points:

- In relation to the consultation responses 76% of respondents expected the removal of MPS 4, 8 and 9 to have no negative customer impact. From the remaining responses a CCC member asked what anticipated negative impacts might be. PB responded that the responses that were not actively positive did not highlight negative impacts but instead did not provide a response.
- The CCC noted that MPS 4, 8 and 9 only accounted for a small percentage of all MPS charges.
- The rationale behind the suspension of the MPS charges was queried as this could lead to Trading Parties not focusing on driving better market outcomes in these areas. PB responded that the rationale was about accountability and ensuring that the wrong party was not penalised. Performance would however continue to be monitored. The CCC member commented that they were not convinced that this step would drive the right Trading Party behaviours.
- The CCC noted the importance of fairness for all Trading Parties which this change looked to address. The increase in Bilateral transactions because of the change would be

a positive by-product. It was important that fines were not applied to Trading Parties who were not responsible for a particular task.

- Would Trading Parties be sufficiently incentivised to put in requests.
- Would there be any potential for retailers raising Bilateral Hub requests, as a result of the change, to potentially circumvent charges. PN responded that the risk had been identified with two mitigations. Firstly, there were policies allowing wholesalers to charge for abortive site visits. In the consultation responses the majority of the charges were higher than the MPS 18 and 19 charges that retailers would otherwise incur. Secondly, MOSL would also continue to monitor Bilateral hub requests and the Market Performance Committee had endorsed the implementation of Additional Performance Indicators (APIs) to use this data to monitor and manage this risk.
- In terms of the post implementation review what was the timescale for the anticipated 40,000 additional transactions in the Bilateral Hub. PB responded that, based on historic patterns in the Bilateral Hub, the timescale to raise and resolve 40,000 transactions would be over a six-month period.
- A committee member expressed scepticism that the scale of the requests would materialise. However, even if a small fraction of additional requests were made the benefits of additional accurate data in the market would appear to outweigh the costs.
- Uncertainty how non-discrimination related to the change and queried whether it was more about misallocation of costs. PN responded that non-discrimination in this context related to ensuring appropriate accountability for matters within a trading party's control.
- MRO advised that baseline statistics for the number of C1 and B5 transactions were available in the Bilateral Hub to provide data to evidence the impact of the change at the post implementation review stage.

10.8 The Code Change Committee:

- **AGREED** (unanimous) that CPW144 better facilitated the principles of the WRC;
- **AGREED** (unanimous) to recommend CPW144 for implementation;
- **AGREED** (unanimous) to recommend that, if approved, CPW144 be implemented on 18 December 2023, if Ofwat approval was received by 18 November 2023;
- **AGREED** (unanimous) that a PIR was required; and
- **AGREED** (unanimous) to the proposed scope and trigger of the PIR.

11. Bilateral Hub Programme Update

- 11.1 SMA gave the CCC an update on the Bilateral Hub programme including highlighting the programme headlines, timeline and areas of focus. Overall, the programme had made good progress and it had been possible to bring elements of the project plan forward on an accelerated timetable.
- 11.2 The project team had considered introducing an additional phase (phase 14) the potential scope of which was currently being discussed. SMA would report back to the CCC with a further update including the potential scope of phase 14 at the November CCC meeting.
- 11.3 In terms of benefits realisation the project would follow a similar process to that undertaken for CPW070 Bilateral Hub. Three benefit assessments would be undertaken (initial, mid and final) with the initial realisation analysis due to be finalised in September.
- 11.4 SMA made CCC members aware that the benefits assessments focussed on five areas:
- Efficiency
 - Direct cost savings
 - Performance improvements
 - Customer benefits
 - Non-financial benefits
- 11.5 SMA outlined the estimated cumulative programme costs versus cumulative financial benefits over five years and highlighted the annual financial benefits savings for CPW070 and CPW139. The actual figures would be presented to the Bilateral Steering Group and then the CCC in November.
- 11.6 A CCC member asked what would happen after Phase 14 and whether there could be scope to include Vacancy Change Application in the Bilateral Hub in Phase 14. SMA responded that post CPW139 it was anticipated that a proposal would be put forward to work on similar lines to how change is implemented in CMOS. With regard to Vacancy Change Application this was currently being considered with the input of OAG.
- 11.7 A CCC member commented that with regard to reporting, very powerful data was being generated through the Bilateral Hub e.g., in relation to BRMeX. SMA responded that the potential to generate data and reporting for Trading Parties and MOSL was important, and that the platform currently being utilised for the Bilateral Hub was being reviewed to see

where enhancements could be made to ensure that reporting was accessible to a range of stakeholders.

- 11.8 A CCC member asked how the estimated numbers were calculated e.g., reduction in complaints. MRO outlined the approach and noted that the final benefits report for CPW070 explained the criteria for the calculations. MRO added that the focus of CPW139 was less on efficiency benefits and, although the change would generate significant savings c.£9.6 million, the main focus was on facilitating the decommissioning of wholesaler portals.
- 11.9 A CCC member asked whether it was possible to see genuine improvement in wholesaler performance against the SLAs. SMA responded that this was the case. JG added that in discussions with Trading Parties, particularly retailers, many anecdotally shared that the simplicity of the hub meant that frontline staff were talking to customers and raising bilateral requests at the same time. As a result, the customer experience was being enhanced.
- 11.10 A CCC member asked whether Phase 14 of the project would essentially be additional process from those outlined in the original programme. SMA responded that Phase 14 would include enhancements or additional processes. The project would look at what was feasible in the time remaining to deliver additional functionality over and above what had been outlined in the MOSL Business Plan.

12. Recommendation CPW139d Bilateral Hub Assessments

- 12.1 The Code Change Committee considered the draft recommendation report for CPW139d '[Bilateral Hub \(Assessments\)](#)'. The proposed change sought to deliver the fourth implementation of processes into the Bilateral Hub under CPW139 & CPM051, featuring technical solutions for Process H3 (merged) (review of unmetered charges or change in tariff).
- 12.2 CD outlined the background, scope and benefits of the change as outlined in the draft recommendation report.
- 12.3 In terms of project governance all code documents had been reviewed and signed off by the Code Advisory Group and the Operational Advisory Group had been engaged in looking at the process since April 2023. Trading Parties had had early sight of the pertinent documents since 25 July pending sign off by the CCC. Ofwat had had early sight of the documents since 25 August and CCW had had early sight of the documents and an opportunity to submit a response which had been included in the draft recommendation report.
- 12.4 The Code Change Committee:

- **AGREED** (unanimous) that CPW139d better facilitated the principles of the WRC;
- **AGREED** (unanimous) to recommend CPW139d for implementation; and
- **AGREED** (unanimous) to recommend that, if approved, CPW139d be implemented at 00:00 on 12 December 2023, if Ofwat approval was received by 10 November 2023.

13. AOB

13.1 Prioritisation of Recommendations to Ofwat:

13.1.1 The CCC discussed the order of priority that the CCC recommended Ofwat review the changes considered at the meeting.

13.1.2 The CCC noted that the Bilateral Hub (Assessments) change would need to be a high priority to ensure that the project continued to be delivered to the agreed deadlines.

13.1.3 A CCC member felt that CPW143 '[Wholesaler Maintenance of YVEs](#)' would not have a large impact on Trading Parties but would have an impact in terms of being released into CMOS.

13.1.4 A CCC member commented that prioritisation would need to be dynamic with all the changes in the recommendation pipeline considered each month.

13.1.5 A CCC member suggested that in considering the changes for prioritisation it would be useful to highlight any interdependencies and the knock-on impact if the CCC were to de-prioritise a change.

13.1.6 The changes were prioritised in the following order:

- CPW139c Bilateral Hub (Dis/Re-connections) (already submitted to Ofwat)
- CPW139d Bilateral Hub (Assessments)
- CPM053 and CPW146 Change Process Improvements
- CPW144 MPF Incremental Improvements
- CPW143 Wholesaler Maintenance of YVEs (already submitted to Ofwat)
- CPM055 CMOS Data Escrow

13.2 Ofwat Service Level Agreements:

13.2.1 DM advised that Ofwat would not be looking to set out an SLA or agreed timeline for considering a recommendation. This was based on the rationale that each change was

unique and could take varying amounts of time depending on complexity, and the need for legal or economic advice.

CLOSED SESSION:

14. Committee Reflections

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