

TDC Meeting 06 - Minutes

8th November 2017 | 11:00 – 12:30 | Teleconference

Status of the minutes: Final

MEMBERS PRESENT

Name	Role
Elsa Wye	Chair
Martin Mavin	Committee Member (Wholesaler)
Paul Stelfox	Committee Member (Wholesaler)
Tim Orange	Committee Member (Wholesaler)
Cleo Acraman	Committee Member (Associated Retailer)
Colleen John	Committee Member (Associated Retailer)
Kirstie King	Committee Member (Associated Retailer)
Rupert Redesdale	Committee Member (Unassociated Retailer)
Neil Pendle	Committee Member (Unassociated Retailer)
Abu Rashid	MOSL (Secretary)
Lewis Jones	MOSL (Presenter)
Emma Taylor	MOSL (Observer)

APOLOGIES

Name	Role
Richard Stanbrook	Committee Member (Associated Retailer)
Julian Tranter	Committee Member (Wholesaler)

OPEN SESSION

1. Welcome

PURPOSE: FOR INFORMATION

- 1.1. The Chair began the sixth Trading Disputes Committee (TDC) meeting by welcoming its newest member, Kirstie King from Water2Business, who joined the TDC this month.

2. Trading Dispute Observations

PURPOSE: FOR INFORMATION

The Market Operator (MOSL) presented a summary of the Trading Dispute that occurred between Severn Trent Wholesale (STW) and Severn Trent Retail (STR) and its subsequent resolution.

- 2.1. MOSL stated that a settlement-impacting issue had been identified by STR regarding STW's tariff structure in the Central Systems (CMOS). STR raised the issue with STW at a monthly-held meeting between the two parties, in which it was agreed that there was a discrepancy between STW's tariffs as stated in its wholesale charges scheme and those created in CMOS.
- 2.2. MOSL stated that dispute runs had been executed to rectify the matter.
- 2.3. A TDC member queried the reason why this issue had escalated into a dispute and was being presented to the TDC, as a number of similar issues had been identified and resolved by other parties. MOSL stated that this was the first case where resolution of the problem had been done through dispute settlement runs, as this was agreed by the disputing parties as the most appropriate route. Previous issues in the market similar to this had been resolved through corrective settlement runs, which were not available in this case due to the time limits on requesting corrective settlement runs.
- 2.4. MOSL stated that, going forward, if issues similar to this STW-STR dispute are identified and resolved in the market, the TDC would be notified of the dispute but committee authorisation would not be requested to proceed with the resolution. This would expedite the disputes process. This dispute was presented to the TDC as it was the first trading dispute to have occurred in the market.
- 2.5. A TDC member queried the apportioning of the cost to re-run settlement. MOSL stated that if costs are agreed in the rectification plan, then there is no need to escalate the dispute to the TDC. In this particular dispute, both trading parties were able to reach an agreement regarding cost apportionment.
- 2.6. Members stated that the quick resolution of this dispute showcased a good example of how disputes should be resolved in the marketplace. However, if the figure being disputed in a dispute is applying pressure to the operational activities of a trading party, the TDC may choose to accelerate the disputes process as there is nothing prohibitive against that action in the market codes.
- 2.7. The Chair stated that the TDC could look at an expedited disputes process if members believed it helpful to do so.
- 2.8. TDC members confirmed that the level of information in the communication sent out by MOSL regarding this dispute was sufficient; however, there was a lack of clarity of how the dispute

arose, as well as whether other parties were informed of the impact to their organisations. MOSL recognised the TDC's wishes and stated that it will look to incorporate feedback into future notifications.

- 2.9. MOSL further stated that it is obligated to list disputes on its website so trading parties are aware of them; however, it is not required to communicate details of disputes explicitly to trading parties, although any communications will be dependent on the scenario. MOSL stated that it will review the disputes process to see if it can be made clearer.

The TDC:

- **NOTED** the presentation.

3. Wider Market Activities

PURPOSE: FOR INFORMATION

MOSL made a short presentation regarding the activities that have been witnessed in the market since 1 April 2017.

- 3.1 Members discussed the appropriateness of the materiality thresholds which dispute and corrective settlement runs must meet. Members stated that it was too early in the market to assess whether the thresholds are entirely appropriate and that more data was required to make that assessment.
- 3.2 A TDC member stated that, if multiple re-runs are requested throughout the year, the cost of re-running settlement could have a material impact on the operations of a company. The Chair asked if there was an economy of scale issue that could be assessed. MOSL stated that it is aware that some trading parties consider the cost of re-runs high and that it will revisit this as part of its additional services review, noting that the costs are there to recover the expense of running an unplanned settlement run.
- 3.3 A TDC member raised a concern that trading parties may feel discouraged from raising disputes if they are under the impression that the TDC does not attend to disputes that do not meet the materiality thresholds. MOSL stated that it will add a clarification point on its website, stating that a trading party can raise any trading dispute that it believes is valid and that the materiality thresholds are only conditions which need to be met in order for dispute settlement runs to be requested.
- ACTION 06_01**
- 3.4 Members discussed the option of additional validation rules that can be written into CMOS to assist with curbing overcharging. Members stated that, while this may be a good idea in theory, executing this in practice would be overly difficult. It was further mentioned that this dispute may have risen due to the immaturity of the market; therefore, creating additional validation may not be appropriate at this stage.

The TDC:

- **NOTED** the presentation.

4. Any Other Business

- 4.1 MOSL stated that the next scheduled TDC meeting is 6 December 2017. It was noted that the TDC secretary would inform members of whether a meeting was necessary, depending on whether any disputes are raised and that it would distribute any relevant papers at least five working days prior to the meeting.
- 4.2 MOSL stated that a list of proposed meeting dates for 2018 would be circulated with the TDC and requested members confirm their availability for the proposed dates.

There was no further business and the Chair closed the meeting.