

Minutes of the Market Performance Committee

Meeting 29

28th August 2019 | 10:00 – 16:00

Held at ETC Venues County Hall, Riverside Building, Belvedere Road, Lambeth,
London, SE1 7PB

Status of the Minutes: FINAL

MEMBERS PRESENT

Nigel Sisman	NS	Independent Chair	Mike Rathbone	MR	Wholesale Committee Member
Mike Brindle	MB	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Claire Yeates	CY	Retailer Committee Member	Fiona Matheson	FM	Alternate Retailer Committee Member (via telecom)
Don Maher	DM	Wholesaler Committee Member			

OTHER ATTENDEES

Darren Hayes	DH	Ofwat Observer	Christina Blackwell	CB	CCWater Representative
Steve Arthur	SA	MOSL Representative	Liz D'Arcy	LD	MOSL Representative
Samantha Webb	SW	MOSL Presenter	Chris Chiorean	CC	MOSL Presenter (via telecom)
Milo Halford	MH	MPC Secretary (via telecom)	Alexandra Piper	AP	MPC Secretary (via telecom)
Luke Austin	LA	MOSL Presenter	James Harvey	JH	Economic Insights Representative
Andrew Howorth	AH	MOSL Representative	Evan Joannette	EJ	MOSL Representative
Rob Curry	RC	MOSL Presenter			

APOLOGIES

Gerard Lyden	GL	Wholesale Committee Member	Trevor Nelson	TN	Retail Committee Member
Wendy Monk	WM	Retailer Committee Member			

1. Welcome and Introductions

Purpose: For Information

- 1.1. The Chair began by welcoming the members of the Market Performance Committee and introductions were provided around the room and from telephone participants.

2. Minutes and Outstanding Actions

Purpose: For Decision

- 2.1. It was decided that both MPC 27 and MPC 28 minutes were to be accepted without changes.
- 2.2. It was decided to close the following actions: **A25_06, A26_06, A27_03, A27_06, A27_07, A27_08, A28_01, A28_02, A28_03, A28_04, A28_05, A28_08, A28_10, A28_11, A28_12, A28_13, A28_14, A28_15.**
- 2.3. It was decided that the actions **A27_10, A28_06, A28_07** and **A28_09** would be left open
- 2.4. CY informed the MPC that she was still awaiting feedback from the self-supply organisations around the confidentiality of the MPS charges paid, due to various contacts being on leave. The Chair stated that it was important to get this information as quickly as possible as it had a direct impact on the extent of redaction needed in a public domain version of the EI report around redistribution.
- 2.5. There was a discussion around the practical use of Jaspersoft and whether being “technically compliant” was good enough. MOSL elaborated that the original market codes did not match the reality of commercially available solutions and therefore it was impossible for MOSL to be compliant. The Code was amended in January 2019 to reflect the Jaspersoft functionality. It was further emphasised that while Jaspersoft is not perfect, it is a fundamental element of the CMOS System and as such a complete departure from Jaspersoft is technically impossible. It was then stated that, as a result, the batch downloading of Jaspersoft generated reports will not be supported.

3. Clarification of Economic Insights (EI) Proposal

Purpose: For Information / Discussion

- 3.1. An EI representative attended MPC to explain EI’s rationale for the recommendations contained in its recent report. A presentation was given paying particular attention to the reasons for the default redistribution method (CPM008+) and the recommended hybrid approach which recognises that on rare occasions an option might be used to fund projects to address market failures using some or all of the ‘pot’ of monies arising from performance charges.
- 3.2. A representative from EI explored the criticisms of the proposed redistribution model and why EI still advocate CPM008+ as its preferred default redistribution approach having considered the recently suggested alternative.

- 3.3. The representative highlighted that the key aspect of their proposal was to address incentive dilution which particularly favours larger Retailers. This led EI to rule out the current 100% redistribution option because of a high risk of inefficiency and was not a necessary requirement to solve issues.
- 3.4. EI stated that they had leaned towards an alternative 100% redistribution model but after pressures from industry working groups and Ofwat decided to opt for a hybrid model, as there was no cause to rule it out as inappropriate.
- 3.5. EI stated that they felt it was possible to develop a framework that resulted only in the option being exercised when efficient to do so, clarifying that if they had thought this impossible, they would have likely opted for a 100% redistribution option.
- 3.6. EI clarified “the scope of activities” that, in their recommendation, could be eligible for funds raised from charges. Specifically, EI indicated that this should only address well-defined and proven market failure, and should the activity be performed by the Market Operator then only if those activities should not be funded in other ways such as using existing budgets or increasing the MO charges.
- 3.7. EI went on to inform MPC on the alternative redistribution models and compared CPM008+ to the original CPM008 and the Revised CPM008, highlighting why CPM008+ was favourable having particular regard that it resolves Ofwat’s issue of incentive dilution.
- 3.8. EI concluded their presentation and opened the floor for questions from the MPC.
- 3.9. A member raised a concern about the transfer of charges and where Retailers hold multiple Org-IDs, it could lead to an unacceptably high transfer. The member also raised a concern about what kind of impact an increase in Retailers in the market would have. They stated that transfers might increase, and the distortion might grow. EI responded that transfers would have to be tolerated if there is a redistribution option. Other options explored, such as segregating the charges collected based upon trading party type or trading party size also had greater drawbacks than the model proposed.
- 3.10. A member voiced a grievance about the impact of transfer charges on the larger counterparties. Analysis suggested that the transfer value could end up with the largest competitor being the only contributor, paying £230k for par performance. This would occur when counting Org-IDs for the largest competitors.
- 3.11. A member raised a serious concern about the possibility of distortion – suggesting that perhaps a possible enduring solution might factor in trading party size or use vanity names rather than Org-IDs. EI clarified that there may well be other redistribution models out there, but part of the exercise was not to show that CPM008+ was perfect from all perspectives but superior to other models when considered in the context of Ofwat’s objections to the earlier CPM008 proposals. EI pointed out that the other alternative redistributions models had flaws when considered in the context of Ofwat’s objections and particularly that of incentive dilution.
- 3.12. An MPC member re-iterated that the funds making up redistribution were sourced from fines for poor performance, rather than a share of turnover. They summarised that Ofwat will make the final judgement.

- 3.13. The Chair cited previous agreement by the MPC of the underlying aims and stressed that no model would ever be perfect from everyone's perspective but went on to clarify that the main aim was to address incentive dilution which EI had done.
- 3.14. The Chair put to the MPC that the discussion should move from the area of redistribution towards the area of the underlying governance framework for the option. This warranted MPC consideration of EI's rationale for its governance framework conclusions.
- 3.15. The Chair asked EI to elaborate on their views on how they thought the option's governance would work, enquiring specifically as to what constituted a legitimate project, how one might choose between two such projects and indeed who might decide which projects would receive funds. MOSL clarified that it shared the concerns of the MPC and that a robust governance approach and criteria for the deployment of funds was needed.
- 3.16. EI responded that no evidence of specific projects that warranted funding from standards charges had been supplied to them during their work on this project. However, this did not prove that such projects do not exist. EI suggested that some strawman projects are considered for an assessment. This might help define the relevant governance framework as well as, if appropriate projects were found, help stimulate generation of ideas for more candidate projects.
- 3.17. MOSL highlighted industry concerns about the uncertainty of how much money would be spent and how Trading Parties would react to the uncertainty of the final amount within the redistribution pot. A MOSL participant went on to ask whether it could be appropriate to signal to companies that a certain percentage point of the pot would be earmarked for projects, in order to help parties better understand how much they could expect to see back, as opposed to a system where the amount diverted to the option changed year-on-year.
- 3.18. EI responded that they were sceptical of incorporating a method that created a 'de facto spend', highlighting that if MOSL, or in fact any decision maker, is required to spend all money in the pot it will be constraining itself to spend a precise amount instead of assessing what an efficient spend, subject to the appropriate criteria, might be. However, EI recognised that a gateway amount of some sort may reduce uncertainty amongst Trading Parties but suggested that MOSL should instead opt to keep Parties alert to projects and their potential expenditure instead of concerning themselves whether TPs preliminary calculations were 100% accurate.
- 3.19. MOSL stated the importance of quality but flexible governance around using the pot for non-governance. The Chair shared MOSL's concerns but warned that governance should not be too flexible and risk inefficient spend on poor projects. Some members supported the Chair's view that sufficiently strict criteria should be applied before triggering the spending of funds. However, the Chair also suggested that the criteria to apply to potential projects should not be so strict that they could never be satisfied, hence the requirement to have some, albeit suitably limited, flexibility within the decision-making process.
- 3.20. The Chair emphasised to the MPC that using the pot should confer a general benefit rather than using it to fund a Trading Party failing one of its obligations, as that ought to be the responsibility of the relevant

Trading Party. The selection process must not unfairly support a specific Trading Party for failings which some MPC members felt the relevant Party should sort themselves.

- 3.21. The Chair raised that the governance needs to ensure there is no competitive advantage arising to individual or small groups of Trading Parties or other service providers from selected projects. Such projects should identify well-defined and proven market failures and deliver broad based benefits to customers.
- 3.22. There was a discussion regarding OPS redistribution and whether this would collect into a separate pot. The MPC stated that it felt it may be the first source for funding selected projects, ahead of the MPS pot deployment, and that this consideration could well form part of the option process. A member asked the MPC to consider whether it was appropriate to say to Wholesalers that they would not be getting this back but not to Retailers in MPS.
- 3.23. An MPC member recalled a vote in a previous meeting whereby the MPC voted that funds from OPS charges would not be redistributed to wholesalers, although only one Wholesale member voted in favour of non-redistribution. The Chair suggested the vote had concluded that the use of funds from OPS charges would be unspecified until an appropriate use be decided. The MPC member notified the MPC that the EI report did not discriminate OPS and MPS. The Chair indicated that the MPC's aspiration that OPS would not all be returned to Wholesalers would require the selection of some suitable market enhancing projects to be identified if the EI recommendations are to be upheld.

ACTION: MOSL to confirm from previous minutes the outcome of the vote on what to do with the funds from the OPS charges.

A29_01

- 3.24. A member raised concerns that this highlights how different charging is for Retailers and Wholesalers – for Wholesalers the reputational incentive is considered far more important than the financial incentive.
- 3.25. EI stated that, under its recommendation, the default position would be an OPS redistribution. However, EI asked the MPC for their viewpoint on other mechanisms.
- 3.26. A member stated that whilst OPS activity only applies to Wholesalers, task failure has a direct impact on Retailers and as such the concept of a non-returnable fine for OPS charges felt more reasonable than in other parts of the standards regime.
- 3.27. Another member suggested that for any viable project, the first 'pot' of money used could consist of the funds taken from OPS charges.
- 3.28. The Chair summarised that if it was decided there was no project to support from the OPS fund then a compensatory framework might be appropriate, although retrospective application may be difficult from both a regulatory and practical perspective.
- 3.29. A member raised concerns that in the case of a single central body operating under multiple Org-IDs (for example, an incumbent with their associated Retail arm) an incentive dilution could again be created. EI replied that these cases would indeed be subject to different incentive properties.

- 3.30. There was a suggestion that maybe Ofwat could start to investigate why some companies have more than one Org-ID as previously, this was accepted as the market was being created and getting started however, now that the market is running, is this still necessary?
- 3.31. The Chair thanked EI for its participation and insights. The EI representative confirmed its recommendation for the default CPM008+ redistribution subject to an opportunity to use the option to fund activities from charges in rare or limited circumstances to address market failures.
- 3.32. The Chair suggested that the consultation should include consideration of the appropriateness of implementation on January 2020. The Chair also stated that in upholding the MPC's earlier recommendation to Panel, it should be mentioned that CPM008+ was a majority decision by the MPC. The recommendation in the consultation should also contain background to the rationale for the option process as well as sufficient detail that respondents can understand the intent and possible range of outcomes.

4. MPOP Programme C – Use of MPS Charges

Purpose: For Discussion / Decision

- 4.1. The Chair referenced MOSL's suggested timeline of the redistribution change proposal, emphasising that Panel sign-off was needed by the end of October and that an industry consultation is anticipated towards the end of September. This timeline is necessary to ensure that relevant processes and procedures can be enacted during the early part of the next financial year. The Chair summarised the prior sections conclusion by stating that the MPC were recommending EI's hybrid approach with a leaning towards redistribution save for rare or limited circumstances where beneficial projects addressing market failures could be suitably financed via the option to exercise process.
- 4.2. The Chair enquired whether the MPC could be targeting a 1st January implementation instead of the 1st April, highlighting that it may be appropriate considering the dysfunctionality of the current system however there appeared to be reservations of the feasibility of said motion.
- 4.3. The Chair summarised that the MPC had a majority vote in favour of the proposed CPM008+, however a consensus was not reached, and a member had a legitimate issue with the proposal. The Panel has been made aware of this challenge, and it is for the MPC to either proceed with its recommendation or to change its position.
- 4.4. MOSL requested MPC formally raise a change proposal to trigger the official change process by the 2nd of September. The Chair noted MOSL's administrative requirement for the change proposal document.
- 4.5. The Chair stated that the work remaining for the MPC related to the wording of the consultation document as well as the clarification of a few issues such as the tax obligation. It was posed to the members whether they felt another call was necessary to nail down the scope of the consultation or whether they were confident MOSL had enough information to put together a document that accurately captured the MPC's views. The MPC asked MOSL to progress the development of the consultation document.



- 4.6. MOSL confirmed that it would progress the drafting, including finalising and taxation issues, so that the MPC is in receipt of a draft no later than 10 September. MPC members will review the document later that week and written feedback will be encouraged.
- 4.7. The MPC members agreed to the timeline to hold a meeting on 17th September to explore written feedback and any subject matters allowing sufficient time for MOSL refinement prior to a sign off expected to occur on the 20th September call ahead distribution on the 23rd September, noting that the visioning workshop on 16th September presents a risk to the timelines. Agreed that Nigel will be name on the change proposal
- 4.8. The Chair agreed to provide feedback on MOSL’s draft of the change proposal document which would officially be raised by the Chair, on behalf of MPC. Additionally, a presentation will be provided at the User Forum on the 19th September to raise awareness of the change proposal

ACTION: MOSL to book and facilitate a 2 hour call on the 17th September (10am – 12pm), with a 30-minute follow-up call on the 20th September for a final sign-off.

A29_02

5. MPOP Programme C – Priority Changes (paper)

Purpose: For Decision

- 5.1. JW and MOSL walked the committee through the standards it had decided to be focused on (especially MPS 18 and MPS 19)

MPS 19

- 5.2. MOSL highlighted that there is need for them to carry out a data quality exercises on MPS 19, as additional meters are being identified as being potentially labelled incorrectly. A member stated that it was down to Wholesalers to change the minimum read frequency of a meter satisfying the criteria, highlighting the need for MOSL to understand why some meters are labelled as monthly despite not typically meeting the specified criteria and vice versa

ACTION: MOSL to come to the MPC in September with a scoping document on timelines for the data exercise for MPS 19, having gained inputs from a targeted set of trading parties.

A29_03

ACTION: MOSL to perform analysis on Monthly Meters using increased insight to determine the most appropriate course of action.

A29_04

- 5.3. There was a suggestion that maybe an API be created to monitor the number of 'incorrectly' labelled meters as wholesalers have previously been asked to 'tidy up' their meter labels and this doesn't seem to have happened. The MPC concluded that this could be assessed after the effects of the initial data exercise have been assessed.

MPS 18

- 5.4. MOSL explained that MPS 18 is the primary driver of MPS charges and that a major alteration to this standard has the potential to make big changes to the market. A member highlighted to the MPC that they will fundamentally be unable to deliver meaningful incentives through change without first making significant changes to the structure of MPS 18.
- 5.5. MOSL formally requested the MPC to extend Time Parameter 1 for MPS 18 to 200BD with a £20 charge and to remove Time Parameter 2 entirely but to retain the 95% threshold, providing evidence that MPS 18 was the dominant portion of MPS charges for almost all large Retailers. MOSL elaborated that they performed a scenario analysis for changing the SLA to each of 170BD, 200BD and 250BD and found that 200BD was the best option based on the trade-off between impact and acceptability – analysis shows that it will bring some Retailers under the cap whilst being acceptable to Wholesalers. It was mentioned that there are 2 Retailers who benefit most from the SLA being moved whereas another will slowly rise further above the cap, however it was highlighted that may be due to other factors within the business.
- 5.6. A member asked why the charge was set to £20 and questioned whether this provided an incentive over a lower charge, given that almost all Retailer's charges are far in excess of their cap. The member challenged that lowering the charge to £15/10 could potentially provide an incentive by perhaps bringing more Retailers below the cap and thus motivating them to increase performance. MOSL responded that that they felt this best exceeded the average cost of a meter read, however clarified that it was not possible to make this true for all areas of the country due to different meter reading providers charging different rates.
- 5.7. MOSL presented a scenario analysis demonstrating that adjustment of the MPS 18 SLA to 200BD would bring people closer to their cap by showing a representative sample of Retailers. A member asked whether this was an issue that could simply have been achieved by increasing the cap. Another member clarified that multiple things would have to be implemented to get average charges at the same level of the cap – not just a raise in the cap but an SLA/Charge adjustment on the key standards.

The Cap

- 5.8. It was emphasised that the MPC needed to be bold in order to make sufficient progress, given that the current regime is currently not functioning at an acceptable level. It was highlighted that by the start of the fourth year of the market there should at least be a reasonable expectation that meaningful incentives exist to support critical elements of market functioning correctly.
- 5.9. MOSL presented that if all discussed changes are made to the SLAs and charges, all but 5 companies are under the cap if we also move the cap from 0.15% to 0.2% of R1. It was agreed that MOSL would perform additional scenario analysis on MPS 18 with consideration towards towards both the charge (set at levels £10/15/20) and the cap (set at levels 0.15/0.2/0.3%).

- 5.10. It was stated that almost all Retailers have their uncapped MPS 18 charges alone exceed their MPS cap. A member expressed concern that it seemed to be 'moving the goalposts' somewhat. Another member clarified that simply reducing charges would be but coupled with adjusting SLAs it constituted a framework change and better addressed the underlying performance issues.
- 5.11. A MOSL representative stated that the MOSL Chief Architect recommended ignoring legacy long unreads in the calculation.
- 5.12. There was a discussion around there being potential for implementing an API on legacy unread meters by removing them from consideration under the MPS 18 standard (as recommended by MOSL's Chief Architect) and instead capturing these under the API.
- 5.13. MOSL recommended that the MPC ask for a piece of scoping work looking at the issue of the cap, charges, SLAs etc
- 5.14. The MPC did agree though that a change to the cap is important and a priority change.

ACTION: MPC Retailer members to provide insight either before, or at September MPC as to whether MPS18 charging levels at £10/£15/£20 could provide meaningful incentives and in respect of addressing which current deficiencies in performance.

A29_05

- 5.15. The MPC agreed an aspiration to conclude the formulation of the April 2020 delivery package at the September meeting which would include a sufficiently long session in order to reach a conclusion.

6. CCW/Ofwat Customer Insight Research Insight

Purpose: For Information

- 6.1. A CCW Representative presented the findings of their customer insight research, highlighting a relatively low amount of customer engagement with the market.
- 6.2. It was shown that high numbers of those who switched were positively surprised with benefits of the doing so, 63% found the quality matched previous service but only 8% benefitted from consolidated bills commonly cited as a primary motivator of NHH customers. However, it was also shown that only 3% of customers had switched.

CCW research re-highlighted the need to increase market awareness, improve market data and to improve bilateral relations. MOSL enquired as to whose responsibility CCW felt it was to increase this awareness. CCW responded saying that multiple parties are responsible for increasing market engagement.

7. Reassurance as a Tool for Performance

Purpose: For Information

- 7.1. MOSL presented some slides around the idea of utilising the market reassurance process as a tool to rectify performance, beginning by highlighting the many components that constitute the various options available under the re-assurance process.
- 7.2. Highlights the possible steps of a performance reassurance process: Performance issue -> PRP -> Re assurance consisting of MRIR (1: Document problem), an MRT (2: Ensure Test Solution is operational) and finally a BSA (3: certify Solution).
- 7.3. It was highlighted that reassurance revolves around major changes in a company, generally through either rapid expansion or software/system/process issues resulting in poor data submission performance and that this is where the scope remains.
- 7.4. A member highlighted that it was important for the IPRP process to highlight what comes next which is where reassurance could be useful. It was mentioned that when a big change has occurred its likely a party will enter re-assurance anyway. There was a general agreement amongst the MPC that the reassurance process in full was too cumbersome to be utilised as a tool for performance rectification and that it would perhaps be more appropriate to use individual components of the process as part of a Performance Rectification Plan, such as the BSA.
- 7.5. A member raised a concern around the BSA being used as it is a substantial piece of work, that everyone in the market has already done. MOSL clarified that if this were to follow a PRP, which in itself is a level of escalation that's yet to happen, then it may well be appropriate at this stage.
- 7.6. A member asked what was stopping TPs just resubmitting the details of their first BSA. MOSL responded this would imply either there wasn't a problem to begin with or the process wasn't being taken fully seriously, clarifying that submission of an unchanged BSA would raise immediate flags within MOSL.
- 7.7. The Chair quoted CSD0001 stating that, where a BSA is invoked, it's the Market Operator's responsibility to assess that TPs have processes that are fully capable. He noted that this tool could be very intrusive and explore in detail business processes, resourcing and performance within a Trading Party. He assumed that if MOSL brings an organisation to the MPC stating that they are uncomfortable with their level of assurance then it would be taken seriously.
- 7.8. SA clarified that when parties enter the market they go through a stringent process, gaining 3rd party assurance, but that data may potentially be missed at the point of entrance. Thus, if a TP gets to the PRP phase without any improvement there may well be a legitimate case to undergo a stringent reassurance to ascertain cause of failure and how it might be rectified via a BSA. It was however emphasised that this should only happen when there is a true need for it i.e., they are consistently failing in a specific area (new connections, developer services etc) and that the focus is predominantly on the performance area escalated to MPC rather than more generally.
- 7.9. MOSL stressed that it was important to re-envision what constitutes a performance trigger in order to decide whether reassurance could be a proactive tool or not. There was a discussion around the BSA

component of the reassurance process not necessarily being a fix for performance as much as a diagnosis. There was also a discussion as to whether there was the bandwidth at MOSL to use the MRIR or MRP as effective tools, citing the fact that the BSA is a piece of work largely undertaken by the TP themselves. The MPC reached a general viewpoint that the reassurance process as a whole was too unwieldy for performance rectification, and that they may instead seek to take certain tools from CSD0001, such as the BSA, and potentially make them integral parts of the PRP process.

8. IPRPs

Purpose: For Decision

REDACTED

ACTION: MOSL and MPC agreed that Trading Parties will be eligible for IPRPs on MPS 18 starting in September, based on August data. MOSL will inform MPC of any TPs who have been placed on an IPRP for MPS 18 in September's MPC meeting.

A29_06

9. MPS, OPS and APIs

Purpose: For Information

MPS 3 and MPS 5: Effective from Dates

- 9.1. MOSL then went on to present a piece around the definition of the Effective from Dates (EFDs) in relation to MPS 3 and 5, asking MPC to approve "date at which the meter is installed and becomes chargeable" to become the new definition of EFDs.
- 9.2. MOSL presented four options on which date should be used for new connections. The MPC agreed MOSL's recommendation that "date meter is installed and becomes chargeable" should be the date used for new connections. MPC made the distinction that if the meter becomes chargeable slightly after installation, the EFD should be the chargeable date.
- 9.3. MOSL asked whether the MPC thought it would be appropriate to put EFDs to consultation. It was decided that a full consultation was unnecessary but that MOSL would send out a communication to TPs to determine what Wholesalers are currently putting as their EFD and under what circumstances.

ACTION: MOSL to send out a communication to TPs to determine what Wholesalers are currently putting as their EFD and under what circumstances



- 9.4. MOSL asked what the MPC considered to be an appropriate level of flexibility around using the gap site process (MPS 5) as opposed to the new connections process.
- 9.5. There was also a discussion around extending the MPS 3 SLA to align with the MPS 5 SLA (from 5-9BD to 10 -15BD) in order to remove the incentive to interchangeably use the two. The MPC agreed.
- 9.6. The MPC accepted MOSL's proposal to add the changes to MPS 3 to the MPF priority changes.
- 9.7. MOSL reminded MPC that OPS data was resubmitted last month.
- 9.8. MOSL stated that they had slightly relaxed the validation rules in the OPS allowing for an interchange between standard and non-standard tasks in the OPS F5 and I5 tasks. MOSL will communicate this approach out to Wholesalers so that data is reported consistently.
- 9.9. A more detailed breakdown of the quantitative outcomes of the resubmission process was provided. MOSL presented a one-off dashboard that had been created to give a complete picture of any changes.
- 9.10. It was shown that, since the resubmission process, submissions had been dealt in a timely and significantly more accurate way in general.
- 9.11. MOSL went through a clarification of the submission process which went on to formalise MOSL's standard response around late submissions, incorrect submissions and payments from now on. The Chair noted that errors could affect the accuracy of charges paid and that processes should support the accurate and timely recovery of charges.
- 9.12. There was a conversation around the legitimacy of the start and end dates of the OPS G4 tasks and whether this standard should become chargeable. It was discussed that this measure was important for trade effluent but that it should be considered different, and possibly separately, to the other operational standards given the high number of transactions. The Chair suggested that MOSL could ask the industry to have another look at charging G4 tasks, based off extremely high performance – asking the industry whether it is truly a risk area. Others wondered whether there was sufficient merit to warrant the continuation of this standard within OPS. It was noted that a review should be triggered during this financial year and it was suggested to ask for a view based on at least 6 months of data before the end of this calendar year.
- 9.13. The MPC also noted the requirement to review to consider the introduction of measures and potentially different charging levels for extremely late charges. The MPC agreed that this should await several months experience of accurate OPS reporting and observed performance levels.
- 9.14. MOSL gave an update on the knowledge sharing plans they have, regarding talking to Wholesalers about OPS. Wholesalers at the MPC praised MOSL's work regarding this and are keen to get involved.

ACTION: TEIC to look at G4 data and come back to MPC with proposal on whether to remove the standard or start charging.

A29_07

10. MPOP Programme Updates (high level)

Purpose: For Information

- 10.1. MOSL presented a high-level update on the MPOP Programmes.
- 10.2. MOSL announced KT's replacement, Andrew, who is to start on 2nd September 2019 and has experience in both the water industry and data analysis.

ACTION: MOSL to share the members and outputs of each MPOP working group with the MPC member

A29_08

MPOP Programme A: Vacancy

- 10.3. MOSL informed the MPC that the Vacancy Working Group had been selected but was still in need of one more Retailer. MOSL outlined the two separate stages of work that will be carried and stated there will be a fortnightly cycle of meetings (some face-to-face).

MPOP Programme B: Long Unread Meters (LUM)

- 10.4. The LUM Working Group has been fully selected, with first meeting held on 12th August 2019. All members agreed to share skip code data with MOSL and the working group. The next two stages are to gather and review the data, and to recommend resolutions based off the findings. MOSL were also looking into the next iterations of DIPs and were seeking to facilitate workshops for Retailer and Wholesaler pairs to work through their issues (these pairs have already been identified).
- 10.5. MOSL informed the MPC that the Read Rejections Working Group deadline had been extended because an additional Retailer and two Wholesalers were required to join.
- 10.6. The Chair stated that if MOSL were sure that if a quality piece of work could be produced, the Read Rejections Working Group should proceed despite the missing members.

MPOP Programme C: Market Performance Framework Roadmap

- 10.7. MOSL provided an update around the three areas of the MPF Roadmap, but MPF Redistribution and Priority Changes had largely been covered already in the current meeting.
- 10.8. MOSL updated MPC on the important dates which form the MPF 3-Year Roadmap.
- 10.9. The Chair asked for the MPC to define the deadline as to when they would approve the recommended Priority Changes packages for an industry consultation, being either September or October.
- 10.10. JW said he was happy to work with LA from MOSL to put together a final document detailing the bundle of MPS Priority Changes for a September decision.

11. Any Other Business

Purpose: For Discussion



- 11.1. The Chair asked what had caused the 20% reduction in legacy LUMs since the end of March. A member stated they felt it was largely due to Wholesalers beginning to feel accountable for those meters and taking proactive actions to locate and read meters to reduce the number themselves. Other members confirmed they were aware of initiatives in several Wholesalers. The Chair enquired whether there were any projections available that indicated how much improvement might be possible and over what timescale using the methods currently adopted by these Wholesalers. It was agreed that MOSL would identify some of the best performing Wholesalers and seek to convene a “knowledge sharing” event to explore what improvements might be achievable and over what timeframe.
- 11.2. MOSL went through the monthly Market Improvement Pack, showing that even though LUMs had seen significant improvement, LUMs in general had seen a slight increase of 0.4%.
- 11.3. The Chair stated that it was important to use all the data and insight gathered on the number of unread meters to help drive the market forward. The Chair encouraged MOSL, which has access to a lot of data and analysis including from DIPs, market audit and MPOP activities, to share findings and collections of materials in order to make it accessible to the wider market, as well as to increase the intelligence in the market.

ACTION: MPOP Programme, through its work, to consider how data and insight can be shared to help the market move forward.

A29_09

- 11.4. The Chair asked whether greater transparency of working group activity might be beneficial. The MPC noted that small groups of suitably knowledgeable and motivated people make good progress understanding challenges and defining how improvements can be made. The Chair enquired whether this could be achieved simply using the MOSL website or SharePoint and whether much of the material seen and produced in working groups could be accessible. This could provide valuable insights and/or trigger questions from interested parties outside of the formal group. MOSL agreed to explore how this might be achieved.
- 11.5. With the EI Visioning Group (part of the MPF Roadmap), a comment was made that the size of the group has increased.
- 11.6. The Chair indicated that CPW072 has been recommended by Panel for implementation. Hence the excel batch submission concept may be introduced soon, affecting OPS reporting going forward. A member responded that the batch submission is currently considered excluded from OPS.
- 11.7. The Chair emphasised that care should be taken when reporting OPS data. It was pointed out that Wholesalers may have different Excel skill-levels, and some may struggle to use the OPS spreadsheets. A Wholesaler mentioned that extracting the data from MOSL to the Wholesaler in excel may prove difficult. The Chair remarked that CPW072 would bring batch submissions within the scope of the code and that therefore all accepted forms within such a batch submission might need to be reportable under OPS. It was therefore requested that the OPS guidance be reviewed to establish whether it required to be updated. Additionally, MPC felt that the Final Recommendation Report might need to reference any



issues that might require OPS Guidance update. JW and MR agreed to provide a view on any OPS Guidance issues that might need to be addressed.

12. New Actions

A29_01 MOSL to confirm from previous minutes the outcome of the vote on what to do with the OPS charges.

A29_02 MOSL to book and facilitate a 2 hour call on 17 September (10am – 12pm), with a 30-minute follow-up call on 20 September for a final sign-off.

A29_03 MOSL to come to the MPC in September with a scoping document on timelines for the data exercise for MPS 19.

A29_04 MOSL to perform analysis on Monthly Meters using increased insight to determine the most appropriate course of action. We need to understand what wholesalers need. Why are some meters being labelled monthly but don't typically meet the criteria of a monthly meter?

A29_05 MPC Retailer members to come to September MPC with insight to incentives on changing the charges of TP fails to £10/£15/£20

A29_06 MOSL and MPC agreed that Trading Parties will be eligible for IPRPs on MPS 18 starting in September, based on August data. MOSL will inform MPC of any TPs who have been placed on an IPRP for MPS 18 in September's MPC meeting.

A29_07 The TEIC to look at G4 data and come back to MPC with proposal on whether to remove the standard or start charging.

A29_08 MOSL to share the members and outputs of each MPOP working group with the MPC member

A29_09 MPOP Programme, through its work, to consider how data and insight can be shared to help the market move forward.

The next MPC meeting is scheduled for **25th September 2019**

ETC Venues Fenchurch Street
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