



# Minutes of the Market Performance Committee Meeting 31

30<sup>th</sup> October 2019 | 10:00 – 16:00

Held at Solent Boardroom, MOSL, White Building, 1-4 Cumberland Place,  
Southampton, SO15 2NP

Status of the Minutes: Final Version

## MEMBERS PRESENT

Nigel Sisman	NS	Independent Chair	Wendy Monk (via telecom)	WM	Retailer Committee Member
Mike Brindle	MB	Retailer Committee Member	Jesse Wright	HL	Wholesaler Committee Member
Claire Yeates	CY	Retailer Committee Member	Trevor Nelson	TN	Retailer Committee Member
Don Maher (via telecom)	DM	Wholesaler Committee Member	Gerard Lyden	GL	Wholesaler Committee Member
Michael Rathbone	MR	Wholesaler Committee Member			

## OTHER ATTENDEES

Georgina Mills	GM	Ofwat Observer	Steve Hobbs (via telecom)	SH	CC Water Representative
Steve Arthur	SA	MOSL Representative	Andrew Welborn	AW	MOSL Presenter
Andrew Howorth	AH	MOSL Representative	Samantha Webb	SW	MOSL Presenter
Luke Austin	LA	MOSL Presenter	Milo Halford	MH	MOSL Presenter
David Garner	DG	MOSL Presenter	Pam Nash	PN	MOSL Representative
Alexandra Piper	AP	MPC Secretary			

## APOLOGIES

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## 1. Welcome and Introductions

### **Purpose: For Information**

- 1.1. The Chair began by welcoming the members of the Market Performance Committee and introductions around the room.

## 2. Minutes and Outstanding Actions

### **Purpose: For Decision**

- 2.1. The Chair asked if any corrections were needed for the minutes of MPC 30. The Ofwat State of Market Report was referenced as being released in April and should be changed to July. The remainder of the minutes were signed off.
- 2.2. MOSL proceeded to go through the outstanding actions.
- 2.3. The following actions were left open:

A26\_06a – Will be added to the discussions with CGI.

**ACTION:** MOSL's Digital Team will have a 15-minute slot to give an update on action A26\_06a (APIs for CMOS defects) in November's MPC meeting (MPC 32).

**A31\_01**

A29\_04b – TEIC will review the data and discuss the changes required.

A30\_05 – MOSL stated that they will make the changes to the OPS guidance document. This may require a Code change and will be incorporated into the change proposal for the OPS bulk uploads (CPW067) which has been returned to Panel. MOSL will ensure that if necessary, any changes in the guidance are advised to MPC and described in the resubmission. The chair asked that developments to the OPS guidance document are presented to the MPC to enable comments or refinements.

A30\_06 – MOSL will come back to MPC in November (MPC 32).

A30\_07 – Remains open for now, but an agenda item today will provide an update. Further analysis is still required.

A30\_08 – MOSL will provide an update to MPC in November (MPC 32).

- 2.4. The following actions were closed: A27\_10, A29\_04a, A30\_01, A30\_02, A30\_03 and A30\_04.

## 3. MPOP Programme C – Priority Changes – Draft Consultation Report

### **Purpose: For Decision**

- 3.1. MOSL presented slides around the draft consultation report for MPOP Programme C, highlighting four points for decision: start-point for the 200 business days, pre-market opening long unread meters, timing and scope of the cap, finalising the consultation questions.



- 3.2. The Priority Changes consultation will run from Tuesday 5<sup>th</sup> November 2019 with an aim include this as part of the Draft Recommendations Report to December's Panel.

### **200BDs and legacy (pre-market opening) LUMs**

- 3.3. The drawbacks of having an April 2020 implementation that would use a Time Parameter of 200 BDs for the period prior to 1 April 2020 were presented. It was stated that it would cause performance failure to be double-charged whilst only 40BD apart.
- 3.4. MOSL suggested that using the date of the last failure (the closest of the Time Parameter 1 or 2 fail to the 1<sup>st</sup> April 2020 based on the current MPS 18 methodology) should be the start of the new 200 business days to calculate subsequent expected event dates. This will avoid double-charging.
- 3.5. MOSL presented the important dates for legacy LUMs. 29<sup>th</sup> July 2020 would be the next expected charge (200BD away from the last charge – the legacy LUM Time Parameter 2 event on 14<sup>th</sup> October 2019).
- 3.6. MOSL suggested an amnesty period (no charges on 29<sup>th</sup> July 2020). A member raised that the amnesty could be interpreted as an incentive for trading parties to submit and solve their legacy LUMs. MOSL raised that similar events have happened before, and they saw no visible change in behaviours.
- 3.7. The MPC endorsed MOSLs recommendation on the application of the 200BD Time Parameter whereby the last failure event (TP1 or TP2 based prior to 1 April 2020) will be calculated based upon the current MPS logic. It was agreed that a one-off amnesty should be taken. Several members noted that it could drive the wrong incentives and so the messaging must be clear that the amnesty is a one-off and considered in the context of the package of parameter changes (including the cap).
- 3.8. The MPC agreed and clarified that the amnesty will only involve excluding the charges for legacy LUMs, rather than excluding legacy LUMs from the performance statistics. Subject to confirmation after the consultation this must be clear in the recommendation to Panel.

### **The Cap and Consultation Questions**

- 3.9. Whilst noting that the previous MPC had indicated that an explicit question enquiring if there were impediments to increasing the cap to 0.30% from 1 April 2020 one member felt that such an approach was loaded and had requested that the question be withdrawn.
- 3.10. The MPC noted that the explicit question had been removed and noted that the MPC's recommended approach to increase the cap to 0.25% from 1 April 2020 followed by an increase to 0.30% on 1 October was now split across two questions. The MPC concluded Questions 4 and 5 should be consolidated into a single question which includes the full proposal details.
- 3.11. The Chair remarked that this formulation, i.e. the removal of the explicit question about the possibility of a single increase to 0.3% occurring from 1 April 2020 and the consolidated question around the two-step proposal, would still allow respondents to propose and justify any alternatives to the approach recommended in the consultation.



**ACTION:** MOSL to update the Priority Changes Consultation questions following feedback from MPC.

**A31\_02**

### Changes to Other Standards

- 3.12. Changes to MPS 12 and MPS 15, MPS 17, and MPS 3 and 4 were discussed. All of these involved extending time parameters.
- 3.13. A member raised an issue; the change for MPS 17 may have an impact on MPS 16. Discussions were held on changing the time parameters for MPS 16 to 10 business days to match the proposed changes to MPS 17. One member suggested splitting MPS 16 for estimated and actual reads, but noted the complexity of that situation. It was acknowledged that more analysis would be required before a solid recommendation could be presented for MPS 17.
- 3.14. It was raised that the consultation should clearly state that changes to MPS 17 might need to be considered in conjunction with a potential change to MPS 16. The consultation should investigate potential interactions and elicit feedback on this MPS 17/MPS 16 issue. While the current default is to leave MPS 16 unchanged, changes might be considered once the consultation feeds in information to the issue.
- 3.15. One MPC member inquired as to whether any considerations needed to be made before implementing these changes. MOSL made MPC aware that the changes mentioned above (excluding the changes around MPS 18 and the cap) will impact invoicing. Using 10 business days will change the day the MPS process is run within MOSL and thus changing the date invoices are sent to trading parties (currently BD 9 for MPS, OPS and MO invoice charges).
- 3.16. MOSL suggested that either MPS invoices will be sent on/around BD 14 (separate from MO and OPS invoices which would be sent on BD 9) or MO, MPS and OPS invoices will all be pushed back to/around BD 14.
- 3.17. It was suggested that MOSL could change the invoicing for MPS so that it was no longer for a calendar month, but MOSL responded saying this solution would also affect the performance reporting and would require a Code change. MPS data would be reported for a different time period to OPS and MO data.
- 3.18. It was suggested that MOSL push the invoicing back by one month (allowing all invoices to be sent on one day), but again performance data would be affected and would need to be delayed by one month.
- 3.19. It was raised that the four solutions mentioned above (separate invoice dates; BD 14 as a new invoicing date for all; changing MPS invoicing so it is not per calendar month; and pushing MPS invoicing back one month but having the same invoice day) should be brought up in the consultation report.
- 3.20. MOSL suggested that they need to do further analysis on invoicing and reporting for these standards to gather feedback.
- 3.21. It was agreed that, when looking at the feedback on OPS, the members involved in that consultation would have chosen the 5 day push back of all invoicing (keeping MPS, OPS and MO invoicing on the



same day, BD 14, and using the same month). The MPC decided that, in the consultation report, it should be mentioned that this was the option MPC leaned towards.

## 4. MPS 3 and MPS 19

### Purpose: For Discussion

#### MPS 3

- 4.1. MOSL presented the use of Effective From Dates (EFDs) for MPS 3.
- 4.2. After collecting feedback from 11 wholesalers, three possible EFDs were suggested for MPS 3. Most wholesalers prioritised meter installation as the EFD. Very few stated they would use the initial meter read as the EFD, and only in exceptional circumstances.
- 4.3. MOSL identified that the meter installation date was their preferred guidance for the MPS 3 EFD. MOSL asked MPC if it was ever appropriate to use the initial meter read as the EFD. One member stated that using the initial meter read is appropriate but only in the area MOSL highlighted (where there is a meter installed that requires another meter to be present/installed).
- 4.4. It was suggested that clarity on when to use the gap site process should be given to parties in conjunction with the new guidance on MPS 3 EFDs.
- 4.5. MOSL asked MPC if there were any objections to only using the meter installation date as the EFD for MPS 3 (and producing some guidance on when to use the gap site process). There was no objection, but a few members raised that a larger review on the processes for gap sites and new connections are required also. The meeting agreed that this should not be considered by MPC but should be allocated elsewhere. It was suggested that potentially MOSL's Market Design team could investigate the process reviews.
- 4.6. A member advised that the RWG Group working on standardisation of a Gap Site Incentive scheme were recommending that within 40 BDs of the connection date, a task should be considered a new connection (MPS 3) rather than a gap site. It was agreed that it would seem sensible to align across the market.

**ACTION:** MOSL to ask if Market Design had an opinion/view of the gap site and new connection processes (regarding the clarity of the processes), while also asking if they had an action item against them in Panel from around 3 months ago around new connections status in the code.

**A31\_03**

**ACTION:** MOSL to issue guidance (not currently a code change but may be needed in the future) on the Effective From Date for MPS 3.

**A31\_04**

#### **MPS 19**



- 4.7. MOSL stated that they spoke to two wholesalers who had the largest number of monthly meters that did not seem to satisfy the criteria for monthly meters. Only one party had responded in time to be presented at the MPC. For this wholesaler, most of their monthly meters that did not seem to satisfy the criteria turned out to be code compliant after further investigation. Only 601 meters did not meet the criteria and removing these would reduce the number of monthly meters from that wholesaler by 10%.
- 4.8. MOSL found there were extra considerations such as private meters which should all be considered as monthly meters, and bypass meters (larger meters which are combination meters – a meter in case the first meter fails – which can be taken as frequently as the other meter). MOSL believe that the wholesaler’s logic should be applied to the rest of the market.
- 4.9. Criteria 2 of MPS 19 was found to be confusing and MOSL will get a legal interpretation to provide guidance to Trading Parties.
- 4.10. MOSL raised that wholesalers should be transparent on monthly meters as it leads to increases in costs for both wholesalers and retailers. Some MPC members asked if that many monthly meters are necessary, and should the criteria be changed to reduce the number of monthly meters in the market?
- 4.11. A question was asked why so many meters did not satisfy criteria. MOSL raised that it was based on water usage or meter size, rather than a meter associated with “a special agreement in place” as this is not available on CMOS. MOSL clarified they could not easily view the data on a meter being attached to a certain SPID.

## 5. MPOP Programme C – MPF Roadmap Next Steps

### **Purpose: For Discussion**

- 5.1. MOSL presented their focus areas for the MPF Roadmap and expanded on the issues within them. The focus areas were: legacy data issues; accountability and measures in the market; and underdeveloped intervention tools and incentives;
- 5.2. MOSL presented the next steps regarding the project, highlighting key dates. A final version of the Roadmap will be presented to MPC on 27<sup>th</sup> November (MPC 32) with the aim to receive MPC sign-off. It is then the intention to deliver the Roadmap to Panel and Ofwat at the December Panel meeting (Tuesday 10<sup>th</sup> December).
- 5.3. A member asked what MOSL were expecting Panel to respond with. MOSL stated that they wish to deliver the Roadmap to Panel and get agreement that the Roadmap Project will go ahead, with this as the starting point.

## 6. MPOP Programme C – Use of Charges. Update from Panel Discussions.

### **Purpose: For Information**

- 6.1. The Chair confirmed that the Panel had signed off CPM018 and that it would be implemented next year. The Chair also highlighted that a new issue surfaced very late in the process namely that MOSL would continue to utilise the money received from charges to balance their cashflow. The Panel decided that



some of the funds would be held back for MOSL to manage their cashflow on a temporary basis and that this is to be reflected in the recommendation to Ofwat.

- 6.2. It is hoped that Ofwat will decide on CPM018 by 10<sup>th</sup> December 2019.
- 6.3. The Chair emphasised that a Project Selection and Governance Document (PS&GD) largely based on Appendix 1 of the EI Report was required to move forward. The Chair noted that the Panel had not considered next steps to facilitate the implementation of CPM018 if approved by Ofwat. The Chair asked if MOSL could produce a draft Project Selection and Governance Document (PS&GD) ready for early December which MPC could consider at its December meeting. This might facilitate a draft PS&GD being taken to Panel in January or February 2020. This might facilitate a project selection process during the early part of the 2020/21 financial year.
- 6.4. MOSL identified there was a very short turn-around and potentially a sub-group would be required.
- 6.5. GL expressed an interest in being part of the sub-group in November.
- 6.6. A member raised concerns that the redistribution question had absorbed considerable MPC already and that other areas of MPC accountability should be looked at ahead of taking on additional work not requested by the panel. The member highlighted for example that the MPC had not undertaken any further OPS evaluation following the implementation of new more granular reporting. The Chair noted that MOSL had held the pen during the development of the Consultation's Appendix 1 document and the relevant MOSL actors had indicated the translation from the substance in Appendix 1 to the required PS&GD should be straightforward. That said, interpretation of the criteria for selection of projects might be critical and the PS&GD formulation in this area may require careful formulation. There should be a goal that the draft is available as pre-meeting paper, for consideration by MPC at its December meeting. The MPC understood that the document would be a first draft and may not be in a final state in December

**ACTION:** Regarding CPM018, MOSL to produce a draft Project Selection and Governance Document with a sub-group of MPC and EJ from MOSL.

**A31\_05**

- 6.7. When questioned, MOSL specified that the PS&GD was an inter-departmental piece of work from MOSL, produced for Panel.
- 6.8. The Chair felt it would be good practice to go back to some of the respondents who raised issues with CPM018 to ensure they understood the rationale for the final proposals and to ensure there are no outstanding issues that need to be addressed later. It was agreed that a "light touch" approach will be taken. The spreadsheet created by DM containing the responses to the CPM018 proposal could then be posted on the website.
- 6.9. The Chair will contact some of the respondents who raised significant concerns with CPM018 that were not addressed in the post-consultation documentation within the next 2 weeks. The Chair stated he would bring back to MPC any significant areas that haven't been considered by the MPC.



- 6.10. A member raised that the January 2020 implementation date was agreed by Panel with a majority (not unanimous) decision after the Chair of the MPC raised a suggestion of January 2020 implementation. This relies on Ofwat approving the decision by 10<sup>th</sup> December 2019.
- 6.11. If Ofwat approve the decision by the 10<sup>th</sup> December 2019, the recommendation that Panel have given will mean the changes will take effect from the 1<sup>st</sup> January 2020 which was different to the MPC's recommendation of April 2020. The current redistribution method will apply to MPS monies from April 2019 to December 2019. The new regime will apply from the 1<sup>st</sup> January 2020. Therefore, anyone with a project could theoretically apply for some of the money raised by MPS charges between the 1<sup>st</sup> January 2020 to the end of March but this would depend on the completion and implementation of the PS&GD.
- 6.12. The arguments for a January implementation included the findings of the EI report which recommended that performance based redistribution was dis-functional and should be removed as soon as possible, and that the MPC promoted £0 charges on MPS 15 but that change alone has not removed the disincentive to insert late submissions into the market due to the impact it may still have on the current performance based redistribution approach (Revised CPM008). The Chair had also indicated to Panel that the 1 January 2020 implementation would also allow CPM018 to be applied to MPS monies for January-March 2020 so providing a potentially earlier, and fuller test, of the new CPM018 processes. The Chair also noted that another Panel member had indicated a preference that such changes were not implemented mid-financial year.
- 6.13. A member expressed concern over how decisions made at the Market Performance Committee get represented and translated to Panel and User Forum.
- 6.14. Another member stated that Panel make their own independent decisions and a decision made at MPC will not necessarily always be agreed at Panel.
- 6.15. One member stated that the Market Performance Committee was in place to go into further detail than the Panel so that their recommendations were based on all the evidence.
- 6.16. Another member felt that they were not the only person who had concerns about MPC decisions being misrepresented when they reach Panel, stating that they felt in this scenario a decision on behalf of the committee was made in Panel.
- 6.17. Another member indicated that the majority of MPC members were made aware that a new implementation date would be suggested during Panel.
- 6.18. The Chair expressed that he had relayed the decision taken at the MPC to the panel and made clear on a number of occasions that he had a different view which would also be communicated to the panel and the chair advised that he was available to talk with MPC members if they had any further concerns that he would seek to establish the most appropriate way forward.
- 6.19. The Chair expressed his availability to talk with MPC members if they had any further concerns and that he would seek to establish the most appropriate way forward.
- 6.20. A member noted that the Chair had twice reflected views that were inconsistent with the MPC's position; firstly at the User Forum and subsequently in Panel.





6.21. The Chair stated that he would resign.

## 7. MPOP Programmes A and B – Long Unread and Vacancy Updates

### **Purpose: For Information**

- 7.1. MOSL gave an update on Programmes A and B.
- 7.2. The Vacancy workshop provisionally agreed on additional data reporting to target areas under investigation.
- 7.3. A member asked if there was any feedback on legacy LUMs, and if the pace of their reduction will carry on or start to slow down because the easiest meters had been targeted first. MOSL stated that there were still a few quick wins that would remove some of the legacy LUMs to take advantage of.
- 7.4. MOSL stated that they were working to produce 'segment' or 'operational' improvement plans with certain retailer-wholesaler pairings to help solve issues and drive down the number of vacancies and LUMs.
- 7.5. A member asked if MOSL have gone out to consult deeper within the working group. MOSL stated that there will be a focus to consult with the retailer-wholesaler pairs in the working group and even outside of the working group.
- 7.6. MOSL shared some key insights from the work undertaken so far by the working groups. MOSL are currently finding that resourcing is a common theme and a struggle for parties. BAU activities are creating a conflict in addressing backlogs. MOSL expressed the importance of tackling the legacy issues to make sure a long-term solution is found.
- 7.7. MOSL responded to a question, stating that they have already started sending out improvement plans but expect this continue for the next four weeks. MOSL have identified that most pairs have similar issues and MOSL can help provide solutions. MOSL confirmed they were focusing on one pairing at a time and that they currently have 10 pairings but this could increase.
- 7.8. MOSL stated they had pulled high level figures on the biggest pairings and that Sarah McMath would be writing letters to the CEOs of all such companies with the intention of increasing engagement with these plans.
- 7.9. MOSL gave an overview of what was captured in the improvement plans and stated that the plans were flexible and could change overtime.
- 7.10. The potential risks of Programme A and B were identified (resourcing, lack of collaboration and lack of engagement) and solutions were highlighted.
- 7.11. MOSL requested the support of an MPC member on Programmes A and B to help provide insight, direction and advice on the projects. MOSL clarified the commitments would be tasks like reviewing guidance documents, being consulted on how best to communicate and how best to present certain outputs. TN stated that he was already a member of the working group in Programme A and had many prior commitments but would be more than happy to support in whatever way he could.

- 7.12. Some MPC members indicated that they would like to help but that other MPC project activities were taking up considerable time and that the precise commitments need to be understood. A member requested that MOSL should clarify the area and level of engagement required so that members could assess whether they could support the programmes.
- 7.13. MOSL clarified that they presented skip-code data back to the working group who agreed the categories made sense and largely covered what was required. The skip-code change proposals will come in 31<sup>st</sup> January 2020. MOSL clarified that they will make sure the definitions for the skip-codes are clear.
- 7.14. MOSL clarified the Vacancy Challenge Proposal (targeted to put forward a change proposal by 28<sup>th</sup> February) is in relation to the wholesaler and retailer disagreeing whether a property is vacant or not, and where the two parties challenge each other with evidence. The Vacancy Challenge change proposal will tackle the current difficulties with the process and question areas such as length of process and minimum level of evidence required.

## 8. Estimated vs Actual Discrepancies

### **Purpose: For Discussion**

- 8.1. MOSL presented on issues raised in the last MPC with regards to estimated reads being submitted as actual reads. MOSL reported that if done deliberately this would constitute fraudulent activity.
- 8.2. It was clarified that MOSL want to discuss all cases of an estimated read being classified as an actual read, in terms of switching and for other areas such as cyclic reads.
- 8.3. Preliminary analysis was presented to MPC of evidence of negative consumption at the point of switching. MOSL stated this would be the first step of a larger project. MOSL identified that this is not a straight forward project and asked MPC what an appropriate response to fraudulent reads should be.
- 8.4. One potential response suggested by MOSL was escalation straight to Panel or Ofwat.
- 8.5. It was raised by one member that sometimes this issue can be because of the meter reader, but no one objected to the idea that a retailer should and does have some responsibility for identifying suspicious meter read data in their network.
- 8.6. One member raised that this issue had been investigated before and it was found that the party in question who had negative consumption was not having a negative impact on the customer because the retailer was using their own systems to bill customers, as opposed to CMOS.
- 8.7. MOSL raised that one trading party, with a large number of transfers and very few fails, was using an MVI and almost all transfer reads were actuals not estimates. MOSL raised that they believed in this case it was potentially a training error rather than purposeful fraud. MOSL identified that these issues needed to be addressed sensitively.
- 8.8. Discussions were held over validation in CMOS and how to make sure the right data is being validated, rather than rejected and causing potential re-reads taken moments after the first read. Concern was raised that these re-reads could occasionally be estimated reads that are submitted as actuals.



- 8.9. Several members asked what the impact of this activity was on the market, and how widespread the issue could be. The member elaborated that from the evidence it seemed more like a meter reader problem, and that they had not received enough information to determine whether it was in MPC's remit if customers were not affected or if only a couple of parties were using this practice.
- 8.10. Another member stated that they believed that misreporting (on purpose or not) is still a serious issue that MPC should investigate. They elaborated that not all of this had to be work undertaken by MOSL and some of the work could be shifted onto trading parties themselves.
- 8.11. A member replied, concerned about the amount of work that this may create and how other trading parties may be penalised for the work of only a handful. They also stressed the time and resource investment that will be required.
- 8.12. MOSL stated that if the issue is having a large impact on the market then it may be a necessary task.
- 8.13. The Chair stated that to avoid the potentially massive impact and stress this work would place on trading parties, MOSL could do further analysis and MPC should warn the market that the issue has been raised and is being investigated. It was recommended that such analysis should be on a retailer by retailer basis and might look to see if there is an industry-wide issue or one more prevalent in certain providers.
- 8.14. MOSL stated that a detailed analysis would take around 3 months. The MPC encouraged MOSL to try to think through the problem, and to bring back any insights if possible, without diverting inappropriate resources to detailed analysis and noting action A30\_07.

## 9. MPS

**Purpose: For Information**

**REDACTED FOR CONFIDENTIALITY**

## 10. OPS

**Purpose: For Discussion**

- 10.1. MOSL reminded MPC of the two standards that are currently being tracked for OPS IPRPs: B5a (repair/replace meter) and C1a (meter verification). Two measures for each standard will be introduced – one for percentage of tasks completed on time (KPI) and one for percentage of outstanding tasks still within SLA (API). There will be two triggers (three consecutive months below threshold and three months out of six months below threshold) that flag a party as poorly performing.
- 10.2. MOSL stated that six trading parties had been flagged for IPRPs on B5a, and five of them for both the KPI and API.
- 10.3. MOSL stated that seven trading parties had been flagged for IPRPs on C1a, four of them for both the KPI and API and four the same as B5a.
- 10.4. A member stated that six and seven flagged trading parties felt excessive. MOSL responded that not all flagged trading parties will end up on an IPRP.



- 10.5. One member raised that it was worth keeping track of rejection rates as well, as there may well be an increase in rejections and a shift in behaviour.
- 10.6. Another member praised the use of outstanding tasks as an API in the OPS IPRP process.
- 10.7. The MPC enquired whether MOSL resourcing was currently adequate to support the anticipated introduction of OPS IPRPs. MOSL offered assurance that the available resources are sufficient.

## 11. MO Compliance Update

### **Purpose: For Information**

- 11.1. MOSL presented information around their current compliance status, stating that there were 8 areas of non-compliance: 5 low risk, 1 medium and 2 high. MOSL stated that this is the same as last quarter, however one area became compliant while another became non-compliant in the quarter.
- 11.2. The resolved non-compliance was the notification of non-payment of an invoice to members.
- 11.3. MOSL assured the MPC that two of the low-risk non-compliant tasks are now compliant but were not at the time of sign-off with Ofwat and will be classed as compliant next quarter.
- 11.4. MOSL provided an update on two non-compliant tasks that will remain this way until the MIMP (Market Incident Management Plan) Committee is formed.
- 11.5. The new non-compliance issue is in relation to MO Charges. The method to split capital expenditure charges between trading parties, which should reflect temporal changes in market share, was not code compliant but at the time the method was agreed with by all trading parties. The MOSL board has been notified and discussions are taking place on how to resolve this going forward. The Interim Finance Director at MOSL felt that currently the splitting of capital expenditure between current and future trading parties looked proportional and appropriate for now.
- 11.6. Questions were asked on how robust MOSL were at reviewing their processes and checking for compliance. MOSL recognised their failings and assured MPC that there was currently a 2-year programme to better assure areas of MOSL's compliance, and that this may raise more areas of non-compliance. The MPC indicated it would welcome reassurance that adequate controls are in place to manage the most important obligations assessed from a risk perspective.
- 11.7. MOSL presented the availability of CMOS. In August 1 out of the 6 calls were not answered within the SLA causing the percentage to drop to 83.3%.

## 12. Any Other Business (AOB)

### **Purpose: For Discussion**

- 12.1. It was agreed that the December MPC will take place on the 11th December in London.
- 12.2. A member asked if in future MOSL could upload slides on the morning of MPC so that they could be used as notes.



**ACTION:** A member stated that they would like feedback on the Northern Hub via MM, relating to the deferral and rejection codes on the OPS. This would be in the form of an invite and small slot in MPC.

**A31\_08**

### 13. New Actions

**A31\_01** MOSL's Digital Team will have a 15-minute slot to give an update on action A26\_06a (APIs for CMOS defects) in November's MPC meeting (MPC 32).

**A31\_02** MOSL to update the Priority Changes Consultation questions following feedback from MPC.

**A31\_03** MOSL to ask if Market Design had an opinion/view of the gap site and new connection processes (regarding the clarity of the processes), while also asking if they had an action item against them in Panel from around 3 months ago (Southampton location).

**A31\_04** MOSL to issue guidance (not currently a code change but may be needed in the future) on the Effective From Date for MPS 3.

**A31\_05** Regarding CPM0008, MOSL to produce a draft Project Selection and Governance Document with a sub-group of MPC and EJ from MOSL.

**A31\_06** MOSL to provide a more detailed update on Batch 1 IPRPs.

**A31\_07 REDACTED FOR CONFIDENTIALITY**

**A31\_08** A member stated that they would like feedback on the Northern Hub via MM, relating to the deferral and rejection codes on the OPS. This would be in the form of an invite and small slot in MPC.

The next MPC meeting is scheduled for **27<sup>th</sup> November 2019**

Location: **Etc Venues, Riverside Building, Belvedere Rd, London SE17PB**