



Minutes of the Market Performance Committee

Meeting 37

29th April 2020 | 10:00 – 16:00

Held via Teleconference (Microsoft Teams)

Status of the Minutes: Final version

MEMBERS PRESENT

Elsa Wye	EW	Interim Chair	Wendy Monk	WM	Retailer Committee Member
Mike Brindle	MB	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Claire Yeates	CY	Retailer Committee Member	Trevor Nelson	TN	Retailer Committee Member
Martin Mavin	MM	Alternative Wholesale Committee Member	Gerard Lyden	GL	Wholesaler Committee Member
John Vinson	JV	Independent Supporting Chair	Mike Rathbone	MR	Retailer Committee Member

OTHER ATTENDEES

Darren Hayes	DH	Ofwat Presenter	Pam Nash	PN	MOSL Representative
Steve Arthur	SA	MOSL Representative	Markus Lloyd	ML	MOSL Presenter
Samantha Webb	SW	MOSL Presenter	Rob Curry	RC	MOSL Presenter
Luke Austin	LA	MOSL Presenter	Alexandra Piper	AP	MPC Secretary
Lisa Connell	LC	MOSL Representative	Chris Chiorean	CC	MPC Secretary
Andrew Howorth	AH	MOSL Representative	Adam Boyns	AB	CC Water Presenter
Liz D'Arcy	LD	MOSL Representative	Andrew Stoneman	AS	MOSL Presenter

APOLOGIES

Georgina Mills	GM	Ofwat Presenter	Don Maher	DM	Wholesaler Committee Member
John Gilbert	JG	Incoming Interim Chair	Pamela Taylor	PT	MOSL Representative



1. Welcome and Introductions

Purpose: For Information

- 1.1. The Chair began by welcoming the members of the Market Performance Committee and introducing attendees in the teleconference.
- 1.2. The Chair asked that presenters were not interrupted during their presentations as there would be pauses at appropriate points and that it would be helpful if any questions were flagged within the teleconference chatroom.

2. Minutes and Outstanding Actions

Purpose: For Decision

- 2.1. The Chair asked if there were any comments on or amendments to the minutes of the last MPC.
- 2.2. No further amendments were made and the MPC 36 minutes were approved.
- 2.3. MOSL presented the actions due for March and April 2020.
- 2.4. Regarding A35_05, one MPC member confirmed with the organisers that they will attend the Operational Advisory Group (OAG) in June, but they have yet to receive an invitation to the meeting.
- 2.5. One MPC member raised that on the action list there were several actions which were to be deferred. He proposed that these should be discussed by the MPC. The Chair recommended that this is taken away to be discussed offline by the Chair and MOSL and they will report back during the next MPC.

ACTION: MOSL and EW to examine deferred actions on the action list and report back to MPC 38.

A37_01

- 2.6. Actions to remain open: A35_05, A36_02, A36_03, A36_04, A36_10, A36_11
- 2.7. Actions to be closed: A35_13, A36_05, A36_06, A36_07, A36_09

3. Ofwat Update

Purpose: For Information

- 3.1. Ofwat provided a quick update and a recap of what was presented to Panel yesterday. Ofwat raised a consultation on bad debt and liquidity issues, and the consultation is now closed. On Thursday, Ofwat will publish their decision that Retailers should continue to receive liquidity support and it will be reviewed by Ofwat in the summer. Any deferred wholesale charges should be paid back by March 2021 and an interest rate can be charged up to a maximum of 5.98% nominal.
- 3.2. An MPC member asked about the customer protection code of practice (CPCoP) and its timing. Ofwat responded that any changes to this should happen in the weeks after the publication but they will check with their team. The Ofwat representative noted that a change should happen in May.



- 3.3. An MPC member asked whether there would be a consultation before making changes. The Ofwat representative stated that they were unsure but agreed with the MPC member that they need a balance between collating market views and implementing changes swiftly.
- 3.4. The Chair asked whether timings around changes would become clearer during the next week or whether these would be more reactionary based on developments. The Ofwat presenter responded that they are likely to have clearer timelines during the next week.

4. CC Water Update

Purpose: For Information

- 4.1. The CC Water presenter stated that the final complaint figures for the 4th Quarter of the Financial Year are now available. Complaint levels to CC Water have dropped to the lowest they've been since Market Open, with a 17% decrease in complaints since last year. He noted that complaints are still 3.5 times higher than pre-market levels, but CC Water felt positive that the level of complaints were falling and stated that the improvement is welcome as a longer-term development of the Market.
- 4.2. The CC Water presenter noted that they will be publishing their NHH Annual Complaints Report by the 9th of July.
- 4.3. Giving an update on what CC Water has seen in April, there was a sharp reduction in complaints in both Household (HH) and Non-Household (NHH) sectors, with the NHH showing a 52% decrease from March and a 70% decrease from the same time last year. Of these complaints, 10 out of 86 were concerning COVID-19, mostly around the customers' ability to pay high bills or outstanding charges.
- 4.4. The CC Water presenter explained that they are currently trying to help Retailers get the appropriate messaging to customers about the support available, ensuring that guidance and information is represented currently through their websites.
- 4.5. Regarding changes to CPCoP, CC Water noted that they would like to see that the current protections for customers who are not able to pay are maintained and recommended a consultation regarding these changes so CC Water can present their views.
- 4.6. An MPC member noted that Ofwat alluded to a point previously brought up by a member of Panel, which is giving customers a 'payment holiday'. He questioned CC Water's position on this considering that Retailers are struggling to get money from customers (as payment is not required on a property which is marked as vacant). The CC Water representative noted that there are also customers who, while they are not currently in debt, might struggle to pay in the future. He responded that the avenue of support might only be offered in areas where it was most needed, but they are still mindful of the balancing act of ensuring Retailers can still make Wholesaler payments while still helping those that need it the most.
- 4.7. One MPC member noted a lack of symmetry between the help given to customers who are unable to pay, while Retailers do not benefit from a lot of assistance, as the payments deferred will still need to be paid at a somewhat high interest rate which will require credit management to clear. The CC Water representative agreed that a balance needed to be achieved.



- 4.8. The Chair asked whether CC Water will be looking to work with MOSL to discover the customer impact of the mass use of the vacancy flag during the COVID-19 period. They responded that indeed they will be monitoring this situation and that this will be a big piece of work.
- 4.9. One MPC member raised that the publication of the Annual Complaints Report can be used to assess the success of performance measures implemented during the year, showing whether we are 'getting it right'. The Chair agreed with the MPC member and offered to add a section to review this during the July or August MPC.

ACTION: Include a discussion regarding the Annual Complaints Report in the agenda planning for June's MPC meeting.

A37_02

- 4.10. One MOSL representative noted that the Major Energy Users Council (MEUC) report is soon to be published and that it would be useful to read as it flags some of the underlying challenges faced by businesses during COVID. A member of the MPC responded that the report has already published and that they will circulate a copy with members of the MPC.

5. COVID-19 Update and Discussion

Purpose: For Discussion

- 5.1. MOSL thanked the MPC for the very useful feedback they have received during last month's session and suggested that during this slot MPC members focus on the 'so what' and 'what else needs to be reported on' aspects of COVID-related issues.
- 5.2. A MOSL representative presented an update on Market Performance, as impacted by COVID-19. MPS performance has gone down but is still relatively high, retaining higher than average performance levels. Minimal impact was identified for the majority of standards but there have been bigger changes in MPS 15, MPS 18, and MPS 19. The average number of tasks/day by week for MPS 15 and 18 were identified. The average MPS 15 tasks/day in Week 4 compared to Week 1 fell by 54% and average MPS 18 tasks/day fell by 64%. All MPS and OPS IPRPs have been suspended, and new IPRPs will not be escalated until the end of the COVID-19 period.
- 5.3. The Supporting Chair raised a question which was previously discussed during the last meeting, regarding whether switching should be allowed with transfer reads being difficult to take. One MPC member stated that transfer reads can still happen even while following social distancing rules, and as such switching should continue.

ACTION: MOSL to include information regarding switching within the reporting pack for the next MPC.

A37_03

- 5.4. One MPC member noted that they have seen some switching activity happening within their Trading Party, but a lot of it was done on vacant properties and using estimated reads, which would result in 'storing up problems for later on'.



- 5.5. One MPC member recalled that Ofwat was going to give a view on the appropriate approach regarding switching. An Ofwat representative responded that a view on switching will not be included in the communications tomorrow but that it would be interesting to review issues around switching raised by MPC. The Chair asked if it would be suitable for MPC and Trading Parties to raise issues on switching to MOSL and the MPC. Ofwat agreed that this would be appropriate.
- 5.6. A member of the MPC raised that they felt switching should continue to preserve the competitive nature of the market. Another member raised that switching and billing had issues pre-COVID and they would like to be able to understand the additional impact of COVID-19 .
- 5.7. An MPC member noted that estimated billing will be based on the historical meter reads available which is likely to result in excessive bills as many businesses are now likely to be vacant. Final billing is also an issue as the final bill is likely to be a £0 bill due to the vacancy status however this may not be entirely accurate.
- 5.8. A MOSL presenter described MOSL's obligations around CPW091 and MOSL's approach to data analysis to uncover the effects of COVID-19 on the Market. The approach will be to monitor the activity, align this with the context of the market, link all activity and context to insight, and finally manage and escalate. Through the process, MOSL will review and improve the market data presented where appropriate, which could offer wider market benefits in the future and not just during the period of COVID.
- 5.9. The MOSL representative presented the initial findings from their analysis. It is clear that different approaches continue to be used by Retailers relating to the vacancy flag. Splitting the market by consumption bands, most of the vacancy transactions happened on the lower consumption bands (smaller premises). Since the 16th of March, more of the properties in the larger bands were made vacant, but the increase in % vacant is large due to low number of initial vacant premises in those bands. MOSL raised that there has been a significant increase in vacancies for premises which have 'NULL' or negative consumption.
- 5.10. MOSL noted that they were monitoring the use of the COVID vacancy flag and were reassured that most vacancy transactions are using the flag (around 87%). MOSL noted that they are also monitoring the vacancy TCORRs.
- 5.11. One MPC member discussed the differences in their two Org-IDs. They raised that the Echo system used by one Org-ID could not initially handle bulk uploads. A solution to this issue was found and now both Org-IDs can appropriately flag vacant premises. The member raised that other Retailers could be experiencing similar issues while attempting to bulk upload vacancies.
- 5.12. An MPC members asked what the customer implications were in delaying the application of the vacancy flag. An MPC member responded that they were able to back-date vacancy up to the 16th of March and the billing cycles will catch up with this. They reassured the MPC that no customers should be disadvantaged and that the delay was in part to ensure that future billing is accurate.
- 5.13. A member of the MPC clarified that several self-suppliers had high volumes of newly vacant premises which was largely due to the closure of public houses, breweries, and hotels which make up a large



proportion of their customers. They raised that self-suppliers generally do not have high rates of vacancy, and that they went through a lengthy process to determine that vacancy flags are only applied when accurate.

- 5.14. One MPC member recalled a discussion with a customer who shared that their Retailer was not willing to mark their property as vacant until some outstanding debt (which was in dispute) was not paid.
- 5.15. A member of the MPC raised that their Retailer took a very careful approach to flagging premises as vacant only when evidence was present. They noted that flagging all premises as vacant would have caused several issues within their billing system. They stated that the ability to add a temporary (COVID) vacant premise was not present in their system and had had to be developed. They also warned MOSL that they should expect an increase in vacant premises coming from their Org-ID in the coming weeks.
- 5.16. The Supporting Chair asked MOSL whether the relatively high percentage of premises which were turned to vacant but have unknown or negative consumption might imply a poor behaviour in the market. MOSL responded that they wanted to understand more about this trend and stated that potentially this could be due to customer reads coming in as opposed to previous estimated reads.
- 5.17. Two members asked if there was anything to stop Trading Parties marking long unread meters as vacant. One MPC member reasoned that there shouldn't be any incentive for Retailers to mark LUMs as vacant, as this would eventually come to light. MOSL responded that it would be interesting to investigate this as part of understanding the vacant premises with unknown or negative consumption.
- 5.18. One member raised that they have noticed that their newly vacant premises do appear vacant based on their analysis. They went on to ask if COVID vacancies can be reported separately from normal vacancies. MOSL raised that they understood about 13% of vacancies since the 16th March did not have the COVID vacancy flag, and that these could be genuine vacancies or COVID vacancies missing the flag. MOSL went on to state they could potentially investigate this.
- 5.19. The Chair and a MOSL representative stated the importance of Trading Parties sharing with MOSL if they are undertaking any data cleansing activities as this may be accounting for some of the 13% of vacancies without a COVID flag. If TPs were undertaking data cleansing activities, then they may be finding more genuinely (not temporarily or COVID related) vacant premises.
- 5.20. A member asked if there will be a cut off to backdating COVID related vacancy. MOSL responded that they don't believe so for now. MOSL also raised that they cannot micro-manage the vacancy flag due to the pressure it would add to both MOSL and other Trading Parties. Other members raised that a cut-off for backdating the COVID related vacancy flag would require a code change.
- 5.21. MOSL presented changes in YVEs. MOSL noted that one trading party used the YVE to change the consumption for the SPIDs and labelled these as COVID. MOSL stated that the use of the COVID flag for YVE changes has been limited and they believe many more YVE changes should have been flagged with COVID.



- 5.22. There were discussions on the guidance document. The point was made that the guidance document does not stop the backdating of premises as vacant due to COVID, and several MPC member raised the importance of being able to continue to backdate marking premises as vacant.
- 5.23. With regards to validation of vacancies, MOSL clarified that Retailers and Wholesalers agree on whether the premise should be marked as vacant due to COVID and MOSL also have SIC code data.

ACTION: MOSL to investigate possibilities for the validation of newly marked vacant premises as a result of COVID-19 and report back during the next MPC.

A37_04

- 5.24. One MPC member stated that they did change YVEs on sites forced to close by the Government as they knew there would be no consumption at the sites. They went on to state that there was lots of communication between them and the Org-IDs to ensure it was appropriate to change the YVEs. The member went on to say that using YVEs was their preference. A member asked if they had done both YVE and Vacancy changes. They responded that they had done both as YVEs were done as soon as possible after they had completed the analysis to ensure the YVE change was appropriate.
- 5.25. MOSL reported on premises that have consumption despite having been changed to vacant after the 16th March. They stated that only a small number of meters (~ 200) were showing vacant consumption, out of a total of 378,835 vacant premises. They noted that they analysed the data when the last two meter reads were post-vacancy status.
- 5.26. An MPC member raised that they believe there was a degree of consumption that was allowed. They believed 5% of consumption was allowed on a premises. MOSL stated that they have planned to investigate the meters and see if they were over their 5% of usual consumption. Another MPC member raised that the 95% figure was regarding their usual activities, not 95% of their consumption. When questioned, they stated that they believe the previous guidance was open to interpretation. Another MPC member and the Chair agreed that "95% of activities" is open to differences in interpretation. They stated that sharing best practices would help support the existing guidance in the market.
- 5.27. A member of MPC raised that they believed MOSL were due to issue some guidance on using meter reads when provided by the wholesalers as this could replace some of the drop off in meter reading in the field and maintain accuracy. The member stated that they were surprised that only 20% of the wholesaler meter reads they had provided had been submitted. One member stated that processing Wholesaler reads was a more manual process compared to their usual process. They stated that ad-hoc reads may enter the business in various ways at different times can be quite tricky and manually intensive to process.
- 5.28. MOSL presented on the risk of metres not being read during lockdown. They stated an average of 20% of meters received a red flag. They also presented data on meter reads and showed a significant drop in average daily meter reads, noting that there has been an 85% decrease in meter reads being submitted between early and late March.



- 5.29. An MPC member stated that in some cases AMR meters are not correctly marked in CMOS. The market also does not flag when an AMR meter is broken or faulty. They stated that replacing these broken AMR meters can be challenging.
- 5.30. MOSL informed the MPC that they were monitoring vacancy to prevent premises being incorrectly marked as vacant. They stated that the VOA should be updated when premises are marked as vacant. MOSL have since clarified that updating the VOA required the Retailer to get into contact with the respective Wholesaler. MOSL reported that there were limited VOA and UPRN updates by Wholesalers, most of which being across 3 Wholesalers with most updates in both cases being from one Wholesaler. MOSL also reported that they were looking at the number of SIC code updates provided by Retailers.
- 5.31. MOSL raised that the usage of SIC codes has been varied. Some SIC code changes are between 1 to 5 categories and that they risked having not enough insight. MOSL confirmed that only Retailers can upload SIC codes.
- 5.32. The Chair asked that the latest version of the presentation shown to be uploaded to SharePoint. MOSL stated that these slides have now been uploaded and are available on SharePoint.
- 5.33. The Chair raised that there was a question around MOSL's approach to COVID-19 Reporting for Step 4 ('Manage and Escalate'). MOSL stated that they wanted the views of MPC specifically on this step. MOSL noted that they are keen to understand that Trading Parties have different approaches and different customers that cause the differences in changes to vacancy, YVEs, and consumption. MOSL asked if there was any other information the MPC required.
- 5.34. A member of MPC stated that they believed there were lots of differences across Trading Parties and they believed that MOSL, the MPC, and the Regulator should decide and issue information on the best practice and guidance that Trading Parties should follow to ensure consistent practice.
- 5.35. The Chair asked whether it would be more appropriate for a subset of the MPC to approach this issue or if it should be tabled by the full MPC. MOSL responded that they would rather tackle as soon as possible rather than waiting for the next full MPC. MOSL welcomed MPC members to get in touch if they would like to get involved. Several members volunteered.

ACTION: MOSL to set up a sub-group to meet and discuss on the best practice that Trading Parties should follow to ensure consistency within the market in terms of applying the Vacancy flag, changing YVEs, and updating SIC codes.

A37_05

6. MPOP

Purpose: For Discussion

- 6.1. MOSL provided an update on the evolution and adjustment of the MPOP 2020/21 approach in response to COVID-19. MOSL asked the MPC to endorse the new MPOP draft proposal.
- 6.2. MOSL proposed MPOP 2020/21, highlighting the key principles of MPOP which were decided prior to COVID-19 and emphasised that MPOP 2020/21 is much more aligned with MOSL's business plan and the



MPF Roadmap. MOSL also stated that MPOP 2020/21 has been streamlined from 4 strands to 2 strands, specifying that the previous 2 strands had been incorporated into the other two.

- 6.3. MOSL presented the lessons learnt from MPOP 2019/20 using the feedback gathered from the Trading Party survey which raised topics such as increasing visibility, more alignment with customer needs, focusing on risk, creating more targeted working groups, and recognising the resourcing difficulties of Trading Parties.
- 6.4. MOSL highlighted the changes to MPOP in response to COVID-19. MOSL thanked the MPC sub-group for their input in determining the options available and stated that MPOP will be partially re-focused to tackle COVID-19 impacts while still building on the work completed in the previous year. MOSL stated that a COVID-19 impact assessment will be incorporated into the MPOP consultation to determine if any adjustment is required to MPOPs focus in 2020/21 as a response to COVID-19.
- 6.5. MOSL clarified that Programme A and B of MPOP can capture some changes to the market as a result of COVID-19 but will be waiting for the impact assessment to see if the current MPOP can capture all points required. MOSL stated that potentially a third workstream may be required to capture all COVID-19 implications.
- 6.6. MOSL and the Chair asked MPC members for comments in relation to including questions to better gauge the impact of COVID as part of the MPOP consultation.
- 6.7. One MPC member noted that they find the MPOP for 20/21 as an improvement to the last as it includes the same level of analysis and industry knowledge but also includes a risk assessment and correctly identifies workstreams which can address issues effectively.
- 6.8. Another MPC member stated that they were pleased with MPOP 2020/21 and their evidence-based approach to their focuses. They highlighted the difficulties of combing a “BAU MPOP” and a “COVID-19 MPOP”.
- 6.9. A member of MPC stated that when MOSL review the consultation and the impact assessment, MOSL should be clear on what projects sit within MPOP and what does not. MOSL responded that they agreed, and that any non-MPOP concerns highlighted in the consultation could be picked up elsewhere. Another member of MOSL stated that after the consultation MOSL will make a recommendation on the changes required and present this back to the MPC.
- 6.10. One MPC member praised MOSL and the structure and logic within MPOP 2020/21. They raised that the impacts of COVID-19 will evolve over time and stated that the COVID-19 implications can't be considered once, as it will likely evolve in the future and new COVID-19 impacts will have to be addressed. MOSL agreed that some flexibility should be added into MPOPs approach on COVID-19 and stated there were lots of discussions around including COVID-19 within MPOP. A member of MPC stated they have tried to build COVID-19 implication into MPOP but agreed that a flexible approach should be included within MPOP. Another member stated that they felt the transition out of COVID-19 would cause more issues than the start of COVID-19.



- 6.11. Another member of MPC stated the MPOP 2020/21 shows a logical progression. Their only concern was that the length of the timeline accounting for the impact of COVID-19 should be considered as they believe MOSL will see impacts or implications as a result of COVID-19 for the rest of the year at least.
- 6.12. Another member of MPC said that they like the changes to MPOP and the new focus on the root causes of issues and MPOP using all Trading Parties. They gave their full support to the consultation.
- 6.13. One member agreed with the general comments in the room and approved of the logic and the line of sight in MPOP 2020/21. They also agreed that there was a balance between all COVID-19 implications within MPOP as this risks the original focus of MPOP. However, these COVID-19 issues do need to be picked up within the consultation or through MOSLs other groups.
- 6.14. An Ofwat representative praised the changes and stated that we should not lose sight of the original goals of MPOP and the MPF Roadmap.
- 6.15. A CC Water representative liked the changes to MPOP, particularly with its new focus to align MPOP with customer outcomes.
- 6.16. MOSL thanked the Supporting Chair for the comments made on the MPOP document itself and proposed for an offline conversation with the Supporting Chair to ensure these comments are integrated appropriately. MOSL will make sure MPC members have visibility of any changes made.

ACTION: MOSL to address the Supporting Chair's comments on the MPOP 2020/21 document offline.

A37_06

- 6.17. The Chair asked what the best way for MPC members would be to provide further comments on the MPOP 2020/21 draft. MOSL requested that further comments are provided through comments on the document itself or through email to LA or AH.
- 6.18. MOSL described the actions contained in each workstream of the proposed MPOP 2020/21.
- 6.19. A member raised that they understand MPOP is a MOSL piece of work but asked whether MOSL can identify any opportunities for MPC involvement on MPOP work as it would be useful and hopefully would lead to greater success for MPOP in 2020/21. A member of MOSL stated that they are aiming to produce a document on the governance arrangements of the project. MOSL clarified that the governance piece would be kept separate from the consultation.
- 6.20. The Chair asked whether the governance of MPOP workstreams and the interaction between MOSL and MPC sub-group would be part of the consultation. MOSL responded that this would probably fall out of scope of the consultation, as it more closely focuses on the contents of the MPOP.
- 6.21. A MOSL representative highlighted the benefits of collaborating with the MPC over the last year and thanked the MPC members for their help driving areas of the previous MPOP. MOSL stated that making MPOP a collaborative piece of work would massively benefit MPOP and the market so long as the collaboration does not prevent the MPC working on their usual tasks.



- 6.22. One MPC member noted that it would be important how the COVID-related issues are collected from Trading Parties through the consultation, specifically that it should target issues where MOSL can contribute, rather than general COVID issues.
- 6.23. The Chair asked whether the MPC sub-group would be involved in developing the consultation questions. A MOSL representative responded that while MOSL will develop the consultation document, it will seek MPC subgroup advice.
- 6.24. MOSL highlighted the timeline of their MPOP activities. The provisional date for publishing MPOP 2020/21 was shown as 15th June, clarifying that this would allow two weeks for Trading Parties to respond to the consultation, to not overwhelm Trading Parties.
- 6.25. The Chair suggested that the sub-group for MPOP should present post-consultation insight to the MPC. MOSL suggested that the sub-group could come back to the MPC between the 8th and 15th of June, but the Chair expressed concern that this may not allow enough time for MOSL to address all of the MPC's comments.
- 6.26. An MPC member stated that several consultations are currently taking place and asked that MPOP consider this when trying to get responses. They raised the importance of getting a wide range of responses from several market players and the need for maintaining flexibility in the timeline. MOSL responded that they were taking a proactive approach to ensure Trading Parties have sight of the consultation and assured the MPC that they would be flexible in certain cases if a few extra days were required to ensure a larger amount of responses.
- 6.27. One MPC member suggested that MOSL could create an annotated slide presentation which would be similar to the User Forum, which could include information around the consultation. A MOSL representative responded that MOSL is already working to have videos shared in lieu of a User Forum meeting and that they will coordinate within MOSL to create content regarding MPOP.

ACTION: MOSL to update on MPOP 2020/21 and related consultation within the materials distributed in lieu of a User Forum meeting.

A37_07

- 6.28. Several members expressed the view that in addition to the work being continued in the subgroup that it was appropriate for the full MPC to have visibility of the developed MPOP consultation in advance of publication to allow time for any additional comments from the MPC. One MOSL representative suggested a small MPC meeting be convened before MPOP is published to allow for MPC members to contribute. Members saw this as useful but still requested visibility of the draft document.

ACTION: MOSL to consider an approach to engage the full MPC in the MPOP revision process and come back to the MPC as soon as possible after the subgroup meeting on 4th May.

A37_08

7. PwC Audit update

Purpose: For Discussion



- 7.1. One MOSL presenter gave an update on the discussions between MOSL and PwC regarding the Audit taking place and presented the program plan for various avenues of the PwC Audit.
- 7.2. The MOSL presenter asked MPC members if there is value in carrying out another three trading party OPS assurance reviews. One MPC member said that so far, the Audit have found very good compliance with OPS, so there may not need to be further reviews.
- 7.3. Another MPC member noted that a 90%+ compliance rate would suggest that compliance within the market is quite good. With the issues of COVID taking priority, it would be unlikely that the possible findings from a last round of OPS review would outweigh the difficulties in carrying out this review during COVID.
- 7.4. A member of the MPC raised that the decision to stop the review now needs to have enough thought and reasoning behind it and consider perceptions around this decision. MOSL agreed and stated that they felt that most of the value from the review had already been received.
- 7.5. A member of the MPC asked if there was anything to prevent MOSL from continuing with the reviews at a later date. MOSL responded that if there was evidence that a review might be required, individual reviews could be picked up at a later date.
- 7.6. MOSL responded to comments on the small sample size of the reviews. They stated that MOSL could potentially do further work separately in response to concerns from specific retailers or from wholesalers who would like to get involved.
- 7.7. One Ofwat representative asked whether the Bilateral solution would remove the need for audits to happen on OPS data. The MOSL presenter responded that while the Bilateral solution will improve the data available, the audits would likely shift into a more qualitative review.
- 7.8. There was general agreement around MPC members with MOSL's proposal of de-prioritising the rest of the prevision reviews around OPS and using this resource elsewhere.
- 7.9. MOSL stated that a precision review aimed at Long Unread Meters had been scheduled, however it had become apparent that MPOP would provide the data and improvements required to the long unread meter issue. The MOSL presenter asked MPC members for thoughts as to whether other areas could benefit from audit insight through the precision review slot initially scoped for Long Unread Meters.
- 7.10. MOSL flagged potential other areas that could benefit from reviews instead of Long Unread, allowing the MPC the option to raise any other areas not listed and allowing the option to instead de-scope the precision review so that MOSL can focus efforts elsewhere given the current situation.
- 7.11. The two alternative options MOSL offered were: Trading Party/CMOS data alignment review (addressing concerns and frictions caused by misaligned customer/meter data between CMOS and Trading Party back-end systems) or Wholesaler impact on meter reading processes (reviewing issues surrounding meter readings from a wholesaler perspective to understand the current activities performed to improve accuracy and number of reads in the market and challenges identified).



- 7.12. Two members stated that the option to review wholesaler impacts on meter reading processes would be beneficial to all Trading Parties. A member commented that a review in this area could provide further focus for MOSL in next year's audit. MOSL agreed based on the comments of MPC that a review on wholesaler impacts on meter reading processes would be beneficial whether it be this year or early next year.
- 7.13. An MPC member asked what the savings would be if MOSL de-scoped and did not do a precision review. MOSL stated they believe it would be around £30k but they were unsure and had not had any exact quotes from PwC yet. They stated that combined with the de-scoping of OPS the total savings may be in excess of £50k.
- 7.14. One MPC member expressed concerns that the de-prioritisation of the precision reviews could be seen as an unfulfilled promise, considering that in the past the audits have not always achieved what was initially planned. The MOSL presenter agreed that audits have not always gone as planned but MOSL will try to ensure the objectives of the audits are achieved.
- 7.15. The Chair stated that it seemed as if the room wanted a review on wholesaler impacts on meter reading processes but that this review should not be rushed and squeezed in. The Chair asked if the room had any points to raise.
- 7.16. The Supporting Chair noted that some of MOSL's previous work had already been in the area of Trading Party data alignment with CMOS. MOSL responded that the work they have previously done is identifying the misalignment between CMOS and Trading Party data and highlighting discrepancies, rather than trying to align them.
- 7.17. There was general agreement with MOSL's proposal to de-scope the meter reading processes review from this year and include in next year's precision review.
- 7.18. One MPC member noted that there will need to be some focused analysis on the deferral calculation and on the vacancy flag allocation, but that a formal audit would probably not be the best route.

8. MOSL Compliance Update

Purpose: For Information

- 8.1. MOSL presented their compliance update for the 4th Quarter. There were 7 new non-compliance cases which was a reduction of 3 and an additional one non-compliance.
- 8.2. The two high-impact non-compliances have now been mitigated.
- 8.3. MOSL discussed their resolved cases of non-compliance.
- 8.4. The Supporting Chair member noted that the MOSL Board members had previously resisted taking full minutes of their meetings as they felt they would be unable to be open and honest in some situations. One MPC member argued that Board members should be able to be open and honest and publish full minutes but redact any areas which are sensitive or part of closed sessions, like Panel or MPC meetings. The Chair suggested that the Supporting Chair raise this during the next Panel meeting for their views. One MPC member argued that this should not be brought to Panel as Panel should be concerned with



the Code rather than MOSL concerns. The Chair reasoned that this can be considered as within Panel's scope as it is a code compliance issue and therefore within the remit of the Panel as an area of MOSL non-compliance. The MPC member agreed with this reasoning. The Chair concluded that this should be brought up during the next Panel meeting in the 'Any Other Business' section.

- 8.5. The high market-impact non-compliance areas were because CMOS information is required to be backed-up using an escrow. The MOSL presenter explained that this is to prevent any issues which might be caused by a breakdown of the MOSL-CGI relationship. The MOSL presenter explained that they have achieved a back-up using Microsoft Azure which would allow instantaneous retrieval of any information in the case of a breakdown and argued that through this measure, while they have not technically achieved their compliance requirement, they have gone further than that and provided a better solution. When the Supporting Chair argued that while Azure can provide an instantaneous back-up, this would allow for data to be retrieved but that would not allow for using the data in a BAU way. The MOSL presenter clarified that the requirement was regarding data storage concerns around having the data available in case of a breakdown of MOSL-CGI relationship, and that the source code for CMOS is already stored with an Escrow provider and backed-up monthly. One MPC member asked whether there has even been an attempt to re-establish CMOS from the escrow source code and data back-up. The MOSL presenter answered that there has not yet been a full restore attempted as part of the last Disaster Recovery test.
- 8.6. The Chair asked MOSL whether they will raise this to Panel or come back to MPC with more information to provide an update. MOSL responded that they will come back to the MPC quickly with more information to determine the best route to take. The Supporting Chair noted that he was uncomfortable with not addressing this as part of the next Panel considering this possible high-market impact risk area now identified. The Chair agreed as a Panel member. MOSL agreed that this matter should be brought up as part of the next Panel, but that MOSL could come back to the MPC by email to respond to the concerns raised around this area of non-compliance.
- 8.7. The Chair asked MOSL to provide more information around the area of non-compliance related to the Escrow requirement before the next Panel meeting through an email communication.

Action: MOSL to provide by CoB 6th of May a wider update on the area of non-compliance around the Escrow requirement.

A37_09

- 8.8. Regarding an area on non-compliance around Query resolution, MOSL is required to log enquiries raised by Trading Parties, but currently do not log all queries. The Supporting Chair asked whether the 'Low' market impact assigned was appropriate, as impacts of this could be unknown. He also asked what the timelines for the provision of a channel management would be. MOSL confirmed that they have recently published their channel management approach and are planning to implement Kissflow as part of a key Business Plan commitment for this year.
- 8.9. One MPC member noted that six months ago MOSL admitted that they were not confident in their compliance assessment process in some areas. He asked MOSL whether they have built more



confidence in their process with the changes they have made. MOSL responded that while there are still areas of improvement to be pursued there has been a clear improvement in the way MOSL monitors its compliance with their responsibilities. As a major area of focus, a MOSL representative explained that they are aiming to automate areas of compliance reporting and introduce a system where MOSL employees will monitor areas of compliance from other departments.

9. AMPR Lessons Learned Session

Purpose: For Discussion

- 9.1. MOSL presented an update on what lessons were learned as part of the Annual Market Performance Review and acknowledged the amount of collaboration that went into creating the new AMPR.
- 9.2. MOSL dedicated a slide on the areas that COVID-19 affected, and highlighted the new reporting produced in response to COVID-19 and the rapid responses of Ofwat, Panel and MOSL to minimise market disruption with urgent code changes.
- 9.3. MOSL highlighted that the early release of MEUC's report and other industry document releases have meant that MOSL have decided to slightly delay the release date of the AMPR to the 5th of May following a final review. The MOSL presenter noted the difficulties in ensuring a consistent tone and approach across updates from very different areas.
- 9.4. The Chair asked if MOSL would send the AMPR for review to MPC members prior to the publication of the AMPR. MOSL responded that they would send the final version to MPC members on Monday next week and would upload a copy of the AMPR on Friday this week to the MPC's confidential section on SharePoint.
- 9.5. Members of the AMPR sub-group noted MOSL's great work in getting all this information together and addressing it correctly to the audience and thanked MOSL for the opportunity to influence the content of the AMPR in order to best benefit the market.
- 9.6. An MPC member stated their concerns that the MEUC's report influenced the deadline of the AMPR but agreed with MOSL's explanation that the AMPR might not be recognised when published alongside the other reports and that to make final changes was appropriate for moving the AMPR publishing date.

10. MPC Work planning Session

Purpose: For Discussion

- 10.1. MOSL presented the timelines for several projects which have an MPC sub-group assigned and described the support and engagement it would require from the MPC. MOSL clarified that while COVID-19 Reporting had not been mentioned in the list of projects, there was already an MPC sub-group formed to address this issue.
- 10.2. Members were invited to volunteer for areas of interest among the projects outlined, and the Chair noted that there should be an attempt to balance these groups between Wholesalers and Retailers.



11. Any Other Business

Purpose: For Discussion

- 11.1. The Chair gave an update on the position of Chair of the MPC. The proposed solution subsequently approved by Panel is that another interim Chair will be appointed from the 1st of June to the end of September. The Chair stated that John Gilbert, Head of Planning at MOSL, will become the interim Chair of MPC. The Chair expressed the need for and evident commitment to an independent Chair but that this option was not available at this time. To ensure the independent nature of MPC, Pamela Taylor and John Vinson agreed to be part of the MPC as non-voting independent members until the end of September when this will be reviewed.
- 11.2. A member of the MPC suggested that one of the non-voting independent members could take over the responsibility for the monitoring of MOSL compliance with MPC requirements. The Chair and MOSL supported that idea and suggested that JV and/or PT would be able to monitor MOSL's compliance well due to his experience within the MPC. JV agreed with the suggestion and the Chair confirmed that she will take this forward.

ACTION: The Chair to put forward to Panel the suggestion that JV should take over the responsibility of monitoring MOSL compliance with MPC requirements.

A37_10

- 11.3. MOSL presented an update on the redistribution of FY 2018/19 MPS and OPS charges. MOSL stated that they collected around £4m in charges during the last year and presented on the changes brought in due to COVID-19. MOSL stated that £2.36 of charges would be retained and it would be offset against MO charges which were no longer being collected due to COVID-19.
- 11.4. The Supporting Chair asked whether a response from each Trading Party was sought out to ensure knowledge of the change. The MOSL presenter replied that while they did not specifically ask Trading Parties for a reply, they have received several responses to the communications, all of which being highly positive.
- 11.5. One MPC member asked whether MOSL believes the current Code stipulations are incompatible with the measures taken, due to an error. The MOSL presenter explained that the error only applied to data that expired on 31st of December 2019. MOSL asked the MPC if it was worth pursuing a code change to amend the error. Seven voting members of the MPC agreed that the codes should be changed.

ACTION: MOSL to make a code change to correct the wording of CPM0018 affecting the redistribution of charges.

A37_11

List of Actions

A37_01: MOSL and EW to examine deferred actions on the action list and report back to MPC 38.



A37_02: ACTION: Include a discussion regarding the Annual Complaints Report in the agenda planning for June's MPC meeting.

A37_03: MOSL to include information regarding switching within the reporting pack for the next MPC.

A37_04: MOSL to investigate possibilities for the validation of newly marked vacant premises as a result of COVID-19 and report back during the next MPC.

A37_05: MOSL to set up a sub-group to meet and discuss on the best practice that Trading Parties should follow to ensure consistency within the market in terms of applying the Vacancy flag, changing YVEs, and updating SIC codes.

A37_06: MOSL to address the Supporting Chair's comments on the MPOP 2020/21 document offline.

A37_07: MOSL to update on MPOP 2020/21 and related consultation within the materials distributed in lieu of a User Forum meeting.

A37_08: MOSL to consider an approach to engage the full MPC in the MPOP revision process.

A37_09: MOSL to provide by CoB 6th of May a wider update on the area of non-compliance around the Escrow requirement.

A37_10: ACTION: The Chair to put forward to Panel the suggestion that JV should take over the responsibility of monitoring MOSL compliance with MPC requirements.

A37_11: MOSL to make a code change to correct the wording of CPM0018 affecting the redistribution of charges.

The next MPC meeting is scheduled for **27th May 2020**

Location: **via Microsoft Teams**