

Minutes of the Market Performance Committee Meeting 64

18 August 2022 | 09:30 – 13:15

Held via Videoconference (Microsoft Teams)

Status of Minutes: APPROVED

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Adam Boyns	AB	Customer Representative Committee Member
Paul Baker	PB	Alternate Retailer Committee Member	Gerard Lyden	GL	Wholesaler Committee Member
Wendy Monk	WM	Retailer Committee Member	Michael Rathbone	MR	Wholesaler Committee Member
Neil Pendle	NP	Alternate Retailer Committee Member	Paul Stelfox	PS	Alternate Wholesaler Committee Member
Adam Richardson	AR	MOSL Representative*	Darren Hayes	DH	Ofwat Representative*
Dan Mason	DM	Alternate Ofwat Representative*			

* Non-Voting Members of the Committee

OTHER ATTENDEES

Markus Lloyd	ML	MOSL Presenter	Alexander Cowie	AC	Secretariat
Sam Webb	SW	MOSL Presenter	Alexandra Piper	AP	MOSL Presenter
Matt Labrum	MLa	MOSL Observer	Janet Judge	JJ	MOSL Observer
Sarah McMath	SM	MOSL Observer			

APOLOGIES

Claire Yeates	CY	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Trevor Nelson	TN	Retailer Committee Member	Georgina Mills	GM	Ofwat Representative*

CLOSED SESSION

1. Welcome and Introductions

- 1.1. The Chair welcomed everyone to the Market Performance Committee (“Committee”) meeting and noted that apologies for absence had been received from CY, JW, TN and GM and that NP, PS, PB and DM would, respectively, be standing in as their alternates.
- 1.2. The Chair reminded Committee members of the requirement to act impartially and not in the interest or as a representative of any organisation or individual. If Committee members believed they had an actual or perceived conflict they should declare this at the start of the meeting or before an agenda item. The Chair further noted that one member had declared a potential conflict of interest in relation to the holistic reporting escalation decision item with

relation to a particular trading party and that they would recuse themselves from that section of the discussion.

- 1.3. It was confirmed that the meeting was quorate.

2. Letters of Concern

- 2.1. The Committee noted that no new letters of concern would be sent in August.

3. Holistic Performance Escalation Decisions – Initial Discussion

- 3.1. The Committee noted the recommendations provided by MOSL in advance of the meeting and a brief verbal update from SW re-iterating the decision criteria as set out in the escalation guidance document.
- 3.2. The Committee discussed the approach to assessing trading party performance and taking escalation decisions noting that the approach to making escalation decisions would benefit from the development of more objective criteria used within an agreed assessment framework. However, the Committee recognised that this was a new escalation process and that how the information was presented, and decisions were taken would iterate based on the discussion at this and subsequent meetings.

4. Holistic Performance Escalation Decisions

Trading Party 1

- 4.1. The Committee reflected on the response provided by Trading Party 1 as well as their recent performance.
- 4.2. The Committee was generally satisfied with the response, which was viewed as positive, but felt that additional information should be requested in some areas.
- 4.3. Following discussion, the Committee:
 - **AGREED** (unanimous) not to escalate Trading Party 1 but its performance should be monitored and follow up questions raised to provide additional clarity on two areas.

Trading Party 2

- 4.4. The Committee reflected on the response provided by Trading Party 2 as well as their recent performance.
- 4.5. The Committee was generally satisfied with the response, which was viewed as positive, but felt that additional information should be requested in some areas.
- 4.6. Following discussion, the Committee:
 - **AGREED** (unanimous) not to escalate Trading Party 2 but its performance should be monitored and follow up questions raised to provide additional clarity on two areas.

Trading Party 3

- 4.7. The Committee reflected on the response provided by Trading Party 3 as well as their recent performance.

- 4.8. The Committee was not satisfied with the response, which was viewed as not having provided any response in relation to the performance areas that Trading Party 3 had been specifically asked to respond on.
- 4.9. Following discussion, the Committee:
- **AGREED** (six in favour, one against) to escalate Trading Party 3 on the basis that no plan to address the specified performance issues had been provided and, as such, the Committee did not have confidence that the identified performance issues would be addressed.
- 4.10. The next steps would be for a letter to be sent to Trading Party 3 from the Chair informing them of the Committee's decision to put them on a performance rectification plan and to request that they attend MPC66 in October to discuss their performance and improvement plans.

Trading Party 4

- 4.11. The Committee reflected on the response provided by Trading Party 4 as well as their recent performance.
- 4.12. Overall, the Committee was of the view that the response was significantly lacking in some areas but that enough information had been provided that it was minded not to escalate at this point pending the provision of further information.
- 4.13. Following discussion, the Committee:
- **AGREED** (five in favour, two against) not to escalate Trading Party 4 but its performance should be monitored and follow up questions raised on their activity in relation to four areas.
- 4.14. Although the Committee had decided not to escalate at this point, this decision should be reviewed when the response to the request for further information had been received.

Trading Party 5

- 4.15. The Committee reflected on the response provided by Trading Party 5 as well as their recent performance.
- 4.16. The Committee was generally satisfied with the response, which was viewed as positive, but felt that additional information should be requested in some areas.
- 4.17. Following discussion, the Committee:
- **AGREED** (unanimous) not to escalate Trading Party 5 but its performance should be monitored and follow up questions raised to provide additional clarity on one area.

Trading Party 6

- 4.18. The Committee reflected on the response provided by Trading Party 6 as well as their recent performance.
- 4.19. The Committee was generally satisfied with the response, which was viewed as positive with performance improvements evidenced and timelines, targets and commitments provided to address issues in an appropriate timeframe.
- 4.20. Following discussion, the Committee:

- **AGREED** (unanimous) not to escalate Trading Party 6 but to continue to monitor its performance.

Trading Party 7

- 4.21. The Committee reflected on the response provided by Trading Party 7 as well as their recent performance.
- 4.22. The Committee was generally satisfied with the response, which was viewed as positive, but felt that additional information should be requested in some areas.
- 4.23. Following discussion, the Committee:
- **AGREED** (unanimous) not to escalate Trading Party 7 but its performance should be monitored and follow up questions raised to provide additional clarity on one area.

The Committee member who had declared a potential conflict of interest left the meeting

Trading Party 8

- 4.24. The Committee reflected on the response provided by Trading Party 8 as well as their recent performance.
- 4.25. Overall, the Committee was of the view that the response was significantly lacking in some areas but that enough information had been provided that it was minded not to escalate at this point pending the provision of further information.
- 4.26. Following discussion, the Committee:
- **AGREED** (five in favour, one against) not to escalate Trading Party 8 but its performance should be monitored and follow up questions raised on their activity in relation to two areas.
- 4.27. Although the Committee had decided not to escalate at this point, this decision should be reviewed when the response to the request for further information had been received.

The Committee member who had declared a potential conflict re-joined the meeting

Review of Discussion and Actions

- 4.28. Where the Committee had agreed not to escalate a trading party, it was noted that the next steps would be for SW to communicate the Committee's decision and request further information where the Committee had indicated that this was required.
- 4.29. Where the decision on whether or not a trading party should be escalated was borderline, their response to the request for further information should be reviewed and discussed by the Committee with a view to escalating them at that point if the further information provided does not engender confidence that the issues are understood and will be addressed.
- 4.30. Where the Committee was generally satisfied with a response but requested further clarity then responses should come back to the Committee but should only be discussed further by exception.
- 4.31. Where the Committee had agreed to continue to monitor trading party performance, this would be brought back for review in November.
- 4.32. The possibility of copying in a senior-level Ofwat representative to escalation letters should be considered.

- 4.33. A subset of Committee members would be formed to help MOSL work up a standardised framework approach to escalation decisions. This subset would consist of PT, WM, MR and an Ofwat representative. Upcoming holidays were noted and it was not felt realistic to develop this framework ahead of MPC65 in September.

ACTION MPC64_01

5. Tabled Updates

- 5.1. The tabled updates provided in advance of the meeting were noted and that, due to time constraints, comments would be invited ex-Committee.

OPEN SESSION

6. Housekeeping

- 6.1. It was noted that, due to time constraints, the minutes and actions update would be picked up at MPC65 in September.

7. Assuring SPIDs, Premises and Meters Against Data Quality Reporting Issues

- 7.1. The paper provided in advance of the meeting was noted and that, due to time constraints, comments would be invited ex-Committee.

8. Strategic Panel Priorities – New Market Indicators

- 8.1. It was noted that, due to time constraints, an update would be provided at MPC65 in September on potential new market indicators which could be developed in response to the direction provided by the Strategic Panel in their Outcomes and Priorities document.

9. AOB

- 9.1. Due to time constraints, scheduled AoB on the Committee's forward agenda and a CMOS outage on 10 August would be picked up at MPC65 in September or ex-Committee if requested.

10. MPC54 Reflections

- 10.1. The Committee reflected on the meeting.
- 10.2. There being no further business, the Chair closed the meeting.