

Minutes of the Market Performance Committee Meeting 66

20 October 2022 | 09:30 – 15:00

Held via Videoconference (Microsoft Teams)

Status of Minutes: APPROVED

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Adam Boyns	AB	Customer Representative Committee Member
Trevor Nelson	TN	Retailer Committee Member	Michael Rathbone	MR	Wholesaler Committee Member
Wendy Monk	WM	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Neil Pendle	NP	Alternate Retailer Committee Member	Darren Hayes	DH	Ofwat Representative*
Adam Richardson	AR	MOSL Representative*			

* Non-Voting Members of the Committee

OTHER ATTENDEES

Markus Lloyd	ML	MOSL Presenter	Sam Webb	SW	MOSL Presenter
Steve Andrews	SA	South East Water Presenter	Angela Day	AD	MOSL Presenter
Alexandra Piper	AP	MOSL Observer	Harriet George	HG	Secretariat
Jacqueline Gibson	JG	MOSL Observer	Matt Labrum	MLa	MOSL Observer

APOLOGIES

Claire Yeates	CY	Retailer Committee Member	Gerard Lyden	GL	Wholesaler Committee Member
Georgina Mills	GM	Ofwat Representative*	Alexander Cowie	AC	Secretariat

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, GL and GM and that NP would be standing in as CY’s alternate. Apologies had also been received from AC and that HG would covering on behalf of the Secretariat in his absence.
- 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.
- 1.3. It was confirmed that the meeting was quorate.

2. South East Water Performance Rectification Plan Discussion

Southern Water Discussion Prep

- 2.1. The Committee noted a brief verbal overview from SW of the decision points and available options for them with regards to South East Water.
- 2.2. The Chair thanked Committee members for providing comments and questions on South East Water's proposed Performance Rectification Plan ("PRP") in advance and the paper detailing the questions submitted was noted.

South East Water Performance Rectification Plan Review

SA joined the meeting

- 2.3. The Committee received a brief presentation from SA outlining South East Water's proposed PRP and providing additional context to the root cause of performance issues and improvement projects being undertaken.
- 2.4. The Committee discussed South East Water's proposed PRP with SA and noted additional clarifications from SA.
- 2.5. The Chair thanked SA for his presentation and engaging with the Committee in good faith.

SA left the meeting

South East Water Performance Rectification Plan Decision

- 2.6. The Committee reflected on the presentation from South East Water and the responses to its questions and discussed next steps.
- 2.7. Following discussion, the Committee:
 - **AGREED** (unanimous) to reject South East Water's proposed PRP and to request further clarifications and amendments be provided for each performance measure in relation to performance improvement targets, timescales for improvement and detail on how customer impact was assessed, the result of that assessment and the mitigating actions as well as further evidence of senior engagement.
 - **AGREED** (majority) that IT system issues should be picked up, as proposed by MOSL, via ongoing market audit work and that the letter back to South East Water should highlight the importance of engaging with this audit work.
- 2.8. SW confirmed that a written response from the Chair would be provided to South East Water as soon as possible and that South East Water would have 10 days to respond. South East Water would also be asked to attend the November Committee meeting to present their revised plan.

3. New Letters of Concern

- 3.1. The Committee noted a brief update from SW that provided a forward look on trading party performance against the holistic reporting measures and confirmed two new letters of concern were due to be sent out in October.

4. Trading Party Escalation Review

- 4.1. The Committee reflected on the response to the letter of concern provided by a trading party as well as their recent performance and raised the following points:
 - The Committee was generally satisfied with the response, which was viewed as positive with some performance improvements already evidenced.
- 4.2. Following discussion, the Committee:
 - **AGREED** (unanimous) not to escalate the trading party and to accept its response.

5. Market Operator Compliance

AD joined the meeting

- 5.1. The Committee noted a brief update from AD that provided a brief overview of MOSL's most recent self-review of compliance and progress in implementing a new compliance framework.
- 5.2. It was noted that the next update on MO compliance would be delivered in January and that a further update would be provided in May following the completion of the external audit by PwC. The Committee requested that secretariat consider whether future updates should be tabled or if they required a full discussion.

AD left the meeting

OPEN SESSION

6. Housekeeping

- 6.1. The minutes of MPC65 in September were approved as an accurate record.
- 6.2. The actions update circulated in advance of the meeting was noted and it was:
 - **AGREED** that the following actions could be closed: A50_01; A58_06; A61_02; A62_01; A62_02; and A62_04.
 - **AGREED** that the following actions would remain open: A55_01; A59_01; A59_04; A60_06; A60_07; A61_03; A61_05; A62_03; A63_05; and A64_01.

7. Strategic Panel Priorities – New APIs

- 7.1. The Committee noted a brief verbal update from ML that reminded the Committee of the Strategic Panel's instruction that it set targets and hold trading parties to account for meter data accuracy and settlement accuracy and outlined some potential options for metrics and targets that could be developed and other activity that might provide additional insight.
- 7.2. The Committee reflected on the presentation and potential options, noting the following key points:
 - The purpose of the directive from the Strategic Panel was to ensure that two areas that were fundamental to ensuring that customers get timely and accurate bills were actively managed and subject to performance review and oversight from the Committee.
 - From the options presented, the Committee was in favour of developing simple metrics but encouraged MOSL to continue to develop the more complex data and

analytics capability required to provide the more complex measures and insights (subject to resource availability). The Committee viewed these as being helpful for the future direction of the Market Performance Framework (“MPF”) and in supporting the Committee and the Strategic Panel in the future where there are specific ad hoc requests for data analysis.

- The Committee was content that the measures already in place for meter data accuracy as part of its holistic performance framework (VOA, GIS and UPRN) and the approach to hold trading parties to account on the basis of their relative performance was sufficient to meet the Strategic Panel’s directive.
- The Committee viewed settlement accuracy as a useful market metric but felt that it would have limited value on an individual trading party basis because it is reliant on wholesaler and retailer factors and because it is an outcome measure which is largely out of sync with the task-based nature of other holistic performance measures. As an outcome-based measure requiring both retailer and wholesaler input the Committee did not feel settlement accuracy would lend itself to inclusion in a PRP.
- The Committee noted that several of the activities included in its holistic performance framework should drive improvements in settlement accuracy over time. As such the Committee felt that a market measure for settlement accuracy would be a very useful tool that would allow it to track whether the interventions it was making in relation to other measures included in holistic reporting were having the desired effect and improving customer outcomes. On this basis the Committee indicated that the MOSL team should develop a simple market indicator for settlement accuracy that could be reported to, and monitored by, the Committee on a regular basis. The Committee would monitor for whether the market-wide activity-based measure improvements it is seeking to deliver through holistic reporting translate into improvements in settlement accuracy and would expect to see an uptick in settlement accuracy performance in the coming year.

7.3. The Committee noted that the next steps would be for the simple metrics to be developed in a dashboard format and for ML to work with AR and NP to draft an update for the Strategic Panel.

8. Tabled Updates

8.1. The tabled updates provided in advance of the meeting were noted along with a brief verbal update on the Strategic Panel’s recent activity from AR.

9. AOB and Reflections

9.1. The Committee reflected on the meeting.

9.2. There being no further business, the Chair closed the meeting.