Minutes of the Metering Committee Meeting Four A

26 July 2021 | 14:00 – 15:30 | Via MS Teams

Status of Minutes: **DRAFT**

Present

Members	Abbreviation	Role
Steve Formoy	SF	Chair – MOSL
Claire Yeates	CY	Retailer Committee Member
Claire Stanness	CS	Retailer Committee Member
Paul Heron	PH	Retailer Committee Member
Ben Kershaw	BK	Retailer Committee Member
Emma Birch	EB	Wholesaler Committee Member
Mitchell Yeoman-Boldry	MYB	Wholesaler Committee Member
Angela Brown	AB	Wholesaler Committee Member
Michelle Thompson	MT	Wholesaler Committee Member
Christina Blackwell	CB	Customer Representative (CCW) Committee Member
Mark Cooper	MC	Alternate Retailer Committee Member

Other Attendees		
Shaun Kent	SK	Ofwat
Martin Hall	MH	MOSL
Carol Sgambaro	CS	MOSL (Secretariat)
Alex Cowie	AC	MOSL (Secretariat)
Florentina Monea	FM	MOSL
Huw Comerford	HC	MOSL
Adrian Smith	AS	MOSL

Apologies		
Mark Doherty	MD	Retailer Committee Member
Kat Grimley	KG	Wholesaler Committee Member

1. Introduction, Apologies and New Member Appointment

1.1. The Chair welcomed everyone to the Metering Committee ("Committee") meeting. He noted that apologies for absence had been received from MD and KG, that MC was standing in for KG, and that BK was running late and would join the meeting at a later point. It was confirmed that the meeting was quorate.

2. CPW123 – Remote Read Type

2.1. HC introduced the agenda item, and noted that the purpose of the session was to obtain feedback from the Committee on the CPW123 consultation, consider the different options available in the light of cost-benefit analysis undertaken since the last Committee meeting and get agreement on the Committee members' preferred solution before it is presented at the August Committee

meeting for recommendation to the Panel. HC emphasised that this was the Committee's last opportunity to iron out any issues prior to the presentation of the preferred solution at the August Committee meeting.

2.2. HC provided an update on changes made to the proposed solution. These included the introduction of a 'Dumb' field and those with a null entry will be mapped to this new field. HC also noted that whether to retain the 'Other' field was the main unresolved issue for discussion by the Committee with consultation responses evenly split on the issue.

2.3. HC set out the cost breakdown for each solution. Part A included the introduction of new remote read types, the renaming of D3039 - 'Outreader ID' and the removal of D3037 – 'Remote Read Flag' and was costed at £65,668. Part B included the introduction of the new remote read types and the renaming of D3039 – 'Outreader ID' but excluded the removal of D3037 – 'Remote Read Flag' and was costed at £49,603. Part C included the introduction of new remote read types, the renaming of D3039 – 'Outreader ID' and converting D3037 – 'Remote Read Flag' to an optional field and was costed at £52,236. HC noted that there had initially been concerns that removing the D3037 – 'Remote Read Flag' would have added significant additional cost but that on further investigation the additional cost for removing or converting this field was negligible, especially when spread across the industry as a whole, and therefore recommended the Committee take forward the original solution.

2.4. HC then asked for the Committee's comments on whether the 'Other' field should be retained, again reminding the Committee that the consultation responses were evenly split with those in favour of the field's removal broadly saying that if all existing technologies are correctly covered then 'Other' was an unnecessary category and those against its removal of the opinion that it should be retained to safeguard against the incorrect categorisation of an emerging technology not listed among the categories entered in CMOS. MH offered the view that 'Other' should not be maintained as it could lead to low-quality data as a result of the temptation to select 'Other' where the data entrant was unsure of the correct category to select.

2.5. A Committee member acknowledged the logic of maintaining 'Other' in order to capture new technologies and asked whether, if it was retained, it would be possible to monitor entries and challenge them to ensure that it was being used correctly. MH confirmed that this would be possible.

2.6. A Committee member felt that 'other' was too open to different interpretations by different users, agreeing with MH that its retention could lead to poor-quality data and should be removed from selection altogether.

2.7. A Committee member asked what the solution would be for Trading Parties to capture new technologies not listed in CMOS if 'Other' was removed, noting that if 'Other' was removed altogether there was a risk that Trading Parties would be forced to choose one of the existing categories and that there was no avenue to monitor or manage this kind of incorrect data entry.

2.8. A Committee member offered the opinion that retaining and monitoring 'Other' was the most future-proof solution. Another Committee member agreed that retaining 'Other' and monitoring data entries was the best solution and that the monitoring could potentially be built into the MPF APIs, with measurements around the quality and use of this field to ensure that it is being used appropriately. Two further members of the Committee agreed that 'Other' should be retained for future proofing and further noted that if 'Other' was retained and monitored, a spike in its

use could indicate that there is a new technology that is not included in the existing choices and a further update to CMOS was required.

2.9.   MH indicated that he was happy with the Committee's general position that 'Other' should be retained but noted that the rate of new technology coming into the market was relatively slow and that the risk of new technologies being introduced without a correlating field being built into the CMOS options was low.

2.10.   SF thanked the Committee for its contributions on the retention of 'Other' and asked HC to outline why Part A was the preferred solution and what the benefits were of removing D3037 'Remote Read Flag'. HC outlined that main benefit of Part A compared to the other proposed solutions was that it would remove unnecessary duplication of information. By entering a remote read type the data entrant is flagging that a remote read is available and therefore the 'Remote Read Flag' is unnecessary. HC and MH also noted that if 'Remote Read Flag' was retained there would be the opportunity for conflicting data to be entered in a way that would not be possible if 'Remote Read Flag' was removed.

2.11.   SF asked Committee members to voice any objections to Part A as the proposed solution. No Committee members expressed any objections to Part A as the proposed solution.

2.12.   SF then proposed that Part A be taken forward as the proposed solution with no second-choice option and invited Committee members to offer any objections or opinions to this proposal. No Committee members expressed any objections or offered further comments.

2.13.   HC thanked the Committee for its support and outlined the next steps. HC indicated that he would now need Committee members' feedback on the how proposed change would benefit the market and/or customers as well as Committee feedback on the consultation. HC asked for Committee members to submit their views to him by email and that he would then collate those views and present them back to the Committee at its August meeting for Committee approval. In response to a question on process clarification form the Committee, HC indicated that he would aim for the summary paper on the Committee's opinions would be circulated a week ahead of the August meeting before asking for sign off at the meeting. HC then set out the timeline for the next steps which included sign off on the draft recommendation report at the Committee meeting on 10 August 2021, this would then be submitted to the Panel for consideration at its 31 August 2021 meeting. Assuming the Panel approve the proposal, Ofwat approval would be required by 17 November 2021 in order for the CMOS changes to be implemented by 13 May 2022. HC noted that he has already discussed this timeline with Ofwat. There were no comments on the timeline from Committee members and SF thanked HC for his work on this proposal.

3.   CPW118 – Minimum Read Frequency

3.1   SF introduced the agenda item and confirmed with MH that this item was for discussion at this meeting and that it would then be brought back to the August Committee meeting. MH noted that in order to be implemented according to the expected timeline the draft recommendation report would need to be approved at the August Committee meeting to be presented for approval at the August Panel meeting.

3.2   SF noted that the background to this proposal was a desire to look at ways in which to release some of the financial pressure on retailers struggling with cost pressures, particularly as a result of the impacts of the Covid-19 pandemic. SF further noted that the proposal is intended to drive some optionality for retailers so they can decide how best to focus their resources in order to

deliver higher levels of customer service as well as aligning minimum read requirements for low-consuming customers on the household and non-household markets.

3.3   MH reiterated that the rationale for the proposed change was to introduce greater segmentation into the market, where currently 99% of meters are required to be read on a bi-annual basis and 1% on a monthly basis. MH described the change proposal as containing two main elements: (1) the introduction of a new segment where any customers using 0-50 m^3 per year (representing 674k meters or 0.8% of consumption) could have their meters read on an annual rather than bi-annual basis; and, (2) a slight change to the border between the requirement for a minimum bi-annual and monthly meter read to 5,000 m^3 per year. This second change would see 729k meters (representing 38% of consumption) in the minimum bi-annual read segment (50 m^3-5,000 m^3 per year) and 25k meters (representing 61% of consumption) in the minimum monthly read segment (over 5,000 m^3 per year), an increase from the 13k meters which currently meet the requirements for a minimum monthly read frequency. MH also noted that moving to a consumption-based model for minimum read frequency would move the ownership for minimum read frequency from the wholesaler to the retailer.

3.4   MH described the consultation responses received, noting that 18 Trading Parties responded and that although there were many positive responses, support was not universal. MH noted that: there was an even split in responses as to whether minimum read frequency was an issue worth addressing; that consumption was generally considered a better approach for setting meter read frequency than size; there was an even split in responses on whether the Retailer or the Wholesaler should own the data field; and, the majority of respondents indicated that the cost of implementing the proposed solution would be negligible, although three Wholesalers felt there would be significant costs due to required changes to billing systems. MH summarised the challenges posed in the consultation responses and MOSL's position in relation to each of them, noting that 21 challenges were raised 16 of which were challenged by MOSL whilst six were supported.

BK JOINED THE MEETING

3.5   MH further noted that a piece of work was ongoing to determine the actual read frequency for customers in the 0-50 m^3 per year segment and that he hoped to be able to report back on this at the August Committee meeting.

3.6   MH thanked CCW for their efforts in running a customer survey and turning it around quickly so that it could be included in the Committee's considerations on minimum read frequency and summarised the survey responses noting the broad themes that customers wanted their bills to be based on actual reads and did not want their meters read less frequently. MH further noted that, in his opinion, there were sufficient mitigations in the proposal to ensure that a reduction in in read frequency would not have a detrimental impact on customers and that there was an opportunity for the market improvement fund to drive innovation in this area particularly in the way technology could identify potential meter leakage in a way that was more effective than bi-annual meter readings.

3.7   SF thanked MH for his presentation and summarised the main issues for discussion as being: the change from size to consumption as the arbiter for meter read frequency requirements; the change in the ownership of the field from wholesalers to retailers; the increase in the 'high user' segment who have a minimum monthly read requirement; and, the option to introduce a minimum annual read frequency for the lowest user segment. SF noted that these were issues

for discussion at this meeting before in order to finalise the proposal for approval at the next Committee meeting. FM added a request for the Committee to address whether an alternative proposal should be made, and SF then opened the floor to comments from Committee members.

3.8   The Committee thanked CCW for their research and one Committee member raised concerns around how a reduction in minimum read frequency could lead to leaks being missed as well as potential health and safety risks if customers were asked to take a meter read with many meters being difficult to access and in potentially dangerous locations for those without the correct training or equipment. This concern was echoed by several other members of the Committee.

3.9   A Committee member noted that the CCW research aimed to close the gap in the consultation responses by finding out what customers really wanted in terms of meter read frequency and emphasised that the majority of customers wanted their bills to be based on actual meter readings rather than estimates as they believed this was the fairest way to pay, enabling them to only pay for what they use, and that it helped to avoid unexpected high bills. The Committee member also noted: the majority of respondents indicated that it was the company that currently read their meters and that of the 280 respondents, 36% indicated that their meter read frequency was every one to three months, 29% every four to six months and that the percentages tailed off for six months and beyond; most respondents wanted their meters read more rather than less frequently; and, that they were very concerned about any potential reductions in read frequency as they would see this as a deterioration in customer service. The Committee member also raised concerns that any potential cost savings to retailers from reduced read frequency could be wiped out by increased costs incurred as a result of customer complaint increases.

3.10   A Committee member noted that any potential increase in customer reads would the introduce the potential for an increase in the level of read errors as customers are not trained on how to read meters and that this could lead to an increase in ad hoc reads with associated costs. As such the Committee member felt like there was a large education piece that would be needed before any increase in customer reads was encouraged.

3.11   Several Committee members stated that the Committee should prioritise customer service over retailer cost reduction and that as such a reduction in minimum read frequency should not be pursued. Committee members also noted that additional data is collected at a meter read visit and raised further concerns that a reduction in read frequency would lead to a reduction in data quality at a time when MOSL and the Committee are pushing hard for data quality improvements.

3.12   A Committee member questioned whether retailers would reduce their read frequency if the proposed change in minimum read frequency was introduced and the general consensus among the Committee was that organisations would not reduce their read frequency if the proposed change to minimum read frequency was introduced due to concerns over reduction in customer service levels.

3.13   SF noted that whilst the consultation did not show a clear consensus, with some support and some opposition indicated, on reducing read frequency there was a great deal of pushback from the Committee who felt negatively about the reduction in minimum read frequency. As a result, SF asked that the MOSL team take this away and remove the reduction in minimum read frequency for low consumption customers from bi-annual to annual from the proposal.

3.14   SF asked for Committee views on the other elements of the proposed changes, these being: the change from size to consumption as the arbiter for meter read frequency requirements; the change in the ownership of the field from wholesalers to retailers; the increase in the 'high user'

segment who have a minimum monthly read requirement. SF also noted that the consultation indicated a higher degree of support for these elements of the proposal.

3.15   In relation to the proposed change from size to consumption as the arbiter for meter read frequency, the Committee expressed a concern that there was the potential for mis categorisation where the meter was long-term unread as well as potentially increasing complexity.

3.16   A Committee member noted that timeliness of data entry rather than quality of data was the current measure of success for market participants and consequently raised concerns around setting consumption-based meter read frequency levels based on the quality of the data that is in CMOS.

3.17   The Committee indicated that it was fully supportive of the increase to monthly reads at the higher use end on the basis that it would drive an improvement in customer service levels.

3.18   SF summarised Committee feedback as being broadly supportive with some concerns. The concerns being: the risk of treating long unread meters incorrectly when setting minimum read frequency levels; potentially increasing complexity; and, whether this was the right time to introduce changes given that there are issues with the quality of CMOS data.

3.19   MH thanked the Committee members for their feedback and agreed that based on the Committee's feedback the minimum read frequency drop for low consumption customers would be withdrawn from the change proposal. MH further noted that whilst some challenges had been raised, the Committee had been broadly supportive of: (1) the change from size to consumption as the arbiter for meter read frequency requirements; (2) the change in the ownership of the field from wholesalers to retailers; and, (3) the increase in the 'high user' segment who have a minimum monthly read requirement. On this basis MH stated that these three elements of the change proposal would be taken forward whilst taking on board and addressing the concerns raised by the Committee. SF agreed with this and asked that the re-worked change proposal consider the safeguards that could be implemented to ensure that where the minimum read frequency is dropping from monthly to bi-annual the data that this decision is being based on is accurate.

3.20   SF asked MH to confirm the next steps for CPW118. MH confirmed that the next steps would be to bring the proposal back to the next Committee meeting on 10 August, that he would produce a short summary in advance of that meeting on how the proposal would be taken to Panel and that the Committee would be asked to approve how CPW118 was taken to Panel at that meeting.

4.   AOB, including reflections from the meeting

4.1.   SF asked Committee members to raise any AOB and to provide any feedback on the meeting.

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