

Minutes of the Metering Committee Meeting Five

10 August 2021 | 10:00 – 12:00 | Via MS Teams

Status of Minutes: **DRAFT**

MEMBERS PRESENT

Steve Formoy	SF	Chair	Angela Brown	AB	Wholesaler Committee Member
Claire Yeates	CY	Retailer Committee Member	Michelle Thompson	MT	Wholesaler Committee Member
Claire Stanness	CS	Retailer Committee Member	Louise Rutherford	LR	Alternate Wholesaler Committee Member
Mitchell Yeoman-Boldry	MYB	Wholesaler Committee Member	Adam Boyns	ABO	Alternate Customer Representative Committee Member

OTHER ATTENDEES

Martin Hall	MH	MOSL Observer	Huw Comerford	HC	MOSL Presenter
Simon Bennett	SB	MOSL Observer	Alexander Cowie	AC	MOSL Secretariat
Shaun Kent	SK	Ofwat Representative	Adrian Smith	AS	MOSL Observer
Florentina Monea	FM	MOSL Presenter	George Monea	GM	MOSL Observer

APOLOGIES

Mark Doherty	MD	Retailer Committee Member	Emma Birch	EB	Wholesaler Committee Member
Paul Heron	PH	Retailer Committee Member	Kat Grimley	KG	Wholesaler Committee Member
Ben Kershaw	BK	Retailer Committee Member	Christina Blackwell	CB	Customer Representative 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, EB and CB and that AB and LR were standing in for CB and EB respectively. It was confirmed that the meeting was quorate.
- 1.2. Late apologies were received from KG, BK and PH.

2. Minutes and Actions from Previous Meetings

- 2.1. The Committee approved the minutes of the Metering Committee meetings held on 13 and 26 July 2021 as accurate records of Committee meetings 4 and 4a.
- 2.2. In relation to action A03_01, it was noted that the presentation on the MPF incentives would be delayed until the September Committee meeting and that this action would remain open.
- 2.3. It was agreed that the following actions could be closed: A04_01; A04a_01; and A04a_02.

3. CPW123 Improved Remote Meter Read Types

- 3.1. The Chair introduced [CPW123 – Improved Meter Read Types](#) (“CPW123”), noting that this had been well covered by the Committee at previous meetings, that the Committee had previously indicated support for the proposal and that this was the last opportunity for any final comments before the draft recommendation report went to Panel.
- 3.2. HC echoed the Chair’s comments and noted that it was important for the proposal to accurately reflect the Committee’s views.
- 3.3. The Committee:
 - **AGREED** to recommend the [CPW123](#) solution to the Panel.

4. CPW118 Minimum Read Frequency

- 4.1. The Chair introduced [CPW118 – Minimum Read Frequency](#) (“CPW118”), noting that this had been discussed at length by the Committee and that following feedback from the Committee at its last meeting the drop in the minimum read frequency to annual for the lowest volume customers had been dropped from the proposal. The Chair noted that the other aspects of the proposal, which the Committee had indicated its support for, remained in the proposal and that this was the last opportunity for any final comments before the draft recommendation report went to Panel.
- 4.2. FM noted that the amended solution incorporated all the consultation responses and feedback from the Committee. FM outlined the amended solution noting that the criteria for minimum monthly meter reads remained as previously discussed as did the change in responsibility from wholesalers to retailers for minimum meter read frequency. FM confirmed that the drop in the minimum read frequency to annual for the lowest volume customers had been removed from the solution and that the additional performance indicator (“API”) specifically relating to the drop to a minimum annual read had also been removed.
- 4.3. FM confirmed that safeguards would be put in place to ensure that borderline high-volume consumers did not easily jump around between minimum monthly and bi-annual read frequencies.
- 4.4. The Committee:
 - **AGREED** to recommend the [CPW118](#) solution to the Panel.

5. Feedback from strategic themes: progress to date and key issues arising

- 5.1. CY introduced the agenda item noting the structure of the sub-group’s work. In terms of governance the sub-groups were taking a light touch approach with agendas and papers circulated in advance where possible along with short minutes being taken and project sponsors reporting back to the Committee.
- 5.2. CY discussed how the procurement of consultant support would be approached, with this undertaken by MOSL but governed by the subgroups. CY noted that the MOSL would go out to tender for consultant support for two projects with consultants able to bid for one or both projects and that the prequalification questionnaire (“PQQ”) and invitation to tender (“ITT”) documents had been included in the meeting papers. The scope of the PQQ and ITT documents had been kept deliberately concise. CY then walked the Committee through the proposed

timeline from PQQ issue on 11 August 2021, through to project start on 4 October 2021 and project completion on 14 January 2022.

- 5.3. CY noted that it was MOSL and the subgroups' preference to issue the PQQ and ITT to a targeted list of consultants with relevant experience rather than to the open market and noted that she would welcome the Committee's views on this. A targeted list of consultants had been compiled based on MOSL, Ofwat and trading party recommendations.
- 5.4. A MOSL representative stated that he was supportive of the proposed approach but noted that some initial candidate consultants were missing from the list presented. MH noted that the initial candidate list had been narrowed to eight, with the aim of allowing sufficient time and resource to review submissions thoroughly, but that there was no objection to extending it. CY noted that if members did want to add any candidate consultants, they should send these through with contact details by the end of the day. Following discussion, MH and CY also noted that they would seek input from contacts who were active in the energy market to identify any consultancies with significant transferrable experience in the energy market who could be included in the targeted list.

Roles and responsibilities

- 5.5. CY highlighted the approach to the roles and responsibilities project. Noting that the purpose of engaging the consultants was for them to map all of the available options, conduct an in-depth SWOT analysis of each option and to build an economic case for any proposed changes in the identified areas of meter-related ownership and responsibility. The consultants would also be expected to recommend a set of options to be explored in greater detail, which would be discussed with the Committee. These options would then be developed against an assessment framework. The development of the assessment framework would also be discussed with the Committee. CY noted that it would then be for the Committee to review the consultant's proposals, take into account all of the work and information provided and decide which proposals to endorse and take forward and develop a plan for how they should be implemented.
- 5.6. There was a discussion around whether the options recommended by the consultants would include considerations on the financing models for those options. It was noted that the purpose of the exercise was to explore all of the available options and not to get into the finer detail such as financing models, which would be explored in more detail after the Committee had decided which proposals were likely to be taken forward. CY noted that the PQQ and ITT documents should be reviewed to ensure that the expectation that the consultants engage with stakeholders at an early stage is embedded in the documents.
- 5.7. The Ofwat representative fed back that it might be simplest to establish a hierarchy of principles from those market guiding principles which were to frame the review, for example 'avoidance of stranded assets' sat below and facilitated the principles of 'facilitating a competitive market' and 'ease of entry and exit'.
- 5.8. The CCW representative suggested that the principles should build in overarching ideas like ensuring data quality and billing accuracy, which underpin an effective market.

Enhancing Metering technology

- 5.9. CY outlined the scope of the second project – enhancing metering technology, which was to develop a metering technology and data strategy for the market taking into account a number of key issues. CY noted that the consultants were being asked to develop a template section for

potential submission in Water Resource Management Plans and Price Review 24 (“PR24”), as well as a business case for the roll out of smart metering and automated meter reading (“AMR”) in the non-household market. CY described the final output as being a recommendation for the next steps that identified the tools which could be used to implement metering technology change in the market.

- 5.10. The Chair asked whether the consultants were being asked to review and consider learnings from metering in other utilities markets. It was noted that this should come through in the examples provided in the business case for any recommendations as supporting evidence of the recommendations’ effectiveness.
- 5.11. A Committee member noted the carbon net zero targets that the industry had set itself and the impact of various metering technologies on achieving these targets. It was agreed that this should be included in the scene setting at the beginning of the PQQ.
- 5.12. The CCW representative noted that the metering technology and data strategy needs to take into account customer preferences and that the customer needs to be ‘taken on the journey’ to ensure that they are on board with any significant changes to metering technology.
- 5.13. There was discussion as to whether trade effluent meters should be included in the scope of the consultants’ work on metering technology. It was noted that trade effluent meters were not currently included and that the entire strategic metering review was focussed on water meters. The Committee noted the complexity that existed around trade effluent and that this could be a separate, and significant, piece of work to be taken on after the initial water-focussed phase had concluded.
- 5.14. After further discussion there was general agreement that trade effluent metering would not be explicitly included in the scoping documentation and that a separate quick start project should be established to look at trade effluent metering.

ACTION: A05_01

CCW feedback received

- 5.15. CY ran through the feedback received from CCW water on the scoping documents, noting that it was important that customers were brought on the journey and that there may be educational elements to the project required to facilitate this. It was also noted that any benefits of the proposed changes for customers should be clearly articulated and communicated.

Ofwat feedback received

- 5.16. CY introduced Ofwat’s feedback, noting that it was key that the consultants focussed on identifying and assessing options and that this work enabled the Committee to make recommendations on the changes that should be introduced. CY also noted that Ofwat had clarified that whilst they were happy to feed into the project and participate, their participation should not be construed as an endorsement of any outputs.

Issues for consideration

- 5.17. CY noted that, going forward, feedback from the Committee would be sought on a number of issues. The first was whether there should be one subgroup or two, to avoid duplication of effort. CY also noted that MOSL would be providing administrative assistance and that a monthly meeting invitation would be coming out shortly.

- 5.18. The second issue for consideration was around how reporting from the subgroups to the Committee should be undertaken. It was agreed that the subgroup sponsor should report back to the Committee on a monthly basis and that the consultant was unlikely to regularly attend Committee meetings, although they would be expected to attend subgroup meetings.
- 5.19. The third issue was around the trading parties and stakeholders to be interviewed by the consultants. CY noted that some initial thoughts had been shared with the Committee and that these would be developed further by the subgroup and shared with the Committee for review and comment at future meetings. CY invited Committee members to share any particular parties they felt it would be beneficial to include in the interviews with herself and MH on an ongoing basis.
- 5.20. The fourth and final issue was around the format of the final output. It was agreed that the format of the final output should be a word document with a supporting PowerPoint presentation that pulls out the key points.

Future meetings

- 5.21. CY noted that the plan was that the project would meet on a monthly basis with regular touch points between meetings and that the project was scheduled to conclude in March 2022.
- 5.22. CY again noted that any final comments on the ITT and the PQQ would need to be received by close of business that day (10 August 2021) before the PQQ was issued the following day (11 August 2021).

6. Updates on Quick-Start Projects by Sponsors

Quick-Start Project 1 - Access to and Sharing of Existing Consumption Data

- 6.1. MYB provided an update on Quick Start Project 1 'Access to and sharing of existing consumption data', noting that the inaugural sub-group meeting had been held in July and that the next steps and overall approach had been agreed. It was also noted that some key issues surrounding data storage and security and the resource required to ensure that data is consistent and anonymised would need to be agreed with MOSL.
- 6.2. MYB noted that an important point had been raised around ensuring that any solutions proposed by the subgroup didn't limit competition, given that some trading parties had already made significant investments in technological solutions to enable them to work on average consumption and water efficiency initiatives with their customer base and that this could be a central part of their business plans.
- 6.3. MYB noted that there had been discussion as to the benefits for trading parties of sharing existing consumption data and that predominantly these were skewed towards wholesalers.
- 6.4. MYB noted that the next subgroup meeting would be scheduled once the legal teams of subgroup members had reviewed the preliminary data sharing agreement.

Quick-Start Project 3 – Read Rejections

- 6.5. SB provided an update on Quick Start Project 3 – Read Rejections, noting that there had been several subgroup meetings to date and that discussions had largely centred on volume validation, where to set it and how this would affect read rejection levels. SB further noted that BK and EB

had reached out to trading parties for feedback and that further progress would be made on the proposal over the next month. It was expected that the change proposal would be prepared by the end of August 2021 for review at the September Committee meeting and that the aim was to get this into CMOS13.0.

Quick-Start Project 8 – Improving Transfer Reads

- 6.6. CS provided an update on Quick Start Project 8 – Improving Transfer Reads, noting that the initial subgroup meeting had been held and that the scope of the project had been agreed with four main objectives. The main proposals were: to extend the transfer read capture time (with [CPW078 - Priority MPS and Cap Changes](#) to be reviewed as part of this proposal); to record Skip Codes in CMOS for estimated transfer reads; using an existing visual or remote read if it is within one month or two weeks of the transfer date; and using the bilateral system to provide meter and SPID history.
- 6.7. CS noted that the proposals to extend the transfer read capture time and to record Skip Codes in CMOS for estimated transfer reads would require Code changes.
- 6.8. CS described two additional areas that had been discussed by the subgroup as potential proposals for inclusion but that had been omitted at this stage for reasons of timescale and practicality. The first additional proposal was to have CMOS (or a system attached to CMOS) provide an estimate at transfer that would be agreed by both retailers. The second additional proposal was a new B process for the wholesaler for uncovering, locating and replacing meters under the transfer process, with a five-day level of service. The general consensus was that these should not be included in the initial stage of the project.
- 6.9. The Committee:
 - **AGREED** the proposed approach to moving forward on the top four proposals.

7. [AOB, including reflections from the meeting](#)

- 7.1. The Committee reflected on the meeting. There was consensus that the Committee's approach to reviewing change proposals should be for focus on and discussion of the material elements of the change proposals in the Committee meetings with the project sponsors owning a more granular review of the detail of the drafting of the change proposals outside of the meeting.
- 7.2. There being no further business, the Chair closed the meeting.