

## Minutes of Panel Meeting 05

4<sup>th</sup> May 2017 | 10:30 – 15:00

Held at Holborn Bars,

Status of the Minutes: Final

### MEMBERS PRESENT

Margaret Beels	MBe	Chair	Nicola Smith	NSm	Unassociated Retailer Panel Member
Mike Brindle	MBr	Associated Retailer Panel Member	Dylan Freeman	DF	Wholesaler Panel Member
Wendy Monk	WM	Alternate Associated Retailer Panel Member	Mark Holloway	MH	Wholesaler Panel Member
Helyn Mensa	HM	Independent Panel Member	Howard Smith	HS	Wholesaler Panel Member
Nigel Sisman	NSi	Independent Panel Member	Ben Jeffs	BJ	Affiliated Panel Member (MOSL)
Elsa Wye	EW	Independent Panel Member	Dan Mason	DM	Affiliated Panel Member (Ofwat)
Richard Moore	RMr	Unassociated Retailer Panel Member	Adam Richardson	AR	Panel Secretary
Trevor Nelson	TN	Unassociated Retailer Panel Member			

### OTHER ATTENDEES

Rebecca Mottram	RMt	Secretary (MOSL)	Elliot Bird	EB	Secretary (MOSL)
Graham Pontin	GP	Observer (Ofwat)	Antoine Schmidt	AS	Observer (Thames Water Utilities Ltd.)
Abu Rashid	ARa	Presenter (MOSL)	Chris Arnold	CA	Presenter (MOSL)
Sarvesh Nair	SM	Presenter (MOSL)	Andrew Jones	AJ	Presenter (Bristol Water)
Katy Spackman	KS	Presenter (NWG Business)	John Vinson	JV	Alternate Independent Panel Member

### APOLOGIES

Steve Hobbs	Affiliated Panel Member (CCWater)
Simon Wilshire	Associated Retailer Panel Member

## OPEN SESSION

### 1. Welcome and Introductions

**Purpose: For Information**

- 1.1. The Chair began by welcoming the Panel to their fifth meeting.
- 1.2. The Chair welcomed Wendy Monk as a new Panel Alternate Member for Simon Wilshire.
- 1.3. The Chair also welcomed Jon Vinson as the newly appointed Alternate for Independent Panel Members, who was attending the meeting as an observer.

### 2. Minutes and Outstanding Actions

**Purpose: For Decision**

2.1. **Minutes**

- 2.2. Panel Members provided several comments on the minutes of the previous meeting.
- 2.3. The Panel **AGREED** upon the accuracy of the minutes, subject to some amendments, and for the Final Minutes to be published on the MOSL website.

2.4. **Actions**

- 2.5. Returned to an outstanding request that documents be supplied to Panel (where reasonable) in an easily editable form.

**ACTION 05\_01**

- 2.6. The Panel requested that a previous action, for the Panel Secretary to ensure that future communications come from the Panel Secretariat mailbox, remains open for it to be kept under review until June.
- 2.7. The Panel reviewed the actions and **AGREED** to close actions **A04\_07, A04\_04, A04\_03, A04\_01, A03\_06, A03\_03, and A03\_02** from the previous meetings, based on an update from the Panel Secretary.

### 3. Update from Ofwat

**Purpose: For Information**

- 3.1. As part of a new standing agenda item, the Affiliated Panel Member from Ofwat provided the Panel with an update on the work being undertaken by Ofwat in Business Retail market monitoring and enforcement. This included an overview of the recently established Market Outcomes and Enforcement (MOE) team.
- 3.2. During this update, Ofwat stated its commitment to provide a yearly state of the market report, which will cover how well the Authority's objectives for the Business Retail market are being met.

- 3.3. An action was raised for the Panel Secretary to determine a process for developing a Market Insight paper going forward, in order to inform the Panel of any market developments, issues arising and customer concerns, which could have an impact on the code.

**ACTION 05\_02**

- 3.4. The Panel **NOTED** the presentation given by Ofwat and raised an action for the slides used to be circulated following the end of the meeting.

**ACTION 05\_03**

## 4. Change Report

**Purpose: For Decision**

- 4.1. MOSL provided an update on the progress of all Change Proposals since the previous Panel meeting.
- 4.2. The Panel Secretary requested the Panel consider the need for a formal withdrawal process for Change Proposals, as currently the code does not specify one. Without such a process the Panel would be required to provide a recommendation to Ofwat, even if the Proposer no longer wished for the change to be progressed.
- 4.3. There was discussion about different circumstances that might apply when a change proposer wishes to withdraw a change. The Panel raised an action for the Panel Secretariat to develop a formal process for Proposers to withdraw their Change Proposals.

**ACTION 05\_04**

- 4.4. The Panel **NOTED** the contents of this paper and the status of the Change Proposals;
- 4.5. The Panel **NOTED** that the Proposer was seeking to withdraw CPW011 and that there is no formal process in the codes to withdraw Change Proposal; and
- 4.6. The Panel **AGREED**, at the request of the Proposer, not to progress development of CPW011, and not make a recommendation to Ofwat.

## 5. Initial Written Assessment: CPM001 – Change Proposal Form Update

**Purpose: For Decision**

- 5.1. The Panel considered a proposal to improve the Change Proposal forms to help better facilitate the Change Process with respect to changes of the Wholesale-Retail Code and the Market Arrangements Code. It identified areas the Panel may consider in respect of the proposed change and recommended the proposal proceed directly to Panel Recommendation.
- 5.2. This change outlined new Change Proposal Forms to be included in Schedule 7 of the Market Arrangements Code (MAC). The format of the current Change Proposal forms is specified in the code. The new form had been previously recommended to the Authority by the ICP, but Ofwat requested that it be revaluated and re-submitted by the Panel.

- 5.3. Panel Members provided feedback and suggested several amendments to the forms which will be included in the final version.
- 5.4. The Panel requested that it be made more clear which sections of the form are to be filled out by the Proposer and which are to be filled out by the Market Operator. The Panel also suggested that the Panel Secretary develop guidance for Trading Parties on how to complete the forms and publish on the website.
- 5.5. The Panel raised an action for the Panel Secretary to develop guidance on how to fill out Change Proposal forms, to be circulated to Trading Parties.

**ACTION 05\_05**

- 5.6. The Panel recognised that various documents, including initial written assessment and recommendation documents, will be used within the change process. MOSL was therefore requested to consider how both the process, and associated documents including the derivatives of the proposal forms, should be used. The Panel requested a description of MOSL's recommendations about processes be provided. It is envisaged that the documents should sit outside of the MAC and should be subject to a lighter form of governance in the future via Panel approval. The Panel therefore agreed that this should be considered as part of a development of CPM001 which should remove the Proposal forms from the MAC and which should indicate that the detailed processes and documentation to be used within the change process would be specified outside of the MAC, but subject to approval of the Panel.
- 5.7. The Panel **AGREED** that this Change Proposal be revised to seek to remove Change Proposal forms from the code and insert a new requirement for the Panel to publish Change Proposal forms and associated procedures that it has approved for use from time to time.
- 5.8. The Panel raised an action for the Panel Secretary to revise the MAC to no longer require a specific Change Proposal form, and a separate action to bring back the revised forms and approach for the Panel to approve to a future Panel meeting.

**ACTION 05\_06 and 05\_07**

- 5.9. The Panel also agreed an action that there should be a distinction created between MOSL and Panel documents, such as removing the MOSL branding.

**ACTION 05\_08**

## 6. Initial Written Assessment: Change CPW012 – Flags on D1 Disaggregated Settlement

**Purpose: For Decision**

- 6.1. Bristol Water, supported by MOSL, provided a decision paper on Change Proposal CPW012 for the Panel with the recommendation that the Panel progress the change to a Working Group for further assessment.

- 6.2. This change outlined a request from Bristol Water for the Aggregate Settlement reports to provide additional information, specifically on what methods it has used to provide estimated meter reads.
- 6.3. The Panel recognised that this Change Proposal could potentially be beneficial to the market, but felt that it did not have enough information to understand the costs and benefits of the proposal, and as such would like further analysis to be undertaken by both the Proposer and MOSL before taking a decision.
- 6.4. The Panel **AGREED** that this Change Proposal warranted further investigation and requested that the proposal be further assessed jointly by the Proposer and MOSL to bring back a more fully developed Change Proposal at a subsequent Panel meeting.

## 7. Initial Written Assessment: CPW013 – Meter Reading Validation

### **Purpose: For Decision**

- 7.1. NWG Business, supported MOSL, provided a decision paper on Change Proposal CPW013 for the Panel with the recommendation that the Panel progress the Change to a Working Group for further assessment.
- 7.2. This change outlined a request from NWG Business for the certain volume validation tests of meter reads inputted to the CMOS system to be removed. Due to the large quantity of valid meter readings being rejected, and the additional effort being expended because of this.
- 7.3. A Panel Member suggested that this change should consider experiences in the Scottish market, given the comparatively limited window of operational data available from the English market.
- 7.4. The Panel **AGREED** to progress this change to a Working Group Assessment;
- 7.5. The Panel **AGREED** the Secretariat would draft Terms of Reference to enable timely commencement of a working group; and
- 7.6. The Panel **NOTED** that MOSL will begin recruiting for members of this Working Group.

## 8. Budgeting for the Change Process

### **Purpose: For Information**

- 8.1. MOSL set out a paper that outlined an approach for how the assessment and implementation costs of Change Proposals could be tracked, monitored and reported for the Panel's consideration.
- 8.2. A Panel Member asked to clarify if the £2 million MOSL contingency budget was for the use of the Panel to progress Change Proposals. MOSL clarified that the contingency budget was a business contingency budget and not limited to changes arising from amendments to the MAC and WRC. Thus, the Panel does not have access to the full amount described.
- 8.3. There was a discussion on whether MOSL's internal costs would be included in the cost assessment. It was confirmed that the internal costs of MOSL were considered sunk and the cost reporting would only cover external costs. It was suggested that some indication of the internal MOSL costs should also be provided in future Change documentation.

- 8.4. The Panel **NOTED** the contents of this paper;
- 8.5. The Panel **AGREED** the recommended approach to reporting change costs going forward; and
- 8.6. The Panel **NOTED** that MOSL will develop the necessary reporting mechanisms for inclusion in the change documentation.

## 9. Any Other Business (AOB)

### **Purpose: For Information**

- 9.1. A Panel Member requested the Panel amend the Trading Disputes Committee (TDC) Terms of Reference to allow papers to be submitted 5 days in advance of their meetings rather than 10 to consider the process timescales for managing Trading Disputes, which the Panel **AGREED**.
- 9.2. There was no further business and the Chair closed the meeting.

## **CLOSED SESSION**

## 10. General Data Protection Regulation (GDPR) Issues Committee Nominations and Approval

### **Purpose: For Decision**

- 10.1. The Panel Secretary had been seeking nominations over a 3-week period, submitted from Trading Parties, for members to form the GDPR Issues Committee. This Committee will act on behalf of the Panel to investigate the GDPR, and determine what Changes will be required to ensure compliance with it.
- 10.2. The Panel considered the nominations received and **APPOINTED** James Gilbert, Nick Rutherford, Caroline Gould and Hugh Laurie as the 4 Wholesaler representatives;
- 10.3. The Panel **APPOINTED** Louise Fox, Sally Marshal, Elisa Zamora, Gillian Hill and Maureen Wilkinson as the 5 Retailer representatives;
- 10.4. The Panel **APPOINTED** Trevor Nelson as the Panel Sponsor for the Committee; and
- 10.5. The Panel **NOTED** that confirmation letters and employer release letters will be sought for all appointed committee members, and organise a date for the first committee meeting.
- 10.6. The Panel supported MOSL's proposal to appoint Helyn Mensah as the Chair of the Committee.

### Actions:

- A05\_01** Panel Secretary to investigate whether Panel Members can be provided with Word documents in advance of meetings, rather than PDF's.
- A05\_02** Panel Secretary to look at developing a Market Insights paper going forward.

- A05\_03** Circulate the slides from the Ofwat update to meeting attendees, following the end of the Panel meeting.
- A05\_04** Panel Secretary to develop a formal process that allows proposers of change to formally withdraw their own Change Proposals.
- A05\_05** Panel Secretary to develop guidance for Trading Parties to assist them in filling out future Change Proposal forms.
- A05\_06** Panel Secretary to revise the MAC to remove the requirement of a specific Change Proposal form.
- A05\_07** Panel Secretary to bring the revised Change Proposal form and approach to a future Panel meeting.
- A05\_08** Panel Secretary to make Panel documents distinct from MOSL documents by removing MOSL branding.

The next Panel meeting is scheduled for:

**10:30 AM – 15:30 PM**

**30<sup>th</sup> May 2017**

**Holborn Bars**

**138-142 High Holborn**

**London**

**EC1N 2NQ**

**The nearest tube stations are Chancery Lane, Farringdon and Holborn.**