

## Minutes of Panel Meeting 26

18 December 2018 | 10:30 – 15:45  
ETC Venue, 8 Fenchurch Place, London, EC3M 4PB

Status of the Minutes: Approved

### MEMBERS PRESENT

Jim Keohane	JK	Chair	Trevor Nelson	TN	Panel Member (Unassociated Retailer)
Mike Brindle	MBr	Panel Member (Associated Retailer)	Nicola Smith	NSm	Panel Member (Unassociated Retailer)
Wendy Monk	WM	Panel Member (Associated Retailer)	Mark Holloway	MH	Panel Member (Wholesaler)
Simon Wilshire	SW	Panel Member (Associated Retailer)	Howard Smith	HS	Panel Member (Wholesaler)
Helyn Mensah	HM	Panel Member (Independent)	Steve Arthur	SA	Affiliated Panel Member (MOSL)
Nigel Sisman	NS	Panel Member (Independent)	Evan Joanette	EJ	Affiliated Panel Member (CCWater)
Elsa Wye	EW	Panel Member (Independent)	Graham Pontin	GP	Affiliated Panel Member (Ofwat)
Richard Moore (via teleconference)	RM	Panel Member (Unassociated Retailer)	Adam Richardson	AR	Panel Secretary
Dylan Freeman	DF	Panel Member (Wholesaler)			

### OTHER ATTENDEES

Shannon Dumbleton	N/A	Meeting Secretary	Jessie Wright	JW	Presenter (United Utilities)
Stuart Boyle	SB	Presenter (MOSL)	Harry Osei-Tutu	HOT	Presenter (MOSL)
Zainab Mohammed	ZM	Presenter (MOSL)	Abu Rashid	AR	Presenter (MOSL)
Rob Curry	RC	Presenter (MOSL)	Antoine Schmidt	N/A	Observer (Thames Water)
Rebecca Mottram	N/A	Observer (MOSL)	John Vinson	N/A	Observer (Alternate Independent)
Graham Pontin	N/A	Observer (Ofwat)	Huw Comerford	N/A	Observer (MOSL)
Mihai Ciurba	MC	Presenter (MOSL)	Samir Rahim	SR	Presenter (MOSL)

### APOLOGIES

N/A	N/A
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## 1. Welcome and Introductions

- 1.1. The Chair welcomed Panel Members to the meeting of the Panel and welcomed Des Burke, MOSL Interim CEO.
- 1.2. The Chair passed on the apologies of Christina Blackwell.

## 2. Update from Ofwat

- 2.1. Graham Pontin (GP) provided an update on activity of Ofwat, including:
  - Retail Exit code; price terms and non-price terms consultations have been sent out.
  - Responses are back from the wholesaler performance review with 8 retailers, 14 wholesalers and 4 other parties responding.
  - Work is ongoing on the WRC Customer Protection Code of Practice. Looking at 7 -16 January to put a position out before the RF work completes.
- 2.2. A panel member asked for confirmation of the 4 other respondents to the wholesaler performance review. These are the Market Performance Committee, CCWater, MOSL and Waterscan.

## 3. Update from CC Water

**EW and MH joined the meeting**

- 3.1. Evan Joannette (EJ) provided an update on the complaints that have been received by CCWater:
  - There have been 1110 Complaints in quarter 2 2018-19 and it is the worst quarter for complaints so far.
  - The information for quarter 3 2018-19 is not ready yet, however this does not look as healthy as quarter 1 either.
  - The main causes for complaints are; billing and charges and there are currently discussions to produce best practice guidance – good robust discussions with some plans to take things forward.
- 3.2. A Panel member asked if there are breakdowns of the complaints within the billing category, EJ agreed to send these following the Panel meeting.
- 3.3. Another Panel member asked if there are any catalysts that have caused complaints this quarter. EJ clarified that there is nothing specific, retailers just need to get the basics right.
- 3.4. Another panel member enquired what the wholesaler complaints were and what they comprise of. EJ confirmed that about 10 -15 % of complaints were recorded against wholesalers in year one. However, this number is shrinking as the market beds down and retailers take on responsibility for resolving complaints in the first instance, as they are meant to. There are however still complaints about

operational issues like water supply and sewerage services. EJ believes that wholesalers are part of the solution as a lot of complaints are down to inflexible wholesaler policies.

## 4. Minutes and Outstanding Actions

### 4.1. Minutes

4.2. The Panel reviewed the minutes from Panel Meeting 25 and provided comments to the Panel Secretariat.

4.3. Adam Richardson raised a concern on point 1.4 the last bullet point and whether it should specify that they are talking about Trading Party Platforms. The Panel agreed with this approach.

4.4. The Panel agreed to the accuracy of the [minutes from previous meeting](#) (Panel Meeting 25), subject to the amendments outlined above being made.

### 4.5. Actions

- The Panel agreed to close actions: **A25\_02, A25\_03, A25\_04** and **A25\_05**.

## 5. Update from MOSL

5.1. Steve Arthur (SA) provided an update on MOSL activity which included three key areas; a Market Performance update, MOSL transition and recruitment, and bilaterals.

- A response to the Ofwat Call for information (CFI) has been submitted highlighting the need to look at qualitative as well as quantitative performance and scope for further Wholesaler improvement particularly in Market Performance Standards (MPS).
- In November only 5 out of 7 wholesalers managed performance against MPS between 60 -70 % in terms of successful transactions. Whereas on Operational Performance Standards (OPS) 6 out of the 7 largest Wholesalers are achieving 92 -99 % in success rates. There is still a disconnect between Wholesalers' MPS and OPS performance.
- Further feedback from the CFI was that the last couple of years have been characterised by large scale performance reviews of both MPS and OPS but there is room for targeted intervention to improve against both standards.
- Data improvement plans update; Peer position by quartile has been submitted to all trading parties so all trading parties can see their own and their peers against the measures that they have been asked to improve on. Follow up sessions on this topic are being held with 13 Trading Parties currently looking at their trajectories and where there is room for improvement.

- October and November dashboard actual data has been released. The unread meters position has worsened to nearly 16% since the plans were requested with the improvement plan projection showing 13.5%. Panel members expressed concern with the declining performance and failure of parties to carry out their responsibilities. This calls into question whether the right mechanisms are in place and how the issue can be escalated, e.g. through greater transparency, Super-Complaints or licence revocation.
- There were only 4 trading parties on track against the plans they submitted two months ago.
- Significant progress has been made on improving the YVE's for the metrics work. There has been a 28% reduction against the baseline of null YVE's. There has also been significant movement on the unpaired SPIDS work as well.
- A report has been uploaded onto the portal, which gives a meter by meter view, by chargeable size, of what these meters are settling on. Trading Parties consider that this level of information will help them prioritise their work.
- Head of Market Performance and Operations position has been secured subject to negotiating the candidate's notice period. The 2 manager roles reporting to the Head of Market performance and Operations are both due to start in January.
- The Head of Finance has been appointed and is due to start in January.

5.2. Samir Rahim (SR) provided an update on bilaterals:

- SR has been engaging with Panel Members (MB and HS) on the size, nature and scope of code changes to understand the likely cost envelope.
- A Request for Proposal has been issued to establish the cost envelope.
- After feedback from last panel that there were too many consultations going out to industry the timescales for the consultation on industry costs and benefits has been extended into January.

## 6. Monthly Committee Update P26\_01

- 6.1. NS provided an update as the Chair of the Market Performance Committee (MPC) which focused on the engagement levels of the MPC. Nigel informed the Panel that the MPC was reaching the maximum level of engagement from committee members. A paper has been released on what the MPC has been engaged in over the last month for the Panel's information.
- 6.2. Elsa Wye (EW) provided an update as the Chair of the Trading Disputes Committee (TDC), highlighting that the TDC are keen to get another Wholesaler member as there have been no responses to the call for nominations. Elsa had nothing else to add to the Monthly Committee Update Report.
- 6.3. Adam Richardson (AR) stated there was no update for the MIMP Committee as no meeting had been held since the previous Panel meeting. The Panel noted the CPW051 Change which was to be discussed later on the agenda.
- 6.4. Adam Richardson (AR) as Chair of the Credit Committee had nothing to add to the Monthly Committee Update report.

- 6.5. A Panel member queried the progress of the GDPR Issues Committee nominations. The panel secretariat had extended the deadline for nominations to the end of January 2019.
- 6.6. The Panel queried the progress of the Developer services work with Ofwat. AR updated the panel on the good discussions with Ofwat. The Panel would like a further update at the January Panel as Ofwat and Defra will be looking at the need and objectives for the introduction of currently suspended processes in Part and the need for a working group.
- 6.7. It was suggested that the Panel Secretariat make the necessary preparations to setup the working group in advance of the January Panel.

**ACTION 26\_01**

## 7. Change Report P26\_02

7.1. MOSL provided an update on the Change Report which highlighted that:

- 3 Code changes were implemented in the December Code Release including CPW044, CPW045 and CPW046.
- 3 changes are awaiting Authority decisions CPM008, CPW048 and CPW047
- The Change Proposals intended to be brought to the January meetings include Wholesale Retail Code Inconsistencies (DCP010), Improving the Transparency of Alternative Credit (DCP014), SPID Data Erasure, CSD Housekeeping changes and MO Transaction Processing and Reporting.

7.2. One Panel member welcomed the inclusion of non-code changes in the change report and requested more engagement with change proposers regarding non-code, system impacting changes as there has been a disconnect with proposers not knowing where their change is in the process. Panel Secretariat will take this feedback on board.

## 8. Update on Enabling Sewerage Wholesalers to create and manage meter networks (CPW047)

8.1. Samir Rahim (SR) gave an update on CPW047 after the panel asked if it could be implemented earlier than November.

8.2. A Request for information was issued to assess the industry impact of bringing this change forward. MOSL received 9 responses which were mostly in agreement with bringing forward the release of this change.

8.3. Therefore, MOSL can bring the implementation of CPW047 forward into a standalone release called release 6.5 sat between release 6.0 and 7.0. 6.5 will be deployed in to production by the end of July 2019. This will allow enough room for both 6.0 & 7.0 releases as advised by CGI.

8.4. The Panel concurred with implementation of CPW047 being in release 6.5. MOSL agreed to consult on the strategic release approach in the new year.

## 9. [Draft Recommendation Report: G Reads Removal Governance \(CPW041\)](#)

### [P26 03](#)

- 9.1. The Panel considered a Change Proposal to clarify that System Generated Reads (G reads) could be removed (deleted) and adding governance to support the removal of System Generated Reads and the associated re-running of settlement periods.
- 9.2. Mihai Ciurba (MC) presented the proposed solution and the alternative solution.
- 9.3. The panel were asked to consider both solutions and vote whether each was better than the baseline.
- 9.4. Panel members queried how far the proposed solution goes into removing the G read, does it reset after removing it and have a legacy with rollover flags or does it completely remove it. MC confirmed that it should remove the rollover flags with the proposed solution taking the footprint away not just the G read. Trading Parties should be able to look at the removal and determine what happened at a supply point.
- 9.5. Concerns were raised by panel members whether MOSL will hit a processing constraint and not be able to manage the volume of data incoming. AR noted that there are meters that are settling on estimates but, based on analysis conducted in summer 2018, it was probable that only a small proportion of these will need reworking to address material issues. MOSL have talked to CGI on how they will manage this. MOSL is concerned if neither option is implemented a lot more will need to be unpicked by MOSL therefore doing nothing is not a risk-free option.

**RM left the meeting**

- 9.6. Concerns were raised by panel members that there would be major problems with the system if it cannot run what is needed due to large amounts of data incoming and lack of resource to manage it.
- 9.7. Des Burke suggested a control valve solution to make sure MOSL have a handle on the risks. Once implemented if any issues are spotted the solution can be turned off.
- 9.8. A panel member suggested that we implement the proposed solution with close monitoring after implementation with monthly reports to the panel. Other panel members agreed with this idea.
- 9.9. The Panel unanimously:
  - **AGREED** to recommend implementation of the proposed solution of CPW041 to the Authority for approval and recommend the alternative be rejected.
  - **AGREED** that the implementation of CPW041 needs to be accompanied by robust G read removal monitoring and reporting processes from MOSL
  - **AGREED** the recommended implementation date of:
    - 22 February 2019 if Authority approval is received by 25 January 2019; or
    - 29 March 2019 if Authority approval is received by 1 March 2019.

## 10. Draft Recommendation Report: Operational Performance Standards Charges (CPW049 & CPM012) P26 04

- 10.1. The Panel considered a Change Proposal to amend the Operational Performance Standards framework to provide greater standardisation of reporting and introduce charging for missed KPIs.
- 10.2. Consultation responses from Wholesalers gave the view that the charges need to be clear.
- 10.3. Panel members noted feedback from the MPC on their expectation that OPS charges should not be redistributed.
- 10.4. A Panel member queried where the money will go if it is not being redistributed. JW felt this was a point of detail that should be considered separately. In his view, it was important to have clarity now on the charges that would apply in the coming financial year. However, there was time to consider how these monies were to be treated before the end of the financial year 2019/20 if it was felt this was needed, but this should be done separately from CPW049.
- 10.5. A panel member raised questions around assurance and performance resolution and nervousness that there is a lot of self-reporting. Does the guidance document go far enough to address these fears? JW reported that over the last year there has been a lot of work done in resolving a lot of issues around self-reporting concerns and that it was felt the guidance document would be beneficial in driving consistency
- 10.6. The Panel unanimously:
  - **AGREED** to recommend implementation of CPW049 & CPM012 to the Authority for approval; and
  - **AGREED** the recommended implementation date of 1 April 2019, if Authority approval is received by 29 March 2019.

## 11. Draft Recommendation Report: Changes to the Long Unread Meters Report (CPW050) P26 05

- 11.1. The Panel considered a Change Proposal to amend the long unread meters report to include additional metering information, the inclusion of this information will assist trading parties in their rectification activities.
- 11.2. The question of whether CPW050 should be implemented in release 6.5 with CPW047 in July was considered by the panel.
- 11.3. Des Burke raised concerns that if we add CPW050 to release 6.5 it will end up being a major release by stealth. He reassured the panel that MOSL wants to be the driver of change and would like to test the markets ability to accommodate this change in a minor release.
- 11.4. The Panel concluded that CPW050 should be considered as a candidate for implementation in release 6.5 but only on the basis that doing so does not materially impact the delivery of release 6.0, 6.5 or 7.0.

- 11.5. All panel members agreed with this approach. One Panel member reminded everyone that this change, like CPW047, will need to go out for consultation concerning an earlier release and would only be included in the early release if the consultation confirmed there were no issues with this approach.
- 11.6. The Panel unanimously:
- **AGREED** to recommend CPW050 to the Authority for approval; and
  - **AGREED** the recommended implementation date of:
    - 8 November 2019 or earlier, if Authority decision is received by 30 April 2019; and
    - MOSL to investigate possibility of implementing before November 2019

## 12. [Draft Recommendation Report: Market Incident Management Plan Amendments \(CPW051\) P26\\_06](#)

- 12.1. Harry Osei-Tutu (HOT) introduced CPW051 and introduced Rob Curry (RC) to present the content.
- 12.2. To achieve successful accreditation the market codes, need to be aligned with what is implemented in CMOS. CPW051 seeks to address this discrepancy.
- 12.3. A Panel member queried whether this change represents a degradation of CMOS, and if removing the proposed sections within the code was the right way to go.
- 12.4. A Panel member suggested revising the existing sections within the codes to provide clarity and alignment with CMOS, rather than removing them, as something important could be lost.
- 12.5. Other Panel members agreed with this suggestion.
- 12.6. The Panel was supportive of this change, however it requested that MOSL to review the legal drafting in order to align the codes with current functionality, rather than removing the identified sections.
- 12.7. The Panel unanimously:
- **DEFERRED** recommending the implementation of CPW051 to the Authority for approval; and
  - **AGREED** that section 4.2.3 of CSD0007 should be reworded to better reflect CMOS capability rather than be removed.

## 13. [Review of retailer cyclic meter read threshold P26\\_07](#)

- 13.1. Nigel Sisman (NS) presented the MPC response to Ofwat's request for a review of retailer cyclic meter read threshold.
- 13.2. NS outlined the two ways the meter read threshold can be adjusted giving greater or less relief for retailers.

- 13.3. Currently the best in class performance is 95% meaning if Panel decide to adjust the threshold up then there would be a higher risk of retailers falling behind.
- 13.4. The Panel discussed the options and many Panel members mentioned a need to review the meter reads threshold when there is more data available.
- 13.5. Panel members agreed that no change is currently needed for the meter reads thresholds.
- 13.6. NS will send a letter to Ofwat detailing the decision to not change the meter reads thresholds.

**ACTION 26\_02**

## 14. Any Other Business (AOB)

- 14.1. There was no further business and the Chair ended the meeting.

### Actions:

- A26 \_01** Panel Secretariat to begin preparations for a working group to review developer services code changes in the new year.
- A26 \_02** NS on behalf of the MPC to confirm findings on the review of the retailer cyclic meter read threshold to Ofwat before Christmas.

The next Panel meeting is scheduled for: **29 January 2019, 10:30 – 15:30, at:**  
**ETC Venue;**  
**8 Eastcheap;**  
**Monument Street;**  
**London;**  
**EC3M 1AE**