

Minutes of Panel Meeting 28

26th February 2019 | 10:45 – 15:45

MOSL White Building, 1-4 Cumberland Place, Southampton, SO15 2NP

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 (T-Con)	NSm	Panel Member (Unassociated Retailer)
Wendy Monk (T-Con)	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 (T-Con)	HM	Panel Member (Independent)	Des Burke	DB	Affiliated Panel Member (MOSL)
Nigel Sisman	NS	Panel Member (Independent)	Christina Blackwell	CB	Affiliated Panel Member (CCWater)
Elsa Wye	EW	Panel Member (Independent)	Dan Mason	DM	Affiliated Panel Member (Ofwat)
Dylan Freeman	DF	Panel Member (Wholesaler)	Adam Richardson	AR	Panel Secretary
Peter Strain	PS	Alternative Member (Unassociated Retailer)			

OTHER ATTENDEES

Steve Arthur	SA	Presenter (MOSL)	Amanda Hinde	N/A	Observer (MOSL)
Stuart Boyle	SB	Presenter (MOSL)	Huw Comerford	N/A	Presenter (MOSL)
Rob Curry	RC	Presenter (MOSL)	Oliver Farrell	N/A	Observer (MOSL)
Mihai Ciurba	MC	Presenter (MOSL)	John Vinson	N/A	Observer (Independent)
Zainab Mohammed	ZM	Presenter (MOSL)	Emma Kelso	EK	Observer (Ofwat)
Rebecca Mottram	RM	Presenter (MOSL)	Antoine Schmidt	N/A	Observer (Thames)
Ian Dearnley	N/A	Observer (Panel Member Designate)	Claire Yeates	N/A	Observer (Panel Member Designate)
Martin Mavin	N/A	Observer (Panel Member Designate)	Chris Williams (T-Con)	N/A	Observer (Panel Member Designate)

1. Welcome and Introductions

- 1.1. The Chair welcomed Panel Members to Panel Meeting 28.

2. Minutes and Outstanding Actions

- 2.1. The Panel agreed the minutes from ad-hoc Panel meeting P26a.
- 2.2. The Panel agreed the minutes from Panel meeting P27, subject to change:
 - In section 9.2 summary of CC water concerns paragraph 4 add 'and understanding mitigation of customer bills'.
 - On page 7, 10.5 didn't fully reflect concern that CMOS doesn't have 100% continuity.
- 2.3. The Panel agreed to close the following actions: A26_01, A26b_01, A26b_02 (subject to MOSL to confirming Panel objective workshop date), A26b_04, A27_01, A27_02, A27_03, A27_05, A27_08, A27_09.

ACTION A28_01

3. Update from Ofwat

- 3.1. DM provided an update on code modifications currently awaiting an Authority decision. He acknowledged that there were a number awaiting determinations by Ofwat.
 - CPW049 and CMP012 'Operational Performance Standards Review' were due to be reviewed in the coming week and decisions published.
 - CPW041 'G read removal guidance' and CPW050 'Changes to the Long Unread Meters Reports', was anticipated to be published in week after that.
 - CPW051 'Market Incident Management Plan amendments', CPW052 'Credit Proposal 1A: Improving the Transparency of Alternative Credit Arrangements' and CPW053 'MO Transaction Processing and Reporting' were to be decided on by the end of March.
- 3.2. DM informed the Panel that where a decision on a change is needed in a shorter than normal timeframe, the rational needs to be provided to enable Ofwat to understand whether there is a customer or trading party impact.
- 3.3. DM noted that Ofwat would be consulting on Clear Water Business' proposal regarding the Customer Protection code of Practice was to be raised.
- 3.4. The Panel noted that Ofwat was currently consulting on a proposed license variation for South West Water to include the Isles of Scilly in the Non Household water retail market. DM stated that there will be a six-week consultation period.

4. Update from MOSL

- 4.1. SA advised that following an action from the January Panel meeting, MOSL had provided a Market Performance information pack to the Panel ahead of the meeting. MOSL would welcome feedback on this. SA Highlighted the spike of unplanned settlement runs in January.
- 4.2. The Panel asked how the Generated 'G' read work went and whether we have intelligence of problematic G reads. SA mentioned that there were some issues but that MOSL now understand what has happened.
- 4.3. A Panel Member said there was a large amount of work going on around rectification plans and there were delays where rectification activity required site access to be granted by the customer. The Panel Member stated that we need to be sure we get prompt requests from retailer customers as well as wholesalers, to help retailers gain access to meter reads. SA mentioned that MOSL understands the service elements.
- 4.4. A Panel Member mentioned concerns about the number of reads about to go to long unread very soon. The Panel member further enquired what we can do to flag to wholesaler and retailer colleagues where there are issues. SA confirmed that detailed meter read reports provided through MPOP portals would allow trading parties to identify and address meters of concern.
- 4.5. A Panel Member mentioned concerns about the quality of location notes, once a meter is live and how this makes it difficult when retailers are switching.
- 4.6. A Panel Member stated that there should be an established baseline for long unreads to help understand what good performance looks like.
- 4.7. A Panel Member suggested that, if MOSL was looking at the reasons for meters not being read and the possibility of standardised skip codes, MOSL should engage with meter readers (e.g. Morrisons Data Services and Siemens) directly. SA acknowledged this and noted that, while MOSL's relationship was with Trading Parties (who carried the obligations for reading meetings) said it was something to explore.

ACTION A28_02

5. Monthly Committee Updates

- 5.1. The Panel noted updates from its various Panel Committees.
- 5.2. EW, the TDC Committee Chair, advised that the original TDC meeting was cancelled and has been re-arranged for 28 February. MOSL will confirm the outcome of the February TDC meeting in the March Committee reports.

ACTION A28_04

- 5.3. EW noted the letter issued by one of the disputing parties to its customers following the TDC determination.
- 5.4. Ofwat advised the dispute was on its radar and had been in touch with both parties.

- 5.5. A Panel Member expressed disappointment that the outcome of the dispute had been expressed as a price increase by one disputing party. The Panel Member felt that this was not a price increase but related to the use of larger volumes of consumption being used for wholesaler/retailer settlement.
- 5.6. SA mentioned that MOSL's remit ends with settlement. Neither MOSL, nor the Panel, has the remit to tell Trading Parties how to bill.
- 5.7. Rob Curry (RC) presented updates on Market Incident Management Plan (MIMP) committee membership.
- 5.8. The Secretariat asked whether the MIMP committee was required in its current form and queried whether another model could be created that supports the needs of the industry. The Panel decided that nominations should not be pursued at this time and requested that MOSL review whether the MIMP is needed in its current capacity.

ACTION A28_03

- 5.9. The Panel believes that the upcoming March rehearsal will provide an indication of the type of group that is needed and its remit.

6. GDPR Terms of Reference

- 6.1. There were several questions from Panel members regarding the alignment of committee Terms of Reference and the process if the Chair was unavailable. It was decided these issues would be revisited in the overall review of committee terms of reference.
- 6.2. The Panel encouraged the GDPR Committee to take a light touch approach to its work and instructed MOSL to add 'if required' to the GDPR Committee Terms of Reference in relation to Section 3 Provision of Reports.

ACTION A28_05

- 6.3. The Panel:
 - **AGREED** the revised GDPR Terms of Reference; and
 - **NOTED** that the revised GDPR Terms of Reference would be published on the MOSL website.

7. TEIC Terms of Reference

- 7.1. ZM provided the Panel with the reconvened TEIC Terms of Reference with an extension of no more than 12 months and the list of issues to be addressed. This was being brought back to the Panel on their request.
- 7.2. A Panel Member mentioned that a meaningful workplan with material benefit should be investigated.

- 7.3. A Panel Member mentioned understanding the business case was essential. MOSL said it was useful to have a list with top workshop issues present as the TEIC would use that to set priorities in the first meeting.
- 7.4. A Panel Member stated that the group should be continued, focusing on business problems with a customer focus.
- 7.5. A Panel member asked about transparency. ZM stated that a normal progress report would be provided in the monthly Committee updates which should suffice.
- 7.6. AR confirmed that items in Appendix B are items TEIC will focus on. If issues need to be fixed then they would be included in the forward work plan. MOSL to add that the Chair would be appointed by MOSL 'subject to consultation with Panel' to TEIC Terms of Reference.

ACTION A28_06

- 7.7. The Panel:
 - **AGREED** the revised TEIC Terms of Reference;
 - **NOTED** that the revised TEIC Terms of Reference would be published on the MOSL website; and
 - **AGREED** to go out for nominations to fill the empty seats.

8. Feedback from Panel Workshop

- 8.1. The Panel queried whether the proposed governance changes could be rolled together. MOSL confirmed that changes should be kept separate as they address multiple defects AR confirmed MOSL wants to improve the change process to make it more efficient.
- 8.2. A Panel member queried whether these potential changes should be considered a priority at this time. DB stated that there was an appetite for this at the January Panel workshop and this could make the Panel more effective. DB confirmed that MOSL want to drive meaningful change and that changes like voting majorities were just as important as other changes and these will be reviewed. Another panel member stated that panel governance changes had not been discussed in any detail either at the January workshop, or since.
- 8.3. A Panel member said that they didn't feel like this was something that would change the way things are done and the workshop didn't grasp what needs to change. Another Panel Member felt it was a work in progress and will change Panel decision making.
- 8.4. A Panel Member said the pre-change process should be discussed.
- 8.5. MOSL observed that, as discussed at the January Panel meeting, adjustments to the approach for managing change would be taken forward in a manner consistent with the Code Administration Code of Practice that had considered at the January Panel workshop. This included making the Panel more aware of the route by which changes that had been raised were being assessed. However, these

adjustments in approach did not require code changes to be raised and the Panel had agreed that such an approach did not need to be set out in an additional policy document or similar.

- 8.6. There was concern among some Panel Members with the level of consultation and availability of meaningful cost information.
- 8.7. MOSL advised that the vast majority of CPs had cost information included at the consultation stage regarding MOSL and CMOS costs and that the only way to gather information on industry impacts, benefits and cost was via a consultation of some type.
- 8.8. Ofwat observed that a number of the proposed governance changes would appear to make the Panel's processes more efficient.

9. 2018/19 Panel Plan

- 9.1. AR provided a general summary of changes to the Panel Plan.
- 9.2. A Panel Member requested minor adjustments to the reference to the in-depth review to be considered in summer.
- 9.3. The Panel:
 - **AGREED** the updates to the 2018/19 Panel Plan; and
 - **NOTED** that the revised 2018/19 Panel Plan would be published on the MOSL website.

10. Change Report

- 10.1. SB provided a general update on recent and upcoming authority decisions, alongside upcoming changes. SB mentioned Cascade Erasure (CPW056) for decision and that DCP017 (Removing Meter Manufacturer as a required field) had been withdrawn from the pre-change process. SB noted that this was the last Panel meeting at which changes for release 7 could be presented.
- 10.2. The Panel discussed the merits of consultations. Some Panel Members felt that consulting Trading Parties on changes slowed the process down and noted that not all parties responded. In their view this meant that the value of consultations could be limited and that, in the extreme, they may provide a skewed view of the market. Other Panel Members felt consultations were important to understand the impacts of potential changes on Trading Parties. The Panel felt that the right balance must be struck between progressing simple changes efficiently and enabling parties to input to the case for change.
- 10.3. A Panel Member stated that there should be space for the Panel to make more decisions where we know there isn't an impact on trading parties.

11. Draft Recommendation Report: CPW056 – Cascade Erasure

- 11.1. The Panel considered a change proposal raised by MOSL which sought to improve the erasure processes for meter, DPID and SPID data and mitigate issues such as incomplete erasure and the incoming retailer not always being notified of erasure.

- 11.2. MC, speaking as the lead analyst, provided the Panel with a presentation on the background of the change and the solution proposed, including the responses from an industry Request for Information (RFI).
- 11.3. A Panel member mentioned that if a meter is removed, the asset ID cannot always be re-used.
- 11.4. A Panel Member questioned whether the code definition of erasure was correct. MC confirmed that this change was not seeking to amend the governing principles of erasure or removal, but to automate and improve existing provisions.
- 11.5. MC clarified that when an asset is erased it remains in the database but is no longer accessible to trading parties.
- 11.6. The Panel made some minor observations in relation to the legal text drafting, which MOSL agreed to review prior to submitting the final recommendation report to the Authority.
- 11.7. The Panel considered the benefits of the proposed change against the cost, and decided, that, on balance, the benefits outweigh the costs. Panel Members noted the rationale set out in the draft report in relation to the code Objectives and Principles and made no additional comments.
- 11.8. The Panel:
 - **AGREED** to recommend implementation of CPW056 to the Authority for approval; and
 - **AGREED** the recommended implementation date of:
 - 8 November 2019, if Authority approval is received by 30 April 2019; or
 - 15 May 2020, if Authority approval is received by 30 September 2019.

12. CPM008 Decision (MPS Review)

- 12.1. The Panel considered the approach for progressing Redistribution of Market Performance Charges as well as the matters for further consideration raised by Ofwat following the decision on CPM008.
- 12.2. RM provided the Panel with information on the proposed workplan and highlighted the intention for MOSL to lead the workstream including hiring of an independent consultant to review Ofwat's concerns. MOSL confirmed this would be a similar process to the KPMG review, with a sub group and findings to be reported in June.
- 12.3. A Panel member asked whether a budget was in mind. SA mentioned that MOSL does not have a number for the budget yet, but funds will come from the change pot.
- 12.4. A Panel member confirmed that external help was suggested before and that the paper doesn't mention thought leadership by the Panel/MPC sub group.
- 12.5. NS, Chair of the MPC highlighted that the MPC had asked for specific support before but this was not previously available.
- 12.6. Ofwat mentioned that considering other examples of similar schemes from outside the industry would be useful in deciding the solution.

12.7. Panel concluded that the work should be overseen by the MPC, supported by MOSL (which may include the support of an independent consultant).

12.8. The Panel:

- **AGREED** to delegate responsibility to the Market Performance Committee (MPC) to assess the matters for further consideration raised by Ofwat;
- **AGREED** for an independent study to be commissioned by MOSL to support this work;
- **AGREED** that the scope of the independent study should be developed by the MPC; and
- **AGREED** the proposed assessment timetable outlined in the paper.

13. Any Other Business

13.1. The attendees from Ofwat left the meeting.

13.2. A Panel member voiced concern about the high number of MOSL changes raised (committee driven) over Trading Parties (TPs). MOSL advised that a number of these changes have been driven by discussions with or feedback from TPs. MOSL confirmed it was not sitting on a range of changes that Trading Parties were seeking to raise and that the change report outlined all the changes and potential changes that MOSL was aware of. In some cases, where TPs have sought to take forward changes, work has not progressed while MOSL awaits the relevant details from the change proposer.

13.3. The Panel Chair mentioned that HS will collate anonymous feedback on his performance via a phone call.

ACTION A28_08

13.4. Peter Strain (PS) from Castle Water presented an overview of the issues that have led Castle Water to consider a potential change proposal regarding the deregistration rules. Panel Members noted that Castle Water felt this change should be considered on an urgent basis as set out in a slide pack circulated to Panel Members shortly before the meeting. AR observed that the Panel should give careful consideration as to whether this was urgent, noting it related to data amendments that would take place after any Final Reconciliation settlement run.

13.5. The Chair confirmed that (DM and EK) had advised him that Ofwat had not accepted the case for change was urgent as per page 1 of the Castle slides.

13.6. AR confirmed that Castle Water would like the Panel to make a recommendation to Ofwat in March. The Panel noted that meeting this timescale would likely require a swift consultation to be undertaken on rapidly developed rules changes. It was further likely that the Panel would be required to consider the change as a very late paper. It was observed that such rapid consideration might bring risks of unintended consequences but that, if truly urgent, the Panel should look to make a recommendation to approve or reject the change when it was presented, rather than finessing any concerns.

13.7. A Panel Member mentioned they would rather get the change right than rush, as this might impede the industry in future. MOSL confirmed it would add the change to the work plan and ensure that it progressed efficiently.

Actions:

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|-------------------|---|
| A28_01 | MOSL to confirm panel workshop date |
| A28_02 | MOSL to provide feedback to panel on Skip Code standardisation and monitoring and any contact with meter readers. |
| A28_03 | MOSL to review need for MIMP committee and come back with recommendations |
| A28_04
reports | MOSL to confirm outcome of Feb TDC meeting is included in March Committee |
| A28_05 | MOSL to add 'if required' to GDPR TOR in relation to the provision of reports |
| A28_06 | MOSL to add 'subject to consultation with Panel' to TEIC TOR |
| A28_08 | Howard Smith to feedback on Panel Chair performance |