

Minutes of Panel Meeting 40

25 February 2020 | 10:30 – 15:30

Cavendish Venues, 22 Duchess Mews, London W1G 9DT

Status of the Minutes: Final

MEMBERS PRESENT

Margaret Beels	MB	Chair	Michael Rathbone	MR	Alternate Panel Member for Ian Dearnley
Mike Brindle (T-Con)	MBr	Panel Member (Associated Retailer) Teleconference	Helyn Mensah (T-Con)	HM	Panel Member (Independent) Teleconference
Chris Williams	CW	Panel Member (Associated Retailer)	Elsa Wye	EW	Panel Member (Independent)
Trevor Nelson	TN	Panel Member (Unassociated Retailer)	John Vinson	JV	Panel Member (Independent)
Nicola Smith (T-Con)	NS	Panel Member (Unassociated Retailer) Teleconference	Mike Keil	MK	Panel Member (Customer Representative)
Claire Yeates	CY	Panel Member (Unassociated Retailer)	Dan Mason	DM	Affiliated Panel Member (Ofwat)
Mark Holloway	MH	Panel Member (Wholesaler)	Sarah McMath	SM	Affiliated Panel Member (MOSL)
Martin Marvin	MM	Panel Member (Wholesaler)	Adam Richardson	AR	Panel Secretary

OTHER ATTENDEES

Stuart Boyle	SB	MOSL (Presenter)	Ivy Mandinyenya	IM	MOSL (Secretariat)
Huw Comerford	HC	MOSL (Presenter)	George Kelly	GK	MOSL (Observer)
Markus Lloyd	ML	MOSL (Presenter)	Antoine Schmidt	AS	Thames (Observer)
Steve Arthur	SA	MOSL (Presenter)	Christina Blackwell	CB	CC Water (Observer)
Evan Joannette	EJ	MOSL (Presenter)	Dylan Freeman	DF	Southern Water (Observer)
Carl Elsworth	CE	TEIC Member (Presenter)	Lois Gill	LG	Everflow (Observer)
Andrew Stringer	AS	TEIC Member (Presenter)	Patricia Quintana	PQ	TEIC Member (Observer)
Oliver Robins	OR	MOSL (Secretariat)			

APOLOGIES

Ian Dearnley	ID	Panel Member (Wholesaler)
--------------	----	---------------------------

1. Welcome and Introductions

- 1.1 The Chair welcomed the Panel Members and all other attendees to Panel Meeting 40.
- 1.2 The Chair noted apologies from Ian Dearnley (ID) and confirmed Mike Brindle (MB), Helyn Mensah (HM), and Nicola Smith (NS) were due to join the meeting via teleconference.

2. Minutes and Outstanding Actions

- 2.1 The Panel approved the minutes from the previous Panel Meeting, P39 (January 2020). Adam Richardson (AR) stated that the issues Panel Members were experiencing in accessing draft minutes via the SharePoint website would need to be addressed outside of the meeting.
- 2.2 The Panel agreed with the approach for the outstanding actions and to close actions:
 - A39_01; A39_02; A39_03; A39_04, A39_06, A39_07, A39_08

3. Ofwat Update

- 3.1 Dan Mason (DM) presented Ofwat's general update. DM informed the Panel that the authority had:
 - Approved CPW079 '[Protections for Credit Support Security](#)' for implementation on 14 February 2020; and
 - Approved CPW084 '[Introducing a Retailer Measure of Experience \(R-MeX\)](#)' for implementation on 1 April 2020.
- 3.2 DM confirmed that all the other changes currently with Ofwat for review were on track to be published on their assigned timetable.
- 3.3 DM confirmed that Ofwat had allocated customers formerly of Tor Water following it entering insolvency and had subsequently revoked the license of Tor Water at 6pm on Wednesday 19 February 2020. The Panel noted that Tor Water had chosen not to engage with MOSL or Ofwat throughout this process to clarify the circumstances behind it entering insolvency.
- 3.4 DM explained that Ofwat had instructed MOSL to transfer all Tor Water customers in the South West Water Wholesale area to Pennon Water Services via the Interim Supply Offers Process, but chose to use the Interim Supplier Allocation process to distribute customers in the Bristol Water and Wessex Water Wholesale areas between participating Retailers.
- 3.5 DM highlighted that this was the first use of the Interim Allocation process and this decision had been made on the grounds of efficiency.
- 3.6 Steve Arthur (SA) confirmed that these supply point re-allocations had taken place. He added that MOSL was examining the capability within CMOS had the termination event concerned a significantly larger Retailer, and that MOSL and Ofwat would learn from this experience to ensure customers remained protected in the event of such a termination.
- 3.7 The Panel discussed whether an assessment of the requirement for Retailers to provide 50 days of collateral, or around 60% of the risk, as set out in the credit terms of the market, would form part of the future strategy of the Credit Committee. AR confirmed that the remit

of the Credit Committee as currently set out by the Panel was not to examine this underlying principle but to examine a series of changes that related to the transparency and clarity of the credit arrangements and access to discounts. DM confirmed that credit arrangements were not the only issue in this specific case.

- 3.8 The Panel noted that Ofwat had published the responses to Project Rise – '[review of incumbent company support for effective markets](#)' – on its website. DM confirmed that Ofwat would be carrying out a targeted review of industry governance, working closely with MOSL. DM added that Ofwat would be looking to refine and improve the existing governance frameworks rather than develop a completely new model and would seek to consult with MOSL, the Panel and wider industry as this work develops. DM confirmed that the changes would seek to improve the efficiency of processes for the benefit of customers and the market and facilitate future innovation.
- 3.9 DM explained that Ofwat would synchronise the work relating to the examination of the business retail market with that relating to the developer services market, and therefore Ofwat would likely be publishing its next steps in early April.
- 3.10 The Panel considered that there was a lack of clarity regarding provisions for back-billing and noted that Ofwat (working with MOSL) was seeking to produce some guidance towards the end of March. The Panel suggested that this document be shared with CC Water before being published.

4. MOSL Update

- 4.1 Sarah McMath (SM) presented a general business overview for the MOSL update. SM confirmed that the MOSL Business Plan had received a very high level of engagement with Trading Parties and had received almost unanimous approval.
- 4.2 SM explained that MOSL had sought to engage with Trading Parties in order to recognise existing market issues and customer experiences when delivering its business plan, including;
 - The materiality of indirect costs, particularly in relation to bilateral transactions, for many Trading Parties interacting within the market;
 - The complexity of governance processes in the market, and the problems that arise when Trading Parties that operate in different contexts (e.g. NAVs and Wholesalers) are categorised identically;
 - The importance of effective metering to improve the accuracy of consumption data.
- 4.3 The Panel considered whether NAVs would have fundamentally different obligations to wholesalers in terms of their operation and responsibilities to customers. SM clarified that if different obligations were imposed on NAVs then these would be proportional and should not dilute the interests of customers or give an advantage over other Trading Parties.
- 4.4 The Panel was asked to note that the appointment of John Gilbert as MOSL's Head of Planning would help MOSL to deliver its business plan in a responsible and timely manner and would share progress from April 2020.

- 4.5 SM highlighted that DEFRA was seeking to re-engage with the market specifically to prioritise the increasingly prevalent issue of water scarcity.
- 4.6 The Panel discussed the possibility of splitting the role of the Panel Chair from the MOSL Chair following the decision of Jim Keohane (JK) to step down from the role in August 2020. Several Panel Members agreed that this would be a natural progression of the market as it matured, was an example of good governance, and removed the potential for a perceived conflict of interest. It was suggested that it may be more appropriate that Ofwat appoint the Panel Chair and Independent Panel Members.
- 4.7 The Panel considered that having the same Chair posed a benefit in terms of continuity and clarity but noted that these benefits could still be provided by the MOSL board retaining a voice at the Panel through its Senior Leadership Team.
- 4.8 The Panel also discussed the possibility for an alternate Chair to be appointed from the Independent Panel Members in order to navigate issues where the Chair was unavailable at short notice. It was noted that changes to Chair arrangements would likely require changes to the MAC and MOSL's Articles of Association. Several Members suggested that the mechanics of the work should wait until the publication of the Ofwat review in April, but others suggested that the MOSL board should address these items at a principle level at least in parallel with the review. The Chair confirmed that the MOSL board would examine governance at its meeting in March.
- 4.9 The Panel was informed that a price comparison website 'switchwater.com' had been claiming to be endorsed by both MOSL and Ofwat. Panel Members noted that no such endorsement had been sought or given by MOSL or Ofwat. SA explained that this website potentially posed a competition and privacy risk and expressed gratitude to the Trading Parties that had brought it to the attention of MOSL. SA confirmed that the website had been shut down at the request of MOSL pending clarification of these concerns.
- 4.10 A Panel Member stated that several of the slides that had featured in the previous MOSL update had been excluded from slide deck, and suggested that for consistency, there should be a defined list of slides that would always appear in front of the Panel. SA explained that these slides had been removed for brevity but took an action to circulate them after the meeting.

A40_A01

- 4.11 In reference to the Bilaterals programme revised timeline, SA explained that the steering group dates would be released later in the week once the internal review had been completed by the programme board.
- 4.12 A Panel Member questioned whether the timeline would allow for the Panel to review code changes arising from the Bilaterals programme. AR stated that the development of code amendments was being done by the Code Advisory Group (CAG) that the Panel had established. The Panel would be periodically asked to review and approve individual packages of code amendments that were recommended by the CAG as the programme progressed. The Panel noted that such packages would be recommended no earlier than the second half of 2020.

- 4.13 SM explained that there were likely to be more significant code changes than previously envisaged and it was proposed that John Gilbert (JG) should attend the Panel Meeting in March to provide an overview of the Bi-laterals programme.

A40_A02

- 4.14 SM provided an update of the negotiations between MOSL and CGI over the CMOS contract extension and highlighted that this relationship had become more productive and less transactional in recent months. SM explained that the objective of these discussions was to agree a strategic approach to addressing the complexity of CMOS. In the short term no work was being done to change the number of scheduled system releases in a year or adding any additional flexibility at this stage.
- 4.15 The Panel discussed the importance of flexibility and considered how the change process needed to be more responsive to the market. A Panel Member noted that given the Panel's endorsement of CPM015 & CPW071 '[Panel Self Governance](#)', and its consideration of other proposals to streamline the change process, it was important that a bottleneck does not manifest at the implementation stage. The Chair explained that this preliminary work was essential so that in time specific changes could be implemented to facilitate a more rapid implementation of CMOS affecting changes. SM suggested that John Davies could attend the next Panel workshop to explain the systems architecture within CMOS and the proposed roadmap.

A40_A03

5. Initial Performance Rectification Plans

- 5.1 The Panel received a briefing on Initial Performance Rectification Plans (IPRPs) presented by Markus Lloyd (ML) that sought to clarify the thresholds behind the initiation of an IPRP, and the IPRP process itself. The Interim MPC Chair noted that the MPC would be reviewing IPRPs at its meeting on Wednesday 26 February with the aim of a report being published in the Annual Market Performance Review on 17 April.
- 5.2 The Panel discussed the discretionary aspect of the materiality threshold at which a plan would be initiated and whether an automatic trigger mechanism would be more suitable. ML explained that the need for an IPRP is assessed on a contextual basis but agreed that the lack of a formal trigger was one of the reasons behind the review and the potential to improve the clarity and transparency of the process. The Interim MPC Chair stated that the MPC had previously discussed whether the implementation of automatic triggers rather than subjective calls would be more appropriate and explained that the first year of IPRPs had provided good information on where the process needed changing. Further the MPC would be holding an IPRP process review workshop as part of its monthly meeting the following day.
- 5.3 The Panel considered how the requirement for a Trading Party to pay OPS charges whilst on an IPRP served as the incentive for moving off an IPRP. It noted that the performance targets needed to be tailored given that a Trading Party on an IPRP should not be obligated to reach a higher target than a Trading Party not on an IPRP.
- 5.4 The Panel discussed the need for a compromise between transparency as regards putting a TP on an IPRP and discretion to allow MOSL to take account of TP circumstances. Customers

having visibility of those on an IPRP (which they do not at present) was just as important as Trading Parties having this visibility from a competition and reputation perspective. SA stated that MOSL would need to better communicate the reasons behind a Trading Party being on/off an IPRP within industry circles.

- 5.5 Martin Mavin (MM) provided a Trading Party's perspective of the IPRP process. MM explained that the response to an IPRP needed to be consistent, balanced, transparent, accountable, and informed, with an emphasis on customer impacting issues, for their use to be effective in terms of enhancing TP performance.
- 5.6 The Panel discussed whether a Trading Party on an IPRP should be targeted with meeting the median performance level or some higher level. The Panel considered that the IPRP process should better relate the benefit of meeting standards to the experience of the end customer, given the significant amount of time and money a Trading Party could spend on meeting a target.
- 5.7 The Interim MPC Chair invited the Panel Members to consider the extent to which they would desire visibility over the IPRP process and to communicate out of meeting to the Chair or SA their expectations of the MPC in terms of rectifying poor performance, especially in situations where a Trading Party does not meet its IPRP targets.

A40_04

6. Panel Plan Update

- 6.1 The Panel considered the Panel Plan update and noted the status of Change Proposals with the various Committees and the Governance Group. Stuart Boyle (SB) stated that work on many of the items in the Panel Plan was due to commence in the upcoming financial year and explained that some existing work by the TEIC had been 'Descoped' as it no longer required committee input and would be picked up by individual committee members.
- 6.2 A Panel Member suggested that the Panel Plan was ambitious and would require substantial industry resources and time to be successfully completed but in the first instance that the benefits of each potential change should be appropriately assessed. SM suggested that the Panel Plan could be integrated into the work being coordinated by John Gilbert to clarify the necessary resources and level of engagement required from Trading Parties.
- 6.3 AR provided an update on the Customer Engagement task 'Capture customer benefit of changes', which was the only item with a status of 'Ongoing' in the Panel Plan. AR confirmed that the revised approach was in place. This included the seeking of specific feedback on customer impacts via consultation questions as well as the provision of specific feedback from CCW. The Panel noted that the effectiveness and efficiency of this approach would be reviewed through the coming year as outlined in the Panel Plan.
- 6.4 The Panel considered the upcoming work on the 'Strategic Risk & Opportunities Register' and discussed how this would interact with the work of the MPC. AR explained that its implementation was running behind schedule but highlighted the importance of the workplan being able to set out how risks and issues would be identified going forward.
- 6.5 The Panel discussed the urgency of the review into meter reading and agreed that this issue needed to be prioritised to ensure that the planned start date in April would be met. SA

confirmed that MOSL was in the process of planning a high-level strategic workpiece but explained that this initial work needed to be finalised before the scope of the work could be shared with the Panel.

A40_05

7. Committee Reports

Trading Disputes Committee (TDC)

- 7.1 The Panel considered an update from John Vinson (JV) on the TDC. JV explained that the TDC was seeking to formalise all types of dispute under a unified and efficient process to be managed by the TDC, with the aim of a Change Proposal being presented to the Panel in April. The Panel noted that this workstream tied into the Credit Committee work on [CPW080 'Simplification of the Default and Termination Process'](#) which sought to clarify that disputes relating to credit would also feature under a formalised dispute process. JV confirmed that the TDC had endorsed this aspect of CPW080.

Trade Effluent Issues Committee (TEIC)

- 7.2 AR provided the TEIC update on behalf of Evan Joannette (TEIC Chair) and confirmed that the TEIC was approaching the end of its Terms of Reference and was not seeking for the Panel to extend its term or start a new term. AR explained that the remaining change proposals would likely be finished by the end of March. These included:
- [CPW074 'Retailer Trade Effluent SLA'](#)
 - [CPW077 'Indicator on Trade Effluent Strengths'](#)
 - [CPW085 'Premises Vacant transaction link to DPID'](#)

General Data Protection Regulation Committee (GDPR)

- 7.3 The Panel considered an update from HM on the GDPR Committee. HM explained that work on the data sharing code of practice would not result in a Change Proposal. HM confirmed that two meetings were planned for March which would look at Data Subject Requests and that an update would be provided at the next Panel meeting.
- 7.4 The Panel agreed that HM should seek nominations to replace a committee vacancy if necessary, to complete the various workstreams of the GPDR Committee to schedule.

Credit Committee

- 7.5 AR provided the Credit Committee update and confirmed that [CPW061 'Unsecured Credit Allowance reflecting payment history'](#) would be presented at the March Panel meeting, whilst CPW080 would be presented at the April Panel meeting, pending the approval of the Committee.
- 7.6 AR confirmed that, as requested by the Panel, the Credit Committee was in the process of examining 'Issue 1' which concerned where a Wholesaler's credit rating falls below investment grade. It was explained that Issue 1 arose from the second part of [CPW079 'Protections for Credit Support Security'](#), as only the first part (addressing the issue of a Wholesaler drawing down more Credit Security than it was owed) had been progressed by the

Panel and approved by Ofwat on an expediated basis. AR noted that MOSL was working alongside the original proposer of CPW079 to establish whether the underlying issues of Wholesaler creditworthiness and credit support fund security warranted investigation into various methods of ring fencing.

- 7.7 AR explained that the remaining work for the Credit Committee was to review the impacts and benefits of [CPW057 'Improving transparency of Credit Guarantee Arrangements'](#) but that it was currently too soon to undertake this review. The Panel noted that such a review should build on no less than twelve months of experience in the market following the implementation of CPW057.
- 7.8 The Panel discussed whether the Credit Committee should examine credit pooling in the market given that it was an outstanding issue in its Terms of Reference. AR explained that the Panel had previously deprioritised this item against others in the Panel Plan such as metering.
- 7.9 The Panel noted that matters related to credit continued to be raised and that, while the current portfolio of work for the Credit Committee was approaching its conclusion, there was merit in maintaining a standing group of members to convene to discuss credit issues or changes should these arise in the future. The Panel therefore endorsed AR to seek nominations for two Committee Members to replace the Committee Members who were due to leave.

A40_06

Market Performance Committee (MPC)

- 7.10 The Panel considered an update from EW on the MPC. EW explained that the MPC was in the process of prioritising its key changes and performance agenda given the significant amount of work it had undertaken. It was suggested that the scope of the MPC may be re-examined pending a conversation between the Interim MPC and the Panel Chairs.

A40_07

8. Change Report

- 8.1 SB provided an update on the Change Report and highlighted that there were 25 in-flight Change Proposals. No Trading Parties had come forward to assume responsibility for [CPW076 'Change to the current KPI for CSD002 OPS Measure C1a'](#) and this proposal was therefore considered withdrawn.
- 8.2 The Panel was informed that MOSL had received several new changes after the cut-off date for the February meeting and these would be presented in March.
- 8.3 A Panel Member suggested that the change budget for 2021 as presented on page 23 of the Change Report was incorrect and had not captured the cost of non-code changes. SB agreed to clarify this outside of the meeting.
- 8.4 SB clarified that the Panel had recommended CPM006 'Urgent Change Proposals' and CPM015/CPW071 'Panel Self-Governance' for approval by the authority and that these had

A40_08

been sent to Ofwat. It was confirmed that CPM021 'Panel Membership and Voting' was the change proposal that the Panel had agreed to put on hold.

- 8.5 The Panel noted that potential change proposal 'Meter networks and SUBTRACT', detailed on page 25 of the Change Report, would no longer require the involvement of the TEIC Committee. AR explained that this had been picked up by an individual member but would not be completed by March 2020.

9. Draft Recommendation Report – CPW074 Retailer Trade Effluent SLAs

- 9.1 The Proposer (Andrew Stringer) presented change CPW074 which sought to add a Retailer SLA in relation to submission of trade effluent market forms to Wholesalers. The change proposal had been developed by the TEIC Committee and the final solution had taken industry views into consideration.
- 9.2 A Panel Member commented that concerns from respondents of the consultation focused on the rationale behind the 5 Business Days that Retailers had to submit a Trade Effluent consent to the Wholesaler. The proposer clarified the 5 Business Days is for a materially completed form. However, if any Retailer had to assess further or important information was missing, they could stop the clock to enable them to take as long as they need going back and forth with the customer before notifying the Wholesaler. There was also no market or legal obligation on the Retailer to make any technical assessment of the consent application. This would fall to the Wholesaler. The TEIC has issued guidance to accompany the Trade Effluent processes in question to allow Retailers to assist non-household customers through the application process.
- 9.3 The Panel queried the extent of backlogs and how these would be progressed. The Proposer explained the volume of applications varied depending on the Wholesaler. They noted that, pre-market opening, their company issued 200 consents per annum and that had reduced significantly since market opening because of the issues highlighted in the change proposal.
- 9.4 The Panel considered the relative benefits to the various parties. The Proposer explained that the Wholesaler would have the ability to protect the environment and market, Retailers would be able to get customers into the market, and customers would get their applications processed with fewer delays.
- 9.5 The Panel discussed whether delays are being caused by Retailers and whether the most efficient way to resolve this be to remove Retailers from the process. The Panel ultimately recognised that this question was a wider matter than contemplated by CPW074 as the market codes fundamentally included Retailers in the process and Retailers who chose to could position Trade Effluent as a selling point of their customer service.
- 9.6 The Proposer explained that CPW074 simply amended the current process to reduce delays and improve customer service. The proposer explained that if the NHH customer sent a consent application directly to the Wholesaler, the Wholesaler would validate the application requiring the Retailer simply to confirm the information on the form and sign the declaration to accept the resultant Trade Effluent charges. This was the same input from the Retailer that

they would give if the Retailer received the application directly from the NHH customer, whereby they would validate the information and sign the declaration.

- 9.7 A Panel member believed that the legal drafting was ambiguous on the intent of what Retailer actions should take place within the five business days. If the Retailer had to return the application to the NHH customer would the clock stop? The Panel believed rectifying this ambiguity was relatively simple. The Chair suggested that issues on the drafting be taken offline by MOSL.
- 9.8 A Panel Member asked if by signing an application, was a Retailer validating that the application information was correct? If so, was 2 Business Days enough to assess this after being asked to review a form (received initially by the Wholesaler)? Another Panel Member asked what happened if the Retailer chose not to sign off an application?
- 9.9 The TEIC members present clarified that the Retailer signing the declaration and accepting that the information was true (to their knowledge) and agreeing to pay charges had been there since market opening. Only an SLA was now being added to improve timeliness.
- 9.10 The Panel recommended that the 2 Business Day SLA for Retailers to assess the form was increased to 5 Business Days to allow the Retailer more time to assess a form they receive from the Wholesaler (which they may not have seen before).
- 9.11 AR highlighted the wide agreement by Trading Parties in the consultation, particularly the benefits of the change against its implementation costs.
- 9.12 The Chair invited the Panel to vote on the basis that the drafting was amended from 2 Business Days to 5 Business Days for the Retailer to sign the declaration and send it back to the Wholesaler with the rationale as set out in the DRR.

A40_A09

- 9.13 The Panel:
- **AGREED** to recommend the implementation of CPW074 to the Authority for approval (11 in favour, 1 against);
 - **AGREED** to recommend an implementation date of:
 - 28 August 2020, if Ofwat approval is received by 25 June 2020; or
 - 6 November 2020, if Ofwat Approval is received by 14 October 2020

The Panel Member who voted against the change felt that the requirement for Retailers to sign the application form was an interaction for the Retailer and Wholesaler which was not needed. They also felt that the solution could have gone further by removing the Retailer from the process altogether. The Panel Member also expressed concern that the obligation to “Return to the Non-Household Customer for further clarification or additional information and notify the Wholesaler (with details and reasons for return)” was not prescriptive in how this was to be done or what information would be required. In their view, this would not reduce the risk of inconsistent working practices between Wholesalers and Retailers.

10. Draft Recommendation Report – CPW077 Indicator on Trade Effluent Strengths

- 10.1 The Panel considered Change Proposal CPW077 which sought to introduce a Trade Effluent Charging Strength Methodology data item in the Central Systems (CMOS) for Wholesalers to input. The change proposal had been developed by the TEIC Committee and supported by TEPN (Trade Effluent Practitioner's Networks) and the industry.
- 10.2 It was noted that this change proposal enables all relevant parties (including the retailer) to be clear on how the charges have been derived, and further help equip them on being able to answer customer queries regarding billing strengths without delays.
- 10.3 A Panel Member agreed with the transparency benefit but asked how the benefit would be demonstrated? Through the consultation process one Retailer stated they had received four queries. The Proposer explained that adding the number of queries would not add much benefit as the G/01 form is used for general enquires on all Trade Effluent matters.
- 10.4 Some Panel members agreed that this change would be of great benefit to the customer as they would have visibility and transparency of the billing process. Another Panel member questioned how interactive this would be with the G4 process (Trade Effluent monitoring) submission but agreed this could be taken offline.
- 10.5 The Panel agreed that this change was needed for transparency within the market.
- 10.6 Steve Arthur highlighted the issue of data quality and that the new mandatory field would need uploading. He questioned if there was a plan to track and monitor the new data entry.
- 10.7 The Panel discussed the timeline to populate the new field. The initial rationale was to keep within the annual cycle of the financial year to keep costs down. The Panel agreed the drafting would be amended so that Wholesalers would have to update the new data item within 6 months after implementation date instead of 12 months.

A40_10

- 10.8 The Panel:
- **AGREED** unanimously to recommend the implementation of CPW077 to the Authority for approval;
 - **AGREED** to recommend an implementation date of:
 - 6 November 2020, if Ofwat approval is received by 30 April 2020; or
 - 14 May 2021, if Ofwat Approval is received by 30 September 2021

11. Project Funding and Selection Document (CPM018)

- 11.1 EJ provided an update on implementation of change proposal [CPM018 'MPS & OPS Redistribution Options'](#) which was approved by Ofwat in December. The Panel noted that it was agreed in previous meetings that more work would be needed in order to develop the Project Selection & Governance Document (PGSD). MOSL was assigned to develop the PSGD on the Panel's behalf with the support of the MPC. It was also clarified that the project team

was considering how the CPM018 fund would work in light of an innovation fund that Ofwat would be starting in 12 to 18 months.

11.2 The Panel suggested that Andrew Stoneman should attend the March panel to further explain the VAT implications.

A40_11

11.3 The Panel noted there was a risk of over engineering the process for applying for project funding; principles needed to be established to control the process proportionately.

11.4 At the same time there needed to be criteria and a framework in place to have transparency in the process and justification why money could be used for one project compared to another.

11.5 The Panel Agreed that:

- The MPC subgroup and MOSL should continue to work together to develop the PSGD process;
- The Panel would review and “sign off” the PSGD at a future meeting.

12. 5 Day Paper Day

12.1 The Panel considered changing the panel paper day to five business days before the Panel.

12.2 One Panel Member expressed a concern that, with such a reduced paper day, it would not be possible to seek input from others outside the Panel regarding the content and recommendations of papers. Another Panel Member expressed concern that Panel Members and other attendees who worked part-time would be disproportionately impacted by the reduced timescale.

12.3 Another Panel Member observed that one advantage of changing to 5 Business Days was to enable the Panel to be more responsive. If a late submission came in after paper day the current process meant it wouldn't be seen until the following Panel meeting. It was acknowledged that while the Panel had been flexible in accommodating late papers, this had led to periods where papers were being issued almost every day in the run up to a Panel meeting. Some Panel Members felt this flexibility made efficient operation difficult and risked the Panel being inconsistent in how it treated the consideration of changes and other matters raised by Trading Parties.

12.4 One Panel Member commented that no other industry operated on a 10 business days paper day.

12.5 HC clarified that the subgroups and committees already worked with 5 business day paper and also the Panel should note that the proposed approach was suggested as a trial period.

12.6 In response to a Panel member query AR clarified that papers would be available 5 full Business Days before the Panel – i.e. prior to the start of the working day on the Tuesday before each Panel Meeting.

12.7 The Panel voted in favour of the proposal (9 votes for, 3 votes against) on the condition that there will be a full 5 Business Day window.

- **AGREED** to trial a five-business day paper day starting with the March 2020 meeting; and
- **AGREED** that a review of paper day deadlines should be undertaken at the September Panel meeting.

A40_A12

13. Nominal Maximum Design Capacity Review

- 13.1 MOSL presented a review of the Nominal Maximum Design Capacity (NMDC) table, which is used in Nominal Maximum Design Volume (NMDV) validation. This validation is a CMOS process which consists of a check on meter reads when they are initially submitted by trading parties. If the read indicates consumption at the meter that is beyond its typical nominal limits, then CMOS rejects that meter read.
- 13.2 A Panel Member questioned the hierarchy of meter reading validation tests and whether CMOS undertakes all validation routines on a meter read before it is rejected. MOSL confirmed that, for meter reads, CMOS attempts to undertake all the relevant validation tests that it can and generally reports on the first validation rule that is triggered.
- 13.3 The Panel
- **NOTED** the presentation;
 - **AGREED** unanimously in favour that no changes are required to the values in the Nominal Maximum Design Capacity table in CSD 0203 Appendix C.

14. Any other Business

- 14.1 AR informed the Panel that the nomination for the vacant Wholesaler Panel Member position was scheduled to take place the following Thursday and further explained there had been no nominations for the Associated Retailer Panel Member vacancy.
- 14.2 AR echoed Jim's thanks to Chris and Martin in supporting the Independent Panel Member appointments and confirmed that they were going through the final stages of signing off. Helyn Mensah was being reappointed and Pamela Taylor was being appointed.
- 14.3 A Panel member requested MOSL book venues in advance as soon as possible given the difficulty in finding Hotels within budget. AR confirmed that from April ELEXON's offices would be used for most London meetings. SM offered to share information MOSL held as regards hotel accommodation within budget.

A40_13

Actions

A40_01 - Secretariat to circulate the slides missing from the MOSL update with the Panel (Steve Arthur).

A40_02 - Secretariat to arrange for John Gilbert to attend the Panel meeting in April to provide an overview of the Bilaterals Project.



A40_03 - Secretariat to arrange for John Davies to attend the next Panel workshop to explain the CMOS roadmap.

A40_04 – Panel Members to contact Elsa Wye or Steve Arthur to provide their preferences and expectations of the MPC with regards to the IPRP process.

A40_05 – Scope of the high-level strategic workpiece on meter reading to be finalised and shared by Steve Arthur with the Panel.

A40_06 - AR to seek nominations for two new members for the Credit Committee to replace departing Committee Members.

A40_07 – Elsa Wye and Panel Chair to re-examine the scope of the MPC.

A40_08 - Secretariat to clarify the Non-Code Changes cost change in the Change Report.

A40_09 - Secretariat to amend the legal drafting for CPW074 and change the obligation on Retailers signing the declaration form from 2BD to 5BD.

A40_10 – Secretariat to amend the legal drafting for CPW077 to 6 months.

A40_11 – Andrew Stoneman to provide an update on VAT implications for CPM018.

A40_12 – Review of Paper Day to be added to the September Panel meeting.

A40_13 - MOSL to provide a list of hotels used within the budget.