

Panel Meeting 41 – Headline Report

31st March 2020
Conference Call

This Headline Report provides a record of the decisions made by the Panel.

1 CPM022 Urgent: Reducing Panel Quorum

The Panel considered the change for '[CPW022 Urgent: Reducing Panel Quorum](#)'. This change seeks to reduce the quorum required for Panel meetings in response to the imminent resignation of an Associated Retailer Panel Member. This change proposal will remove the quorum requirement for two Associated Retailer Panel Members and two Unassociated Retailer Panel Members and replace it with a requirement for three Retailer Panel Members (either Associated or Unassociated).

The Panel:

- **AGREED** to recommend the implementation of CPM022 to the Ofwat for approval (Unanimous);
- **AGREED** to recommend an implementation date of
 - Three Working Days after the Ofwat Decision; or
 - On or before 28 April 2020

2 CPM024: Housekeeping alignment of CPM020 with CPM023

The Panel considered the Draft Recommendation Report for '[CPM024 Urgent: Housekeeping alignment of CPM020 with CPM023](#)'. This change is a consequence of CPM023 which was implemented on 23 March 2020 and changes the MAC wording upon which CPM020 was drafted.

The Panel:

- **AGREED** to recommend to Ofwat the implementation of CPM024 (Unanimous);
- **AGREED** to recommend an implementation date of 1st April 2020.

3 CPW094 Urgent: Temporary change to disconnections

The Panel considered the Draft Recommendation Report for '[CPW094 Urgent: temporary change to disconnections](#)'. This Authority Timetabled Change sought to temporarily prevent Wholesalers from disconnecting Self-Supply Licensees for the non-payment of charges.

The Panel:

- **AGREED** to recommend CPW094 to the Ofwat for implementation (Unanimous);
- **AGREED** to recommend an implementation date of 8 April May 2020.



4 CPM021: Panel Membership and Voting Rights

The Panel considered the Change Plan for [CPM021 'Panel Membership and Voting Rights'](#). This change sought to amend the membership of the Panel and had been deferred from the January 2020 meeting. The Panel noted that Panel governance was expected to be included in the review of industry governance by Ofwat. Due to other priorities during the COVID19 pandemic, the Panel agreed to defer this change but would consider how it fit with its plan in April.

The Panel:

- **AGREED** to postpone further work on this change; and
- **AGREED** to review this change in July 2020

5 CPW086: Unsecured Credit Allowance - Rebalancing

The Panel considered the Draft Recommendation Report for ['CPW086 Unsecured Credit Allowance – Rebalancing'](#). This change sought to treat a Credit Assessment Score of 10 as equivalent to a Minimum Credit Rating (Baa3/BBB-) for the purpose of accessing a Unsecured Credit Allowance of 40%. The Panel did not achieve a simple majority plus one vote in favour out of the votes cast and therefore recommended to reject this proposal.

The majority of the Panel felt the proposed 1 June 2020 implementation date was inappropriate and should be delayed in light of the ongoing COVID-19 pandemic.

The Panel:

- **AGREED** to recommend CPW086 to Ofwat for rejection (3 in favour, 2 against, 7 abstained)
- **AGREED** to recommend, if implemented, an implementation date of 1st of the month with at least 15 Business Days after Ofwat approval and subject to Ofwat having determined that the COVID-19 pandemic has been substantially resolved.

6 CPW061: Unsecured Credit Allowance based on Payment History

The Panel considered the Draft Recommendation Report for ['CPW061 Unsecured Credit Allowance based on Payment History'](#). This change sought to introduce an Unsecured Credit Allowance (UCA) available to a Contracting Retailer based on strong payment history with its Contracting Wholesaler. The proposed solution allowed this new UCA to be stacked with other UCA subject to maximum combined UCA of 40%. The alternative solution did not allow this new UCA to be stacked.

The Panel considered that the implementation date should be delayed in light of the ongoing COVID-19 pandemic

The Panel:

- **AGREED** the CPW061 Proposed Solution facilitated the principles and objectives of the WRC better than current arrangements (11 in favour, 1 against);



- **AGREED** the CPW061 Alternative Solution facilitated the principles and objectives of the WRC better than current arrangements (Unanimous);
- **AGREED** to recommend the Proposed Solution over the Alternative Solution to Ofwat for implementation (7 in favour, 3 against, 2 abstained)
- **AGREED** to recommend, if implemented, an implementation date of 1st of the month with at least 15 Business Days after Ofwat approval and subject to Ofwat having determined that the COVID-19 pandemic has been substantially resolved.

7 Review of Rollover Detection Algorithm

The Panel considered the Review of Rollover Detection Algorithm. The Market Operator is obliged under the codes to review the Rollover Detection Algorithm (RDA) annually and make recommendations to the Panel on whether a change proposal should be raised to change aspects of the algorithm.

The Panel:

- **AGREED** no change is required to the Rollover Detection Algorithm (Unanimous)
- **AGREED** for MOSL to review the Rollover Detection Algorithm in the first quarter of 2021(Unanimous)

8 Review of ICAP and YCAP

The Panel considered the Review of the Icap and Ycap parameters used in volume estimation and meter reading validation. The Market Operator is obliged under the codes to review the caps annually and make recommendations to the Panel on whether a Change Proposal should be raised to amend either of them.

The Panel:

- **AGREED** the volume estimating caps require no change; and (Unanimous)
- **AGREED** to review the caps in the last quarter of the financial year 2020/21 (Unanimous)