

# Minutes of the Market Performance Committee Meeting 77

21 September 2023 | 09:30 – 13:30

Held via Videoconference (Microsoft Teams)

**Status of Minutes: FINAL**

## MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Gerard Lyden	GL	Wholesaler Committee Member
Nicola Power	NPo	Retailer Committee Alternate	Michael Rathbone	MR	Wholesaler Committee Member
Wendy Monk	WM	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Neil Pendle	NP	Retailer Committee Member	Adam Boyns	AB	Customer Representative Committee Member
Fallon Wilkinson	FW	Retailer Committee Member	Adam Richardson	AR	MOSL Representative*
Shaun Kent	SK	Ofwat Representative*			

\* Non-Voting Members of the Committee

## OTHER ATTENDEES

Sarah McMath	SMc	MOSL Representative	Sam Webb	SW	MOSL Presenter
Axelle Saada	JG	MOSL Presenter	Reindorf-Elijah Akakpo – item 4 only	REA	MOSL Presenter
Markus Lloyd	ML	MOSL Presenter	Steve Formoy	SF	MOSL Presenter
Angela Day – item 4 only	ADA	MOSL Presenter	Evan Joannette	EJ	MOSL Presenter
Nichola Vincendeau	NV	MOSL Secretariat	Hunada Nouss	HN	MOSL Board Observer

## APOLOGIES

Sean Mills	SM	Ofwat Representative*	Trevor Nelson	TN	Retailer Committee Member
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## CLOSED SESSION

### 1. Welcome and Introductions

- 1.1. The Chair welcomed everyone to the Market Performance Committee (“Committee”) meeting and noted that apologies for absence had been received from TN, with NPo acting as alternate. The Chair welcomed HN to the meeting, sitting in as a MOSL Board observer.
- 1.2. The Chair reminded Committee members of the requirement to act impartially and not in the interest or as a representative of any organisation or individual. If Committee members believed they had an actual or perceived conflict they should declare this at the start of the meeting or before an agenda item.

1.3. It was confirmed that the meeting was quorate.

## 2. Review of Holistic Performance and Escalation Decisions

### Trading Party 1

2.1. A Letter of Concern (LOC) was issued to Trading Party 1 in August and the Committee was asked to reflect on Trading Party 1's Performance and response to the letter. The following key points were made:

- Whilst Trading Party 1 is not in the red zone for Long Unread Meters (LUMs), its performance has not changed significantly in the past quarter. The Committee reflected on the issues raised about meter reads and the lack of competition in rural areas for meter reading services in rural areas.
- The Committee expressed concern about the apparent choice to pay performance charges rather than address the issues around meter reads and performance proactively; the Committee felt that there were other options that have not been examined by Trading Party 1 in this area.
- SW recommended focussed monitoring.

2.2. MPC Members indicated support for the Chair to write to Trading Party 1, on behalf of the Committee, in response to the points raised to:

- remind Trading Party 1 of its obligations;
- reflect the disappointment the committee felt about the choice to pay the fines rather than look at solutions to improve service;
- ask that Trading Party 1 bring its concerns around metering issues in its region and rural areas to the Strategic Metering Review; and
- indicate that Trading Party 1 could consider raising these issues with Ofwat.

**Action A77\_01**

2.3. Following discussion, the Committee:

- **AGREED** (Unanimously) to focussed monitoring.

### Trading Party 2

2.4. A LOC was issued to Trading Party 2 in August and the Committee was asked to reflect on Trading Party 2's performance and response to the letter. The following key points were made:

- Trading Party 2 was flagged for poor performance for MPS and LUMs and is continuing to trigger. MOSL are working with Trading Party 2 on reassurance and Trading Party 2 have set out a plan for performance improvement.
- SW recommended focussed monitoring.

2.5. Following discussion, the Committee:

- **AGREED** (Unanimously) that MOSL should continue with focussed monitoring for Trading Party 2.

## Trading Party 3

2.6. A LOC was issued to Trading Party 3 in August and the Committee was asked to reflect on Trading Party 3's performance and response to the letter. The following key points were made:

- There was a large bulk submission of Operational Performance Standard (OPS) tasks and they are working with the retailer to resolve these. Long term vacancies moved into the red due to a change in reporting methodology and they have a plan to address these issues that they are currently working through.
- It was noted that there could be a "pairing impact" with some wholesalers and retailers. It was suggested that it could be useful to look at data side by side.
- [CPW144: Market Performance Framework Incremental Improvements](#) will have an effect on holistic reporting and how it appears.
- SW recommended focussed monitoring.

2.7. Following discussion, the Committee:

- **AGREED** (Unanimously) that MOSL should continue with focussed monitoring for Trading Party 3.

## 3. Closed Session Tabled Updates

3.1. The tabled updates provided in advance of the meeting were raised.

3.2. The Committee noted that it was not a milestone month for one Trading Party. However, on looking at its performance since being escalated, members expressed concern that there has not been very much improvement in terms of performance.

3.3. Following discussion, the Committee:

- **AGREED** (Unanimously) that the Chair, on behalf of the Committee, would write to the Trading Party and ask them for a plan that would achieve the improvement in performance that the Committee is looking for.

**Action A77\_02**

3.4. Trading Party 4 have triggered a LOC in September so the Committee will review this at MPC78 in October.

3.5. The Committee agreed that the five Trading Parties no longer triggering the poor performance metrics are moved out of focussed monitoring and back into the standard MOSL monitoring.

## 4. MO Compliance Update

4.1. The Committee noted an update on MO compliance.

4.2. The Committee briefly discussed the update provided and thanked REA for the comprehensive paper supporting the presentation.

4.3. The Chair thanked AD and REA for their presentation.

4.4. SMc left the meeting

## OPEN SESSION

### MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Gerard Lyden	GL	Wholesaler Committee Member
Nicola Power	NPo	Retailer Committee Alternate	Michael Rathbone	MR	Wholesaler Committee Member
Wendy Monk	WM	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Neil Pendle	NP	Retailer Committee Member	Adam Boyns	AB	Customer Representative Committee Member
Fallon Wilkinson	FW	Retailer Committee Member	Adam Richardson	AR	MOSL Representative*
Shaun Kent	SK	Ofwat Representative*			

\* Non-Voting Members of the Committee

### OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Steve Formoy	SF	MOSL Presenter
Axelle Saada	JG	MOSL Presenter	Evan Joannette	EJ	MOSL Presenter
Markus Lloyd	ML	MOSL Presenter	Nichola Vincendeau	NV	MOSL Secretariat
Peter Strain†	PF	Trading Party Observer	Hunada Nouss	HN	MOSL Board Observer

† Open Session only

### APOLOGIES

Sean Mills	SM	Ofwat Representative*	Trevor Nelson	TN	Retailer Committee Member
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## 5. Welcome and Apologies

- 5.1. The Chair welcomed attendees to the open session and noted that apologies for absence had been received from TN, with NPo acting as alternate.
- 5.2. The Chair reminded Committee members of the requirement to act impartially and not in the interest or as a representative of any organisation or individual. If Committee members believed they had an actual or perceived conflict they should declare this at the start of the meeting or before an agenda item.
- 5.3. It was confirmed that the meeting was quorate.

## 6. Minutes and Actions

- 6.1. The minutes from MPC75 were circulated to the Committee in advance of the meeting. Two comments for suggested updates have been made and the final version will be circulated to the Committee for sign off, ex-committee.
- 6.2. The actions update circulated in advance of the meeting was noted and it was:

- **AGREED** that the following actions could be closed: A73\_01, but that the two other actions that were initially proposed to close, A73\_08 and A75\_01 are kept open.
- **AGREED** that the following actions would remain open: A55\_01, A69\_04, A73\_02, A73\_04, A75\_02 and A75\_03.

## 7. Update on agreed API/Market Indicators

- 7.1. The Committee noted an update on progress and next steps in relation to actions arising from the July workshop.
- 7.2. The Committee briefly discussed the update provided, noting that ML would bring further updates to MPC78. The Committee were keen for MOSL to be clear about the terminology for data assurance and that the usual Wholesaler Retailer sliders that are seen on the regular Power BI charts are included in the deferral count and the days late API.
- 7.3. The Chair thanked ML for his presentation.

## 8. Wholesaler Data Audit Findings

- 8.1. The Committee were presented with the Wholesaler Data Audit findings (MPC77\_08). It was confirmed that the findings would be shared with the market through the usual communication channels and that the MOSL Board's Audit and Risk Committee have committed to sharing Audit findings as standard procedure as this is best practice.
- 8.2. The Chair thanked SW for presenting this paper.

## 9. Market Audit Calendar

- 9.1. The Committee noted an update on the scheduling of YVE, Skip Codes and Deferrals audits.
- 9.2. The Committee briefly discussed the update provided, noting that timings have slipped.
- 9.3. AS confirmed that for deferrals this relates to the extended scope of the audit and for the other audits, it is about balancing the ask from Trading Parties.
- 9.4. It was noted that there would be early findings presented to the MPC for Deferrals, but it may not be as simple with other audits as they are single-stage audits and the presentation of early findings may depend on their significance. Finally it was noted that on deferrals it looks like there will be two outcomes, one that feeds into the MPF Reform work and one that will provide a best practice guide.
- 9.5. The Chair thanked AS for her presentation.

## 10. MPS Calculations

- 10.1. The Committee noted a brief verbal update from SF on MPS Calculations.

- 10.2. The Committee discussed the update provided; members noted that they appreciated the detail of the paper (MPC77\_10), noting that the assurance work will be carried out internally by MOSL and that PwC would provide an external oversight of the process.
- 10.3. An MPC member expressed concern that the issues appeared to be minor in terms of impact and that the cost of the investigation may be disproportionate. It was acknowledged that the work to date indicates a relatively limited impact, with the largest error relating to the recording of reads on multiple meters at a SPID. However, given the number of issues raised, it was felt important that a wider assurance process be carried out to provide confidence to the market - over the calculations and performance reporting and that a full investigation of the matters raised had been carried out..
- 10.4. Concern was raised about the fact that a Trading Party brought this to MOSL's attention, and a question raised around the level of accuracy of performance charges. SF noted that the assurance programme includes a focus on controls to reduce the risk of such items not being identified by MOSL's own processes and reviews. This, together with the wider assurance programme, aimed to provide reassurance over the level of accuracy. However, given the lack of specific guidance in the code on how to deal with smaller errors, there would be a judgement over historic errors and that MOSL intended to share and review this with MPC once the work was complete. It was suggested that MOSL should set a systematic approach to check the accuracy of MPS calculations and charges in the new MPF.
- 10.5. A query was raised about paying back the charges as this could build trust. SF suggested that this would have to be balanced with the cost of recalculating costs for every Trading Party since market opening which would also be subject to the annual redistribution mechanism. It was MOSL's current view that the scale of errors identified was not significant enough for such a recalculation to be in the interests of trading parties, but that this would be reviewed again with MPC once the work was completed and PwC had completed their review.
- 10.6. SF assured the committee that, going forward, MOSL would write to all Trading Parties to set out the proposed approach and that this would be followed by a further letter, once both the MOSL assurance work is complete and PwC had completed their review work and report. This would enable Trading Parties to have sight of the approach and be able to provide comment, as well as to be informed of the final resolution.
- 10.7. The Chair thanked SF for his update.

## 11. MPF Reform Update

- 11.1. The Committee noted the latest updates from the MPF Reform Programme.
- 11.2. The Committee discussed the update provided, noting that some elements will be similar to what is already in place.
- 11.3. A query was raised as to the MPC's remit and whether the MPC should have input into the detailed design of the new MPF.
- 11.4. It was noted that the MPF Programme and the Strategic Panel have the primary decision making on the new MPF as this is not within the MPC's remit (in terms of decision making). In developing the new MPF the MPF Programme team was working closely with the Performance Advisory Group, composed of experts from across the market. However, the

MPC's expertise would be welcome, in particular escalation and rectification where the committee has a lot of prior experience.

- 11.5. It was noted that the MPF Reform Programme was working with Ofwat to ensure that the new MPF was compatible with Ofwat's regulatory incentive regime and, in particular, the development of the Business Retail Market measure of Experience (BRMeX). This would ensure that Wholesalers were not subject to double jeopardy across proposed metrics.
- 11.6. The Chair thanked EJ for his presentation.

## 12. Tabled Updates

- 12.1. The tabled updates provided in advance of the meeting were noted. SK gave a brief update on BR-Mex.
- 12.2. A CCW Update has been forwarded to the MPC in the papers for MPC77. A question was raised about the seeming steep increase in complaints, and it was queried if it was a like-for-like comparison or as a result of a change methodology. AB confirmed that CCW is now reporting on total complaints, but complaints to CCW reporting has not changed. It is not a change in methodology.
- 12.3. AR briefly updated on the Code Change Committee and the increase in changes seen by that committee in recent meetings, noting that the CCC had recommended approval of two MPF-related changes, [CPW144](#) and [CPW147](#).
- 12.4. Strategic Panel hosted an Open User Forum on 14 September and the [slides](#) and [summary](#) from that are available on MOSL's website. The Panel have also published, their first [annual report](#). There is also a streamlined [priorities document](#) that the Panel have published which feeds into the improvement work of this Committee.

## 13. AOB and Reflections

- 13.1. The Committee members reflected on the meeting.
- 13.2. There being no further business, the Chair closed the meeting.