

MOSL USER FORUM

V1.2

14 Sep 22



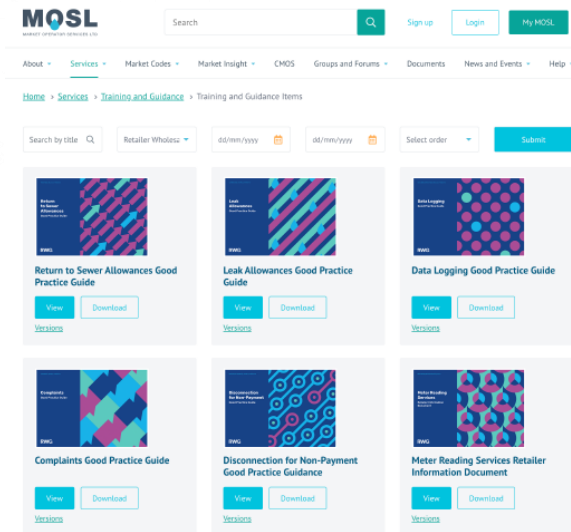
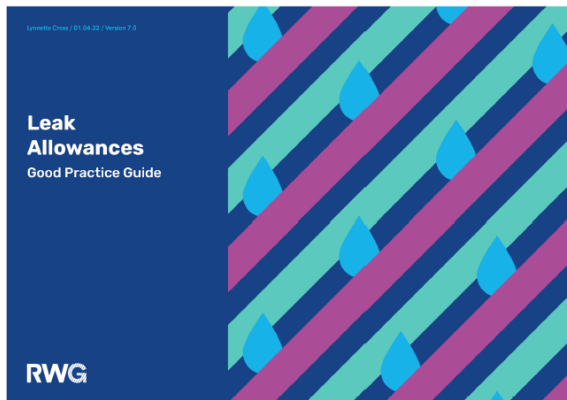
Agenda

Item	Description	Who	Time
1	Introduction: MOSL /RWG	M Lloyd and S Bennett	3-3.05pm
2	Retailer Wholesaler Group – drought group	Matt Rix	3.05 – 3.20pm
3	Dashboards in Action - drought	Liz D’Arcy	3.20 – 3.30pm
4	MIF – Project Deja Vu	Matt Labrum	3.30 - 3.45pm
5	Market Membership Review	Andrew Johnson	3.50 – 4pm
6	Break		4 – 4.05pm
7	Change	Oli Robins	4.10 – 4.20pm
8	Forum Debate – customer submission of G2 forms * ¹	Andy Watkins (Pennon)	4.20 – 4.50pm
9	Closing	M Lloyd and S Bennett	4.50 – 5.00pm

RWG Rebranding



Customer | Collaboration | Communication



14 September 2022

RWG Drought Group

Matthew Rix

Yorkshire Water

RWG

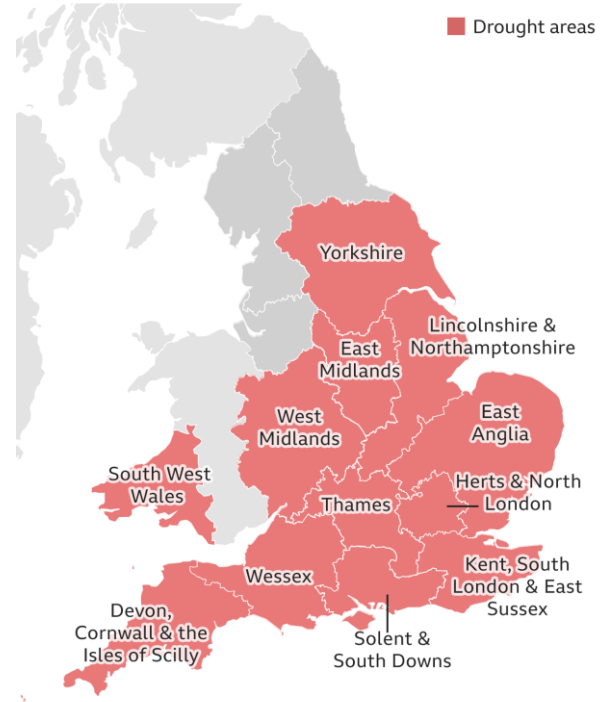


Background

Most of England is in drought

- Summer 2022 has been the 6th driest summer on record and the driest since 1995.
- 11 of the 14 Environment Agency areas in England and Wales are in drought.
- Some companies have invoked drought plans which aligns with Water Act legislation and an Industry code of practice.
- The code of practice was drawn up in 2012 and does not reflect the introduction of the NHH Retail market in 2017.

Drought areas in England and Wales



Source: Environment Agency, Natural Resources Wales



A new RWG Drought Group has been established

Purpose of the group

- Provide clarity and consistency to retailers on how drought restrictions apply to non-household customers.
- Provide a forum for wholesalers, retailers and MOSL to work in collaboration to resolve market issues as they might arise as we progress through the drought.
- Conduct and document a post implementation lessons learnt from a market perspective to feed into a wider industry code of practice review.

being chaired by the Environment Agency.

Governance

- MOSL are supporting.
- A link has been established with the National Drought Group which is

Why does this matter?

- Temporary Use Bans (TUBs) mean that some restrictions have been imposed on household and non-household customers, although there are many exceptions for non-household customers.
- If drought conditions continue to deteriorate now and next calendar year, further restrictions could be imposed via a Non-Essential Use Bans (NEUBs) which would impose further restrictions on customers.
- The feedback from the last drought in 2012 was that water companies were sometimes inconsistent in how they applied restrictions to non-household customers.



Work completed and planned

Completed

- Fortnightly RWG Drought Group calls set up over the next few months
- A working group has been established to draft guidance. Current members include South East Water, Southern Water, South West Water, Thames Water, United Utilities, Yorkshire Water.
- A Temporary Use Ban and Non-Essential Use Ban RWG guidance document is in draft.
- Governance arrangements have been agreed in how this links in with the National Drought Group.

consultation in the next few weeks.

- A link has been established with the National Drought Group which is being chaired by the Environment Agency.
- Post implementation lessons learnt review in the NHH market to feed into wider industry review.

Planned

- Temporary Use Ban and Non-Essential Use Ban Guidance document

How you can you support

- Attend and contribute at the fortnightly meeting.
- Respond to the consultation.



RWG

MOSL Drought Dashboards

Liz D'Arcy

14 Sep 22

Live presentation



MOSL Market Improvement Fund Project Deja Vu

Matt Labrum

14 Sep 22

PRECISION WATER

Project Deja Vu

In association with

CentralMarketAgency

LRS
LAND REFERENCING SERVICES®

Sponsored by

**everflow
water**



PRECISION WATER LTD
FOCUSED ON MARKET ACCURACY

PROJECT DÉJÀ VU – WHO WE ARE & SCOPE

“Project Déjà Vu is a pilot project to demonstrate whether the successful SAA project methodology can be adapted to the different market rules and data sets of the English competitive water market.”

Methodology

- is scalable
- is tried and tested
- successfully adapted for England
- works across English market

Precision Water

- Focused on market data accuracy
- Bespoke system build specifically for the English water market (address matching, premises verification, data cleanse, occupancy management)
- Team worked on the CMA Scottish Assessors project



PROJECT DÉJÀ VU – SELECTED AREAS

Phase 1

WS1	WV1
WS10	WV10
WS11	WV11
WS12	WV12
WS14	WV13
WS15	WV3
WS2	WV6
WS3	WV7
	WV8
	WV9



South Staffs Water

Phase 2

HD1	HX1
HD2	HX2
HD3	HX3
HD4	HX4
HD5	HX5
HD6	HX6
HD7	HX7
HD8	
HD9	



YorkshireWater

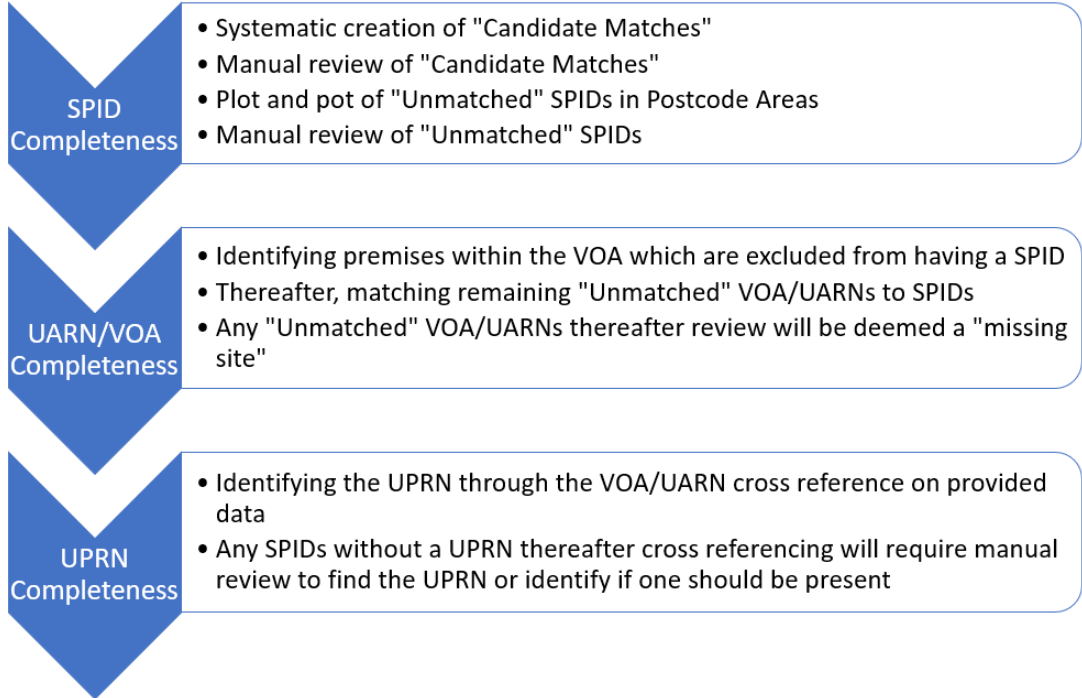
≈ 10,000 Unique Core SPIDs

≈ 12,500 Unique Core SPIDs



PRECISION WATER LTD
FOCUSSED ON MARKET ACCURACY

OUR METHODOLOGY



SITE VISITS

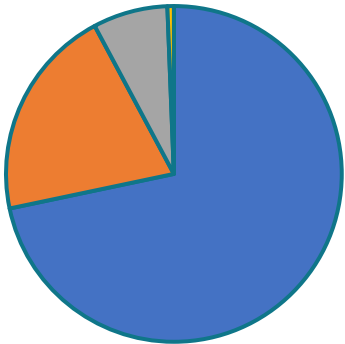


METHODOLOGY & RESULTS REVIEW



General SPID Stats

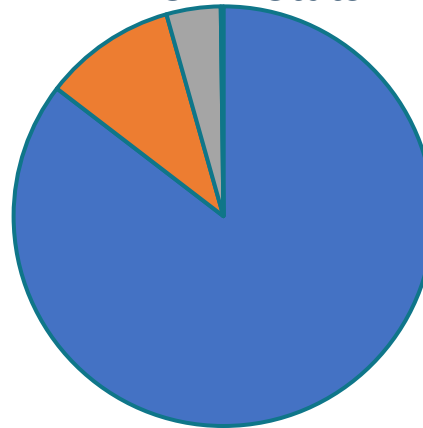
P1 - SPID Stats



Category	%
Valid	71.7
Wholesaler Action Required	22.1
Removeable	5.6
Internal Investigation	0.6

- Valid
- Wholesaler Action Required
- Removeable
- Internal Investigation

P2 - SPID Stats



Category	%
Valid	85.9
Wholesaler Action Required	11.8
Removeable	2.1
Internal Investigation	0.2

- Valid
- Wholesaler Action Required



Phase 1 – Additional SPID Stats

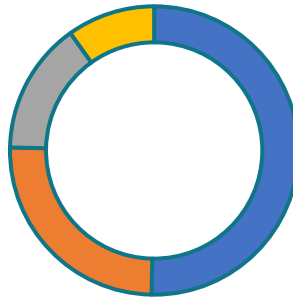
P1 - SPID Drill Down - Valid



Category	%
Confirmed Match	48
Address Update	10.1
No VOA	3.8
Agricultural	3.6
Bulk Meter	3.4
Religious	1.9
Care Home	1
TBS	0.5
By Elimination	0.1

- Confirmed Match
- Address update
- No VOA
- Agricultural
- Bulk Meter
- Religious
- Care Home
- TBS
- By elimination

P1 - SPID Drill Down – Removeable



Category	%
Deregister	2.5
Domestic	1.3
Demolished	0.7
Duplicate	0.5

- Deregister
- Domestic
- Demolished
- Duplicate

P1 - SPID Drill Down – Wholesaler Action



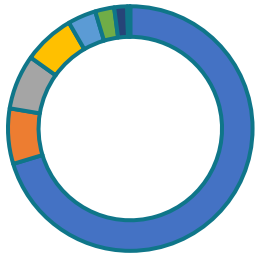
Category	%
Merge	17
Multi	2.5
Info Required	1.6
Split	1

- Merge
- Multi
- Info required
- Split



Phase 2 – Additional SPID Stats

P2 - SPID Drill Down - Valid



- Confirmed Match
- Agricultural
- Bulk Meter
- Address update
- No VOA
- Religious
- Care Home
- TBS

Category	%
Confirmed Match	60.3
Agricultural	6.3
Bulk Meter	6.2
Address Update	5.8
No VOA	3.2
Religious	2.2
Care Home	1.5
TBS	0.3
By Elimination	0.1

P2 - SPID Drill Down – Removeable



- Domestic
- Deregister
- Demolished
- Duplicate

Category	%
Domestic	0.8
Deregister	0.7
Demolished	0.3
Duplicate	0.3

P2 - SPID Drill Down – Wholesaler Action



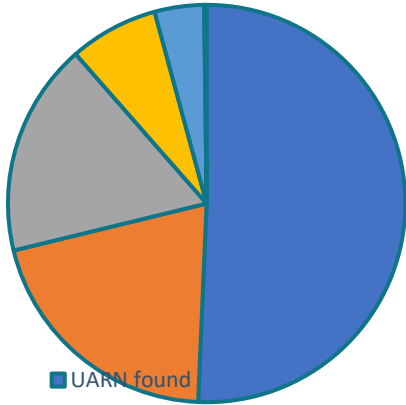
- Merge
- Info required
- Multi
- Split

Category	%
Merge	8.4
Info Required	1.6
Multi	1.2
Split	0.6



General VOA/UARN Stats

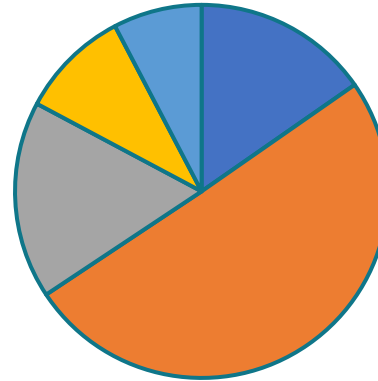
P1 - VOA/UARN Stats



- UARN found
- No update
- No UARN expected
- Matches at least 1 (of multiple)
- Update required
- No new UARN found

Category	%
UARN found	50.7
No update	20.5
No UARN expected	17.4
Matches at least 1 (of multiple)	7.2
Update required	4
No UARN found	0.2

P2 - VOA/UARN Stats



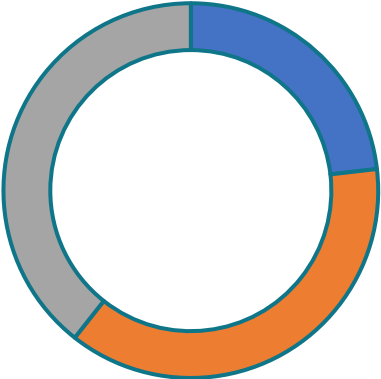
- UARN found
- No update
- No UARN expected
- Matches at least 1 (of multiple)

Category	%
No update	50.3
No UARN expected	17.1
UARN found	15.3
Matches at least 1 (of multiple)	9.5
Update required	7.7



Additional VOA Stats

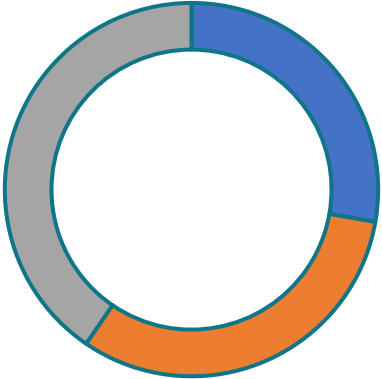
P1 – Drill Down – VOA



Category	Count of VOA
Default Excluded	1209
Missing Sites	1956
VOA Deleted	2055

- Default Excluded
- Missing Sites
- VOA Deleted

P2 – Drill Down – VOA



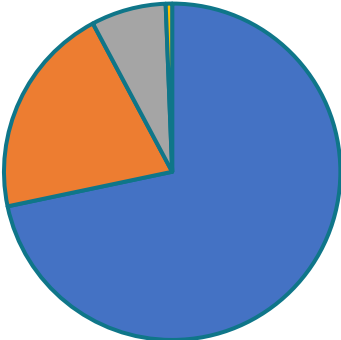
Category	Count of VOA
Default Excluded	1971
Missing Sites	2254
VOA Deleted	2871

- Default Excluded
- Missing Sites
- VOA Deleted



General UPRN Stats

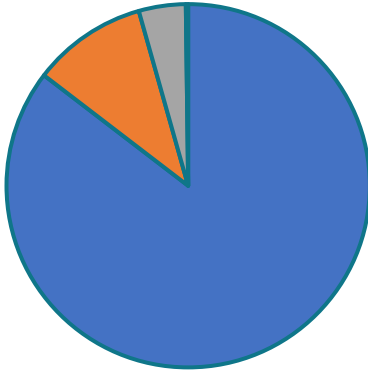
P1 - UPRN Stats



Category	%
Valid	71.7
Wholesaler Action Required	20.5
Removeable	7.2
Internal Investigation	0.6

- Valid
- Wholesaler Action Required
- Removeable
- Internal Investigation

P2 - UPRN Stats



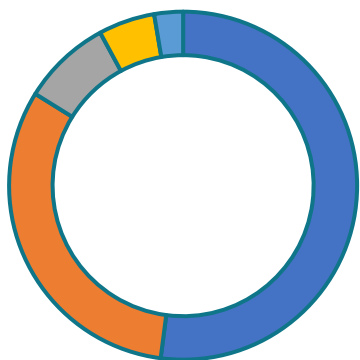
Category	%
Valid	85.4
Wholesaler Action Required	10.2
Removeable	4.2
Internal Investigation	0.2

- Valid
- Wholsaler Action Required
- Removable
- Internal Investigation



Additional UPRN Stats

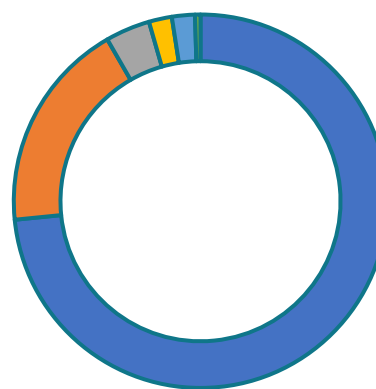
P1 - UPRN Drill Down - Valid



Category	%
No update	37.3
UPRN found	22.8
Update required	5.9
No UPRN found	3.8
Matches at least 1 (of multiple)	1.9

- No update
- UPRN found
- Update required
- No UPRN found
- Matches at least 1 (of multiple)

P2 - UPRN Drill Down - Valid



Category	%
No update	62.7
Update required	15.6
UPRN found	3.3
Matches at least 1 (of multiple)	1.7
No UPRN found	1.7
No UPRN Required	0.4

- No update
- Update required
- UPRN found
- Matches at least 1 (of multiple)



Why manual review?

- On average, 21% of candidate matches were broken and more suitable statuses/matches were identified
- Mistakes in the UARN/VOA address data



Case Study




PRECISION WATER LTD
FOCUSED ON MARKET ACCURACY

Next Steps

- ✦ Liaise with wholesalers in selected areas to provide output files (remedial action, matches, etc)
- ✦ MOSL considering how to record VOA/UPRN for bulk meters and reviewing absence codes.
- ✦ Create final publishable reports as part of our project scope (highlighting points of interest, reviewing specific stats and providing examples)
- ✦ Happy to provide further/detailed insight into the project to any interested parties





MOSL Membership Review

Andrew Johnson – Company Secretary and Head of Legal and Governance

Current Membership Framework

Membership comprises of the following categories of member: Wholesaler Members (includes NAVs), Associated Retailer Members and Unassociated Retailer Members (includes self-supply).



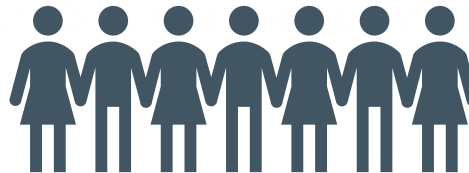
Wholesaler



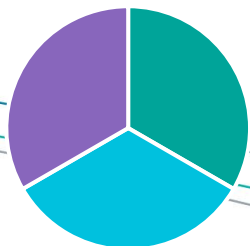
Unassociated
retailer



Associated
retailer



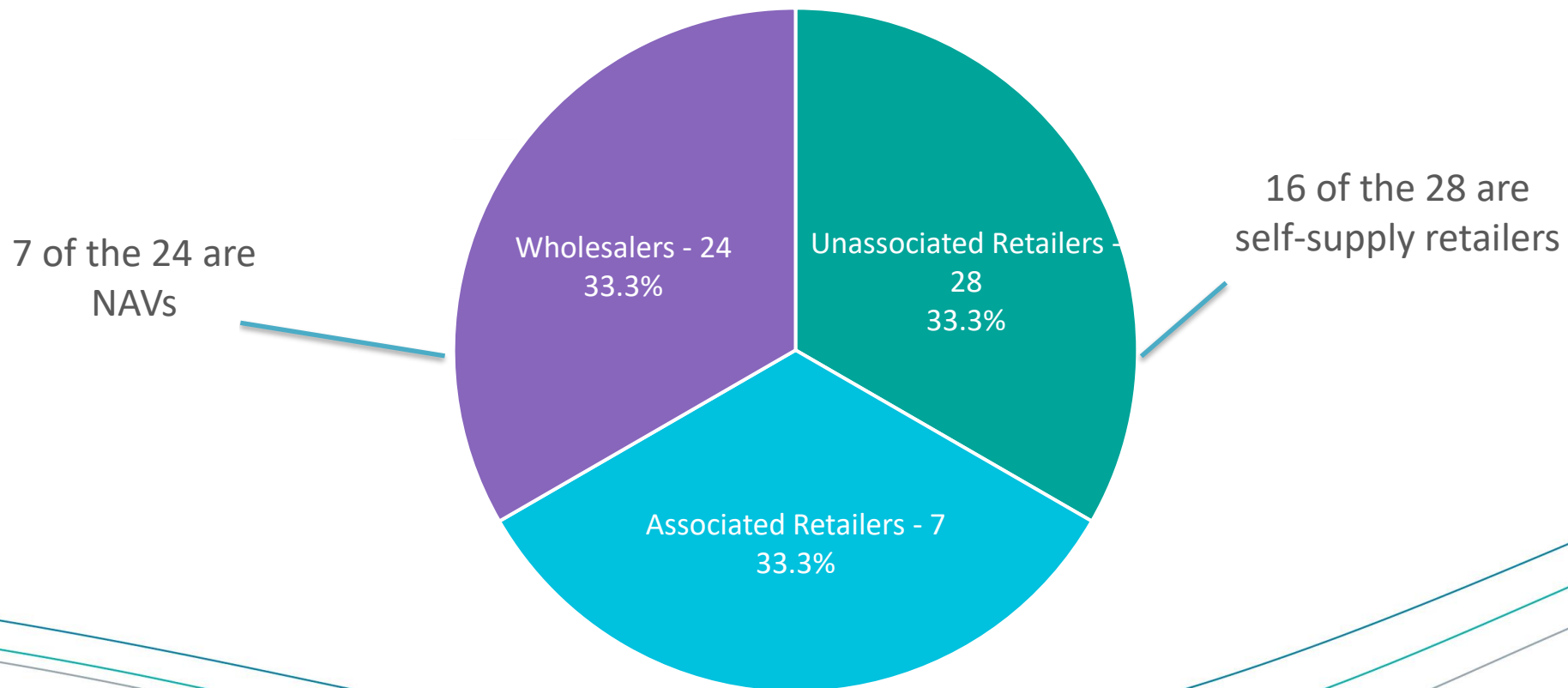
Each member has one vote



Quorum for General Meetings – at least **two thirds** of **each category of member**

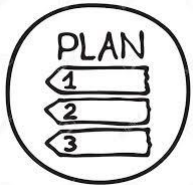
Current Membership Framework

Quorum is 17 for Wholesalers, 19 for Unassociated Retailers and 5 for Associated Retailers



What does your vote mean?

The MOSL member vote is entirely separate from the Code change process, where Code change proposals are approved by the Code Change Committee and then Ofwat. The MOSL votes include:



MOSL's annual budget and Business Plan (special resolution - requires 75% vote in favour)



Reappointment of the auditors and receipt of the Report and Accounts (ordinary resolution - requires 50% vote in favour)



Any changes to the Articles of Association (special resolution - requires 75% vote in favour)

Looking at our membership

Membership has changed significantly since the market opened in 2017. We have seen:

- ◆ Associated Retailers declining in numbers and operating in comparable ways to Unassociated Retailers
- ◆ Self Supply Retailers growing substantially
- ◆ NAVs entering at a steady pace but for very specific purposes

Recent reviews have led to:

- ◆ The removal of the distinction between Unassociated and Associated Retailer representatives (including the Strategic Panel)

We think it's important to look at our membership and voting in the current landscape to ensure it remains fair and proportionate.

Review of our membership voting

We are undertaking a review of our membership voting to address two areas:

Voting imbalances/anomalies



For example - Self-supply retailers make up 1 % of the non-household market by consumption, but now hold 57% of the unassociated retailer vote (19% of the total vote). Associated retailers number only seven, but constitute a third of the vote share

Quorum



For example - the two thirds of members quorum rule for all three membership categories is a very high bar to meet for General Meetings and is not aligned to other markets

What it looks like in numbers

Each eligible member has one vote. Ordinary resolutions require over 50% of **each category** to approve. Special resolutions require approval from at least 75% of members **of each category**.

	Percentage of vote share	Percentage of Supply Points	Percentage consumption	Percentage of MO Charges
Wholesalers	23.6%	50.0%	50.0%	50.0%
Associated Retailers	33.3%	28.8%	31.2%	29.9%
Unassociated Retailers	14.3%	20.7%	17.7%	18.6%
Self-Supply (Unassociated Retailer)	19.0%	0.4%	1.0%	1.2%
New Appointment and Variation (NAV)	9.7%	0.1%	0.1%	0.3 %

Potential Solutions

Voting imbalances/anomalies

1. Amend the existing membership category. One potential split is:

- ◆ Wholesalers 45% / Retailers 45% / Self Supply 5%/ NAVs 5% – each category would have a fixed percentage share of the overall vote

(We also considered weighting votes purely according to water consumption or SPID count, but the Board's preference was to retain 'one member, one vote', with some vote weighting applied)

Quorum

2. Reduce the votes required to reach quorum i.e., 50% (and not per category) but retain the current requirement for 50% of votes cast to be **in favour** for an ordinary resolution and 75% for a special resolution.

Potential Solutions

Elected Directors

If the membership categories changed to the four proposed, the elected directors would be drawn from each category, so a wholesaler director, a retailer director, a self-supply retailer director and a NAV director.

We have considered two main alternatives:

1. We retain the system of inviting Trading Parties to nominate candidates, and then vote by category, but aligned to the new membership categories, with there being four elected directors, drawn from wholesalers, retailers, self-supply members and NAVs. If there were no nominations (very possible for NAV's and even Self Supply) then the position would remain vacant for that term; or
2. Continue to have directors drawn from the Trading Parties, but, rather than seeking nominations, and running a member vote, the existing Board would invite applicants, interview them and select the strongest applicants. Each of these would be subject to a member vote at the next AGM, similar to the system used by most private companies.

Consultation – next steps

- The consultation is open until 30 September, available on MOSL's website
- There is no preferred solution - we want to hear your view, and make sure all trading parties have a fair and representative voice in the market, its governance and decision making
- MOSL will review the consultation responses in early October. If there is general support for a change the Board will propose a member vote
- Ultimately any change needs 75% of the membership (per current categories) to support it

MOSL Change Update

Monica Falasca

14 Sep 22

Change Proposals/Reports to table at CCC in next 3 months*

Reference	Title	Summary	Gate	CCC Date
CPW070g	Bilaterals Phase 6 (B3, C2, C3, C5, G2 (Merged))	Implementing Meter Accuracy Test performed by the Wholesaler, Gap Sites processes, Deregistration processes and Trade Effluent Consent processes	3	22/09/2022
CPM033	Improvements to the DSRR process	Sought to facilitate compliance with the GDPR and Data Protection Act 2018 in relation to Data Subject Rights Requests, improving the process for the handling and recording of such requests.	6	25/10/2022
CPW108	Agreement to Unplanned Settlement Runs	Clarified that the agreement between Retailer and Wholesaler that is required before an Unplanned Settlement Run should not be unreasonably delayed or withheld.	6	25/10/2022
PIP145	MAC Housekeeping	Seeks to correct errors and improve clarity of the MAC.	1 & 3	25/10/2022

*As of 07/09/2022

Awaiting Ofwat Decision*

Reference	Title	CCC Recommendation	Decision Due	Implementation Date
CPM048 & CPW131	Suspending certain MPS charges pending full review of the MPF	24/05/2022	05/08/2022	26/08/2022
CPW129	Review of Post RF Materiality Threshold	26/04/2022	05/08/2022	26/08/2022
CPM046 & CPW133	Approved Codes of Practice	23/08/2022	11/11/2022	02/12/2022
CPW135	WRC Housekeeping	23/08/2022	17/11/2022	02/12/2022
CPW128	Updating Volume Validation Threshold	29/03/2022	17/11/2022	12/05/2023

*As of 07/09/2022

Awaiting Implementation*

Reference	Title	Central Systems Impact	Date of release
CPW085	Premises Vacant transaction link to DPID	Y	02/12/2022
CPW120	Final Read Where No Visual Read Available	Y	12/05/2023
CPW130	Transfer Read Estimate Reason	Y	12/05/2023

Implementations*

Reference	Title	Central Systems Impact	Date of release
CPW070d & CPW070f	Bilateral Transactions Phase 4	Y	2 August 2022
CPW134	Clarifications to default provisions	N	2 August 2022
CPW105	Provisions of Information Obligation	N	26 August 2022
CPW126	Settling of Post RF Primary Charges	N	26 August 2022

*As of 07/09/2022

MOSL Forum Debate

Andy Watkins

14 Sep 22

MOSL Close
Markus Lloyd
Simon Bennett

14 Sep 22

MOSL - Public