

User Forum

MOSL

Online

Hosted by
Markus Lloyd & Simon Bennett
13 September 2023



Agenda

Item	Description	Who	Time
1	Introduction	Markus Lloyd & Simon Bennett	1500-1505
2	Strategic Metering Review – latest update	Adrian Smith, Martin Hall and Simon Bennett	1505-1535
3	Code Changes	Phoebe Nixon	1535-1545
4	Market Improvement Fund (MIF)	Markus Lloyd	1545-1555
5	Break		1555-1600
6	Debate – Trade Effluent Meters	Syndiso Bango-Dube	1600-1620
7	Upcoming Market Events	Julie Carly	1620-1630
8	Close	Markus & Simon	1630-1640

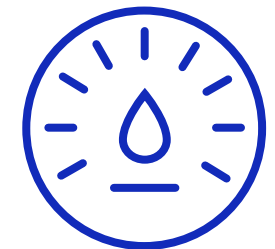
The Strategic Metering Programme

User Forum

Martin Hall
Adrian Smith
Simon Bennett
September 2023

Direction of travel

- “Access to accurate and timely consumption data”
- All commentators want to see smart metering
- More than just *installing* meters:
 - Capturing data
 - Analysing appropriately
 - Sharing appropriately
 - Using to help drive better, more innovative service
- Smart metering will change how we think about metering in the market
- Will create new challenges and opportunities:
 - Battery-led replacement cycle
 - Even greater importance of location data
 - Linkages to MPF and future thinking
- Strategic projects and QSPs support this approach



NHH metering roadmap

	Completed	Current work 2022/23	Future work 2023-25	KPIs
Developing a national strategy for NHH metering	<ul style="list-style-type: none"> Business case for enhanced metering technology Templates and data to support trading parties' PR24 submissions 	<ul style="list-style-type: none"> Requirements and principles prepared for a national strategy Support provided to PR24 – Ofwat consultation response & Defra WRMP consultation response 	<ul style="list-style-type: none"> National metering strategy for NHH Review wholesaler plans for enhanced metering in PR24 	<ul style="list-style-type: none"> % increase in smarter metering Reduced customer complaints
Improving meter reading processes	<ul style="list-style-type: none"> Roles and responsibilities: 12 initial options developed 12 QSPs to improved meter reading processes: code changes and guidance documents 	<ul style="list-style-type: none"> R&R – 6 options developed and selected options readied change QSPs continued MIF Project Looking Glass – long unread meters and MIF Project NoFloW – broken meters MIF Project AMIDST – monthly smart meter read entered direct to CMOS - interim solution 	<ul style="list-style-type: none"> Implement change process for R&R outputs Implement new QSPs, complete code changes and promote guidance documents National Meter age and accuracy view 	<ul style="list-style-type: none"> Increase in timely and accurate meter reads to market Reduction in long unread meters (LUMs) % of total settlement based on actual reads R3 Level of read rejections
Making granular consumption data available to all	<ul style="list-style-type: none"> Data sharing legal agreement prepared and signed 30k hourly records shared with MOSL 	<ul style="list-style-type: none"> Data interoperability standard Wholesalers signed data sharing agreement Wholesaler provide granular consumption data to support WEFF MIF projects 	<ul style="list-style-type: none"> Promote data sharing new process R&R - Develop requirement and business case for a data sharing platform Implement the data sharing platform 	<ul style="list-style-type: none"> Proportion of wholesalers sharing data (TBC) Proportion of retailers accessing shared data (TBC)

How this delivers Panel's strategic priorities

Better service for customers

- Bills based on actual readings
- Smart metering will significantly improve the availability of data for settlement, billing, network management and development of innovative services


Benefit for the environment

- Improved ability to find customer-side leaks, understand network leakage and identify opportunities for water efficiency and demand management
- Smart metering reduces the carbon impact of cyclic meter reading

Making the market better

- QSPs improved market processes
- Smart metering delivers reduced costs to serve

Progress on strategic priorities

Developing a national strategy for NHH metering	Interim strategy published April 2023	Detailed strategy development underway	Appointing consultants
Improving meter reading processes	Roles and responsibilities outputs published March 2023	Option 2: Wholesalers to be responsible for meter reads in 'defined circumstances' (e.g. Hard to read, LUMs) Option 3: Wholesalers to be responsible for meter reads and data services once smart meters are installed	Hard to reads → guidance LUM/LLUMs → MPF Reform Project AMIDST Approved. CPW142 
Making granular consumption data available to all	Data interoperability standard agreed & published March 2023	Option 4: Further research on data platform	Consultants appointed

Metering strategy

Interim strategy recap

- Interim metering strategy published in April
- Excellent response from trading parties
- Await results of engagement in final WRMPs
- Building on interim strategy to develop detailed strategy
- We note, with respect to PR24:
 - Continued pressure on wholesalers regarding bathing and river water quality – likely to remain top priority
 - Minister’s intervention on affordability and financeability

Detailed strategy

- Aiming to develop by March 2024
- Seeking external support to help determine and test the scope, content and parameters of the strategy
- Anticipate appointing PA Consulting to begin work in October and final report in December 2023



Requirements and outcomes

Key requirements

- Align with Strategic Panel's 'Roadmap to a flourishing market'
- Delivery requirements of smart/AMR metering, particularly focusing on interoperability
- Consideration of how a strategy for NHHs could be built on or used to promote the development of a joined-up household/NHH approach
- Develop a series of 'use cases', e.g. transfer of smart meter readings to CMOS
- Workshops to set out the scope of the strategy and gain input from stakeholders
- Retailer or customer-led smart metering programmes as defined by the Roles and Responsibilities work

Desired outcomes

- A detailed contents list of items to be included in the strategy
- A brief summary for each of the items covering the issues, a suggested approach, etc
- Clarity over issues that are unique to NHHs and issues that apply to both NHH & HHs
- Recommendations on strategy governance and interaction with key stakeholders

6 INDUSTRY COMMENT

LOOK SMART!

The Strategic Panel calls for ambitious smart metering plans for non-household customers in AMP8.

The non-household (NHH) water metering is the most senior governing body, the Strategic Panel, is urging water wholesalers to accelerate their adoption of smart meters and propose ambitious plans for AMP8. The call comes as companies begin finalising their Water Resource Management Plans (WRMPs) for the next 25 years, which will determine investment plans from 2025 to 2030.

Panel chair, Tisha McAuley, wrote to wholesaler CEOs in April and the Panel published an interim strategy last month with details of the approach it wants water companies to take and why it is particularly important that the NHH market moves at the same speed.

around half – companies have historically prioritised the needs of households, where potential fines and incentives are many times higher. But things may be changing. "We were disappointed that many companies' draft WRMPs overlooked or understated the importance of the NHH market. However, Delta's announcement that it expects overall consumption in the NHH market to reduce by 9% by 2038 – 15% by 2050 – has clearly spurred companies to look again."

Consistency
According to the Panel, it is important not only that companies accelerate their smart metering plans for NHH customers, but that they do so at the same, or similar, speed. "Having access to granular data is already transforming companies' understanding of when, how and why they use water. Thanks to smart meters, Thames Water has, for example, discovered that up to a third of the water used by NHH customers is continuous flow – which could represent leakage. "The potential of smart meters is very exciting for companies and customers alike. We encourage companies to look at CCW's recent research, which identified that more than 80% of businesses strongly support smart metering and expect the technology to become commonplace. "However, unless companies move at a similar speed, there is a risk of a data 'fast lane' and 'slow lane' emerging in which the services retailers offer customers in one wholesaler region is light years ahead of what they can offer in another part of the country."

Recommended strategy
The Panel's interim metering strategy recommends companies roll out smart metering to all NHH customers in AMP8, i.e. that companies with large-scale plans to roll out smart meters to domestic customers should include NHH customers of the same time. Companies unable to do so should prioritise ensuring all medium (25-50mm) and large (50mm or more) meters are smart in AMP8.

McAuley adds: "This strategy makes a virtue of the fact that the size of NHH customers is so skewed. If a company is rolling out meters to all customers in a particular area, great. The strategy also explains how companies can build a case for replacing meters before the end of their life to make large-scale roll-outs as cost-effective as possible. "For companies that aren't planning a large-scale rollout, targeting just 13% of the meters in the market – around 165,000 meters – will ensure that nearly three quarters - 72% - of water consumption is smart metered."

The strategy includes links to related research and templates that companies can use to support their WRMP plans and FR24 submissions.

Competing priorities
But what about companies' other priorities? "We absolutely recognise that wholesalers have multiple competing pressures for 'enhanced' funding in AMP8, not least the need to tackle storm overflows. "However, these can't be mutually exclusive and shouldn't deter companies from proposing ambitious plans for smart metering. The longer companies delay investing in meters, the harder it's going to become to ensure there is always water in customers' taps. "With the challenges we have, we can't afford to still be having this conversation in the next five, ten or 15 years. We can't keep kicking the can down the road."

Does that mean Ofwat will approve companies' plans? "Companies often say 'yes, but will Ofwat approve funding?' as if they're waiting for some sort of guarantee. Both Delta and Ofwat have been very clear that they want and expect companies to submit ambitious smart metering plans, but that the business case must be made and evidenced. "We hope that the strategy, research and materials we have made available will help companies do just that between now and the submission of their final plans."

The interim strategy, which is available on the MOSL website, will be used as the basis for a detailed strategy, which will be developed over the next 12 months.

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The need
McAuley explains: "Over the past year we have worked with MOSL, and the Metering Committee to consider the business case for smart metering and the benefits of timely, accurate, granular data to customers, trading parties and the environment. "It has become increasingly clear that the case for investing in smart metering is not just strong, it is fundamental to the sector being able to meet the growing demand for water in the coming years, whether by helping improve water efficiency or water recycled through leakage. "Despite the NHH market consuming a third of the country's water – of which just 1% of customers use

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This article was written by the Strategic Panel.



Sharing Granular Consumption Data

“Developing a robust mechanism for sharing granular consumption data in the NHH market”

Requirements:

Development of a data sharing process (and consideration for the role of a central platform)

- Consideration to be given to transferring the actual granular consumption data or analysed results such as continuous flows
- Develop an outline specification for a common data platform through which all data could be managed and shared.

Best practice position on GDPR principles

- Work with trading parties’ legal teams to define a set of principles for sharing granular data within the NHH market

Alignment with Ofwat Open Data principles

- Consider how the market could demonstrate it is aligned with Open Data principles

Getting the most from AMR meters and loggers

- Understand issues and opportunities, such as capturing leak alarms, and making it easier for retailers/their agents to read the meters. Many large meters have leakage loggers attached: what processes are required to ensure this data is used?

A standard approach for continuous flows

- Building on the work of the Quick Start Project 16 to set out a standard approach to defining continuous flows

Long Unread Meters

- Considerable work done in this area, including Project Looking Glass
- Have seen new focus on Long Unread Meters (LUMs) and Legacy Long Unreads (LLUMs)
- QSPs are helping address issues stopping meters being read, e.g. debris guidance
- However, still much to do - no 'silver bullet'
- LUMs and LLUMs will need to feature in reformed MPF
- Need to retain focus on benefits to settlement and accuracy of customer billing



Quick start projects

QSP6: Hard to Read Meters

Meter chamber covers to be added to debris guidance document. CPW141b change proposal in process. Further guidance being reviewed following roles and responsibilities' 'defined circumstances' feedback

QSP8: Transfer Reads

Memorandum of understanding for transfer read disputes that retailers can sign up too and code wording on T Reads around estimated reads to be discussed at MC31.

QSP9: Standard Meter Locations and What3words

PIP150 considering adding What3words as a data item in CMOS. Further evidence has been collected following feedback.

QSP15: Sub Metering

CPW143 Yearly Volume Estimate (YVE) change raised by Castle Water, with support of Metering Committee. Now with Ofwat. Further 'R Read' change being developed.

QSP16 - Continuous Flow

Scope agreed. Wholesaler questionnaire 18-29 September. Artesia to support on Continuous Flow definition.

QSP17 - Internal Meters

Scope agreed, "Internal meter" retailer-to-wholesaler process being shared with Metering Committee, which is working closely with the RWG Access Group to avoid duplication.

QSP18 – Logger-to-Smart meter switching process

Feedback from Metering Committee has been reviewed. Looking at a change for retailers to update the data logger data item in CMOS (presently wholesaler only) PIP194. High level impact assessment requested.

QSP19 - Trade effluent meters

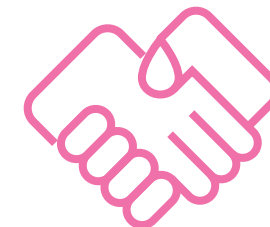
Debate being held at today's September User Forum to understand main trade effluent issues so scope can be agreed. Review of existing MOSL documentation to be carried out.

QSP20 - Standard Metering List format

Feedback received from Metering Committee. Final draft to be agreed and signed off at next meeting for publication late September.

QSP21 - Customer view access to CMOS

Feedback received. 'Lite' version being investigated showing customers just Retailer and Wholesaler. Discussions ongoing to host on Ofwat's Open Water website. Further work to understand costs.



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Changes

Phoebe Nixon
September 2023



Change Proposals/Reports discussed at 13 September CCC Meeting

Reference	Title	Gate*	CCC meeting date(s)
CPM053 & CPW146	Change Process Improvements	3	13/09/2023
CPM055	CMOS Data Escrow	1	13/09/2023
CPW139d	Bilateral Hub (Assessments)	3	13/09/2023
CPW144	Market Performance Framework Interim Improvements	3	13/09/2023
CPW147	MPS18 & MPS19 Clarification	1	11/09/2023

*As of 06/09/2023

Awaiting Ofwat Decision

Reference	Title	CCC Recommendation	Decision Due	Implementation Date
CPW139c	Bilateral hub (Dis/Reconnections)	09/08/2023	10/11/2023	12/12/2023
CPW143	Wholesaler Maintenance of Yearly Volume Estimates for Non-Market Meters	09/08/2023	31/10/2023	10/05/2024

Awaiting Implementation*

Reference	Title	Central Systems Impact	Date of release
CPW139b	Bilateral Hub (Verifications)	N	27/09/2023
CPW137	Interim Supply: Customer Data Provisions	N	27/10/2023

*As of 06/09/2023

Implementations*

Reference	Title	Central Systems Impact	Date of release

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

Reference	Title	Summary	Gate*	CCC meeting date(s)
CPM054 & CPW145	Deductions and withholdings under disputes process	CPM054 & CPW145 seek to bring the deductions and withholdings currently allowed by Section 9.7.2 of the Business Terms under the formal Disputes Process.	1	11/10/2023
CPW132	Credit support and wholesaler credit ratings	CPW132 seeks to address the level of Credit Support that a Retailer has to provide to a Wholesaler whose credit rating is lower than the Minimum Credit Rating	3	11/10/2023
CPW141b	Clarifying meter chamber responsibilities	CPW141b seeks to clarify meter chamber ownership and repair/replacement responsibilities in the codes and remove inconsistencies in trading parties' and meter read providers' differing approaches to those responsibilities	3	11/10/2023
PIP068	Vacancy Change Application	It is proposed that a review of the current VCA process is undertaken to address the concerns raised by PwC and design a solution to resolve the concerns raised by PwC and Trading Parties	1	11/10/2023
PIP172	Changes to the USR Process	The removal of Post RF Unplanned Settlement Runs with the RF period run in April 2024 (RF Period = November 2022) being the first run not eligible for change.	1	11/10/2023

*As of 06/09/2023

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

Reference	Title	Summary	Gate*	CCC meeting date(s)
PIP186	Changing the governance of incentive scheme guidance documents	The current governance process requires that for any updates to Incentive Scheme documents to be made, MOSL must seek approval at the CCC. This change proposal will seek to update to become more flexible, so changes can be made more readily.	1	11/10/2023
PIP197	Housekeeping change to gap site incentive scheme guidance document	(Housekeeping)	1	11/10/2023
CPW139e	Bilateral hub (miscellaneous)	Seeks to merge A6, B11-B17, F1-F3, F6 and G4 into a single process whilst adding a new (F7) process for anything not covered by an existing transaction. B10 also being dropped as capability of B1 and B7 being expanded to cover.	1	06/11/2023
PIP160	Interim Supply: Bad debt and Transition Cost	(Pending Ofwat consultation)	1	06/11/2023
PIP183	Late payment of MO charges	(Work not yet begun)	1	06/11/2023
PIP190	Establishing an industry group	This change seeks to formalize an industry group (RWG) under the codes. It allows MOSL to provide governance support to them.	1	06/11/2023

*As of 06/09/2023



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MIF Programme Round 3

Markus Lloyd
September 2023

Summary of Rounds One and Two

Project Category	Focus	Number of projects	Total funding (£'000)
Reports	Water efficiency, meter location, tariffs, dumb meters, vacancy	Six	£447k
Hardware solutions	Water efficiency	One	£150k
Branding and accessibility	RWG Documentation	One	20
Reports	Data - Premises, Consumption and Customer	Four	338
Software solution/ App/ Application programming interface	Consumption data and meter location	Two	327
Database	Developers and third-party providers	Two	299
Total			1,581

Selection Committee



**Wholesaler
trading party
representative**



**Retailer
trading party
representative**



**Independent
representative**



**Customer
representative**



**Independent
representative**

Expressions of interest for Round 3

Panel Open Forum tomorrow

9 Expressions of interest covering :

- Making switching easier
- Fitting limpet readers to better understand TE challenges
- Supporting an existing innovation fund (x2)
- Studying flow in vacant premises
- Demand reduction
- Motivations for NHH customers to manage water efficiently
- Impact of non-essential use bans

- Water Efficiency (incl. Strategic Panel and RWG roadmap items)
- Vacancy
- Customer engagement
- Granular data
- Trade Effluent

Round Three timeline



MOSL

**Open
Session**

Trade Effluent Meters

what are the issues?

**Let's talk
about**

Upcoming Events

User Forum

Julie Carly

Corporate Affairs Manager, MOSL

13 September 2023



Upcoming Events



Live: Market Performance Framework Consultation Three



14 September: Strategic Panel Forum



2 – 20 October: Mid-year Trading party Survey



25 October: In Person October User Forum:

Close and AOB

Markus Lloyd and Simon Bennett
September 2023

