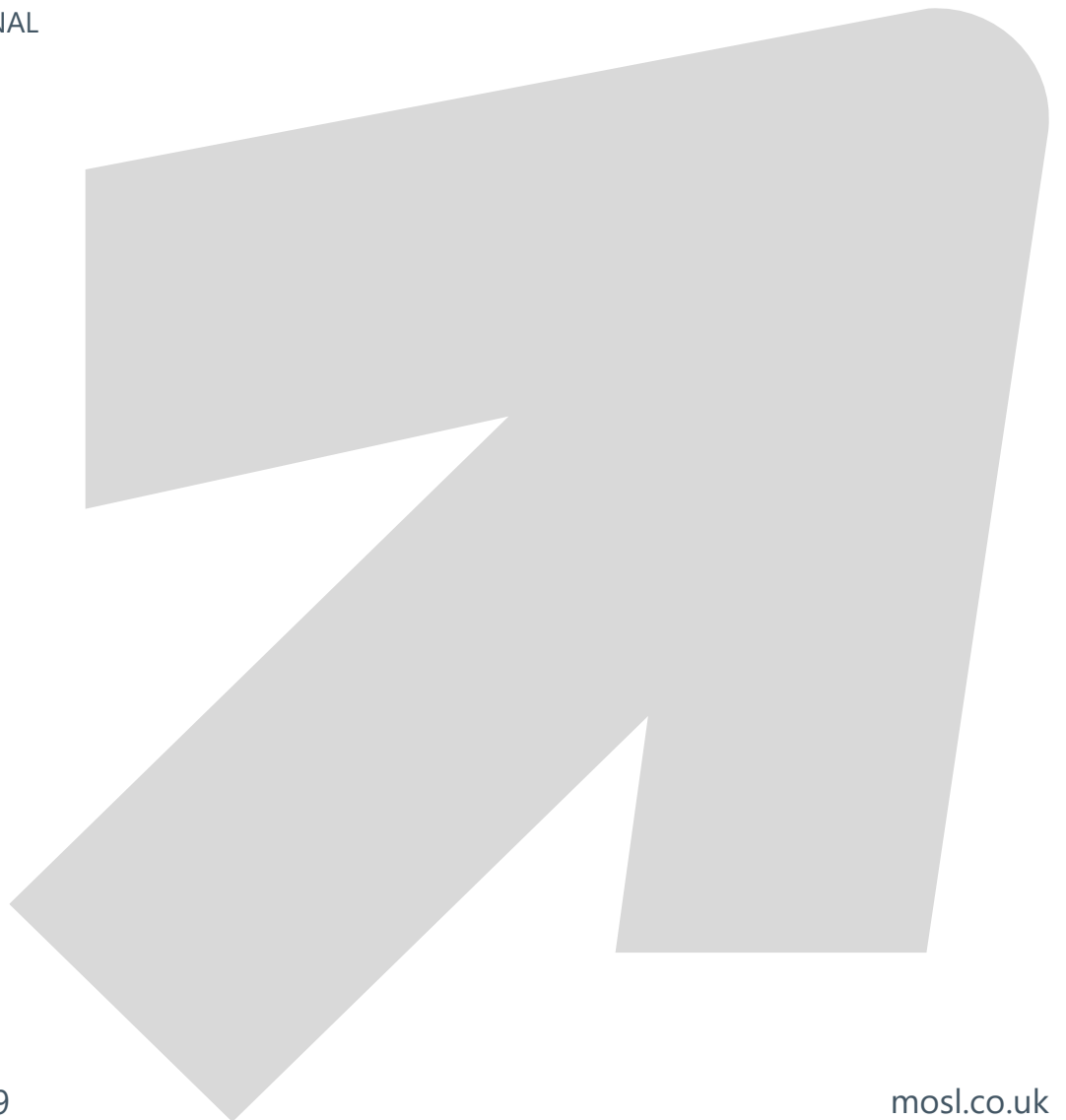


Performance Advisory Group (PAG) 35

Location: MS Teams

Date and time: 17 April 2024, 1000 - 1200

Status of minutes: FINAL



Meeting Minutes

Market attendees

Name	(Initial)	Role/Organisation	Name	(Initial)	Role/Organisation
Adam Boyns	AB	CCW (O)	Peter Strain	PS	Castle (R)
David Morris	DM	Waterplus (R)	Paul Walmsley	PW	Yorkshire (W)
Daniel Proctor	DP	Waterplus (R)	Pam Nash	PN	C&C (O)
Emily Jerrome	EJ	Water2Business (R)	Rebecca Gale	RG	Waterscan (R)
Harriet Eames	HE	Yorkshire (W)	Shakima Fagan	SF	Everflow (R)
Gerard Lyden	GL	Thames (W)	Sian Forward	SFo	Northumbrian (W)
Gillian Bladen	GB	South West (W)	Syndiso Bango-Dube	SBD	Waterscan (R)
Jon Fuller	JF	Wessex (W)	Trevor Nelson	TN	Business Stream (R)
Mike Rathbone	MR	Severn Trent (W)	Tim Brewer	TB	Wessex (W)

MOSL Attendees

Name	(Initial)	Role	Name	(Initial)	Role
Chris Dawson	CD	Chair	Luke Coyle	LC	Observer
Abby Jackson	AJ	Presenter	Simon Bennett	SB	Observer
Evan Joannette	EJo	Programme Lead	Oli Robins	OR	Presenter
Lisa-Ann Lott	LAL	Notes	Flo Monea	FM	Observer
Sam Webb	SW	Observer	Jak Davidson	JDa	Observer
Adam Richardson	AR	Observer	Lisa Connell	LCo	Observer
Janet Judge	JJ	Observer	Abu Rashid	ARa	Observer
Huw Comerford	HC	Observer	Nikita Bridle	NB	Observer

<p>1.</p>	<p>Welcome & update</p>
	<p>CD welcomed all members to the meeting, confirmed the agenda and the workshop format of the meeting including how the detailed design approval reaches sign off.</p> <p>CD reminded attendees minutes and slides are all published on the MOSL website for review and comment via mpfreform@mosl.co.uk.</p> <p>CD ran through the high-level programme plan highlighting Part C encompasses the key performance indicators and metrics and the final part of the program now includes the market indicators and additional metrics.</p>
<p>2.</p>	<p>M01 Cyclic meter reads performed within SLA</p>
	<p>AJ provided an overview of discussions to be held during the meeting noting proposals will be related to retailer cyclic reads however wholesaler reads will be designed to mirror the same process.</p> <p>AJ confirmed metric will be called M01 and the metrics for non-market meters and wholesaler cyclic reads will mirror that agreed for retailer cyclic reads.</p> <p>AJ highlighted the high-level journey each metric will follow to be created noting multiple opportunities for stakeholders to feedback through PAG meetings.</p> <p>GL enquired if all metrics will be processed at the same time in July CCC.</p> <p>EJo noted a single change may occur in July however more detailed plan will be produced soon.</p> <p>AJ noted M01 and M19 focus for today's meeting.</p> <p>AJ highlighted CPW142 Wholesaler smart meter reads change currently with Ofwat for approval and will be overlaid where appropriate.</p> <p>EJo noted as soon as drafting is available of codes and/or metric detail will be published to enable trading parties to build any systems to support.</p> <p>TN noted with advent of national metering strategy should cyclic meter read be defined more closely i.e. does it relate only to dumb meters or does it include smart meters which have not been activated.</p>

TN enquired if using smart meters reads will be monthly and therefore is cyclic meter reading biannually still sufficient.

CD noted feedback, MOSL to review and revert.

AJ noted high-level discussion to be held on M01 at today's meeting with details on input of the reads to be held at later stage.

JD noted need to consider how smart meter reads and dumb meter reads should be treated moving forward and whether they should be treated differently and what benefit there would be in doing so. JD further noted the need to consider the customer benefit in making any changes .

GL noted should not presuppose the decision on CPW142 and consider the metrics against current code obligations for taking meter reads.

CD reassured attendees MOSL are reviewing smart metering and are redesigning the code accordingly to future proof for smart metering.

AJ highlighted the MPF principles which are being taken into account in the design of metrics, simplicity, transparency, proportionate, enduring and agile and creating improved customer outcomes.

AJ ran through the influences and benefits being sought from metric M01 noting seeking for reads to be submitted in frequent and consistent intervals which benefits customers with receiving accurate billing which benefits trading parties by limiting the volume of customer contact and rebilling required along with accurate settlement calculations.

AJ provided a recap of current position detailing MPS18 noting detail of charges for new metrics not under discussion at this juncture.

AJ highlighted the drawbacks of current position noting the report looks back to market opening in certain scenarios which can be onerous on the system and is complex with the clock resetting it is not easy to calculate when the next read is due.

AJ noted three options for review; two cyclic meter reads in a rolling 12-month period; one cyclic read in a rolling six-month period or one read in a rolling seven-, eight- or nine-month period.

TN enquired what the problem statement is other than multiple restarts of the clock. In particular is there any disbenefit to the customer from 200 business days.

AJ noted seeking to bring benefit to the customer when designing the metric and highlighted drawbacks of current position may not be the only ones.

SW added do not know if 200 business days is right or wrong however new metric should promote the right behaviours and the focus for this metric is to make it simpler for retailers to understand and calculate to enable jeopardy management.

AJ provided an overview of proposed option 1 for the metric design (2 cyclic reads in rolling 12 months).

AJ highlighted for this option a 'pass' would occur even if reads taken in consecutive months or even days.

AJ noted this option would be simple to understand and calculate for trading parties however it does permit reads to be submitted within the same month and therefore may not influence the behaviours of submitting reads evenly spread throughout the year.

PS noted for long unread meters this would lead to being penalised in month one, penalised in month two, penalised in month three etc until such time as a read was submitted.

AJ noted once a metric option is agreed a review of different scenarios relating to it to establish for example should LUMs be treated differently.

AJ requested overall feedback on the metric, comments on the pros and cons and whether metric design promotes the best outcome for the customer.

SFo noted with potential for two reads back-to-back potentially a customer could have a gap of 10-11 months with no actual meter reading which could lead to incorrect billing, leakage going unnoticed for that period and despite smart meters coming in this will not be for some time.

GB agreed and noted customers' expectations of regular billing at set points of the year which would not be supported by this approach.

EJo noted PAG feedback and enquired if retailer PAG members thought back-to-back meter reads were likely.

PS noted unlikely scenario given working with customers for their best outcome.

TN noted, on occasion, need for reread of meters and on those occasions photographs are useful. TN further noted the assumption of meter reader reads as opposed to customer meter reads.

TN highlighted option seeks to have multiple restart dates however a market objective exists to increase transfer and enquired how transfer reads interact with this metric.

TN also highlighted vacants which would be exceptions to this.

AB enquired how customer reads will fit into the scenario which may lead to two reads being submitted very close together and thus two reads for the year would have been submitted without the retailer submitting both.

AJ highlighted the key point of minimum two cyclic reads to be submitted thus if customer reads included these could be submitted every month and the minimum would still be reached.

GL noted need to ensure when defining in the code the frequencies to gain an appropriate spread of meter readings to prevent large catch-up bills and undetected leakage etc and to prevent creating conditions which encourage unwanted behaviours.

GL further noted the same requirements will be needed for monthly meter reads also.

JD noted the feedback provided and highlighted the need to balance simplicity with preventing unwanted behaviours.

JD further noted details such as unowned SPIDs, LUMs, vacants will all be considered at the detailed level once the high-level metric is agreed.

JF noted the rolling effect of looking back across a 12-month period would lead to meter reads bunching together which is not a behaviour the MPF is looking to encourage.

AJ provided an overview of option two which promotes one cyclic read in a rolling six-month period noting this option influences the reads being six months apart and retains the benefit of the metric being easy to calculate.

AJ noted the parameters for this option are strict which may lead to more failures e.g. if a meter reader's walk route is towards the end of month six and they are unable to read a meter it would fall into month seven and this would be a failure.

GB noted would prefer rolling seven months as this would enable reads at the end of a month, cover the skip code and any reread attempt as well as bank holidays.

TN noted 140 days was utilised prior to April 2020.

SW confirmed 140 day had complexity of two-time parameters, 140 days for performance and 160 days for charges and looked back to market opening. This option removes the 140-day count.

TN enquired what market performance in cyclic reading is desired, is it the meter being read every six months as noted discussing complexity of reporting.

SW noted not complexity of reporting, complexity for retailers to calculate when they need to read their meters and metric trying to make it best for customer with a meter read every six months.

SFo noted not providing retailers any time with a skip code which may require to be reread.

JF noted change made in 2020 removing two stage parameter removed the incentive to follow up and rectify an issue.

JF further noted since the move to 200BD a marked increase in leaks being of longer duration which has a negative impact on customers.

AJ noted detail to be confirmed of at which point in the month the report would be run e.g. if on the first of the month and the meter read was taken on the last day this does not provide time for retailers to enter the read into CMOS.

GL enquired if the situation presuppose if the retailer has raised a bilateral request then it is excluded.

AJ noted the above would be considered when looking at scenarios relating to this metric.

GL noted JF's concerns and highlighted current position where if a read is not obtained and a bilateral request is raised in relation to work required this is not included within performance and thus does not negatively affect trading parties as not treated as a fail.

AJ summarised correct approach from a customer perspective and promotes an even spread of reads however strict on retailers with no flexibility.

AJ ran through option three which considered one cyclic read in a rolling 7 to 8 or 9 months noting it is a simple metric to understand and calculate and still removes the complexity of the 200BD whilst influencing the behaviour of submitting reads at evenly spread interval and allowing flexibility with meter read walk routes.

JF noted with 8 or 9 months this only produces one incentive during a 16-month cycle which is the same issue as for the 200BD.

AJ highlighted where the previous two-time parameters metric incentivised entering the read even if requiring second site visit or reread within the revised MPF there will be a metric specifically for lateness of reads and thus if a meter fails metric M01 meter reads will still be incentivised to be entered as soon as feasible.

CD enquired if attendees believed this to be the best option of the three presented.

PS noted current reporting does not inform retailers if receiving a performance charge of receiving a penalty what date that occurred. PS further noted the CMA in Scotland still operate a 160BD regime.

AJ summarised two reads in 12 months ruled out as open to allowing behaviour not wanting to influence. One read in six months is ideal for the customer but does not provide flexibility for retailers.

AJ enquired if one in seven months is the most credible and most appropriate option or whether one in eight or one in nine months would be preferable.

Attendees generally agreed option three to be the preferred option.

PW enquired if utilising seven months in the framework would it be possible to report on the eight and nine month also to enable performance improvements to be identified.

CD noted M3 Lateness of overdue cyclic reads would incorporate the requirement requested by PW.

JF noted when considering lateness of reads need to define 'how late is late' and recommended bands for lateness.

AJ provided an overview of monthly meters noting MPS19 is the current equivalent and the metric dictates meters should be read every 25BD and there are two-time parameters one at 25BD for the read and one at 40BD when a charge would be imposed.

AJ noted the drawbacks with the current metric are the same as those detailed for the biannual reads.

AJ presented two options for the revised MPF noting the current 25BD parameter is too restrictive.

AJ noted the new metric despite the option chosen will be run for all meters every month and look back a set period.

AJ highlighted option one would look back over the previous month and option two would look back over 40BD.

AJ noted for option one behaviour of inputting a read at the beginning of month one and the end of month two could be permitted. AJ enquired of such behaviour was likely to occur.

GL noted similar issues as for six month in that monthly meter read frequencies likely set for large consumers and would not want one of those meters to have an undiscovered leak with potentially 2 months between reads.

GL recommended considering 30BD with a third option of providing a reasonable amount of time to try again should a read not be feasible on first visit.

AJ highlighted Metering Committee recommendation to remove the two-time parameter and only have 40BD however this could move away from monthly meter read over time.

PS noted similar scenario t moving to eight, nine-month basis as opposed to 7 months and recommended moving to one read a month for simplicity.

EJo enquired what the reaction from large consumers would be as may only have reading every couple of months.

PS enquired if know how many reads are entered after the 25BD at present and after the 40BD.

AJ noted small sample of retailers performance reviewed which highlighted if moved to one read every calendar month performance would increase.

PS noted this option is simpler for scheduling for contractor meter reads the schedule can simply state, read the meter each month.

TN noted not certain as to what issue seeking to resolved other than simplicity.

TN enquired what is driving the current failures against MPS19 is it reporting, incentivisation or is it a really high bar.

TN noted AJ's feedback on retailer performance improving based upon the revised metric and enquired of the performance actually improves or is it simply the reporting and the reads are being entered the same distance apart and the same number of reads.

CD ran through the improvements aimed for from a metrics perspective noting seeking to make it simpler for all, including retailers and customers. Improved customer outcomes, improved trading party accountability and making the framework agile and transparent.

TN requested the options are mapped back to the principles detailed.

JF noted TE meters a problem area for meter reads and requires more work with customers to obtain reads, would be useful to understand proportion of meters and may need to be handled differently.

SF enquired what the technical difficulty/drawbacks of implementing one read per calendar month would be.

AJ noted currently unknown and highlighted presently all metrics detailed in terms of number of business days.

SF noted one read per calendar month appeared to be simplest option however need to understand if it is difficult to implement from a reporting perspective.

AJ noted MOSL Digital team aware of options being presented and each are able to be implemented.

JF noted if next KPI not triggered by previous KPI could lead to bunching of meter reads and the spacing not being adequate.

TN noted problems exist in both the equivalent of MPS 18 and 19 however it is more acute in MPS19 due to the short timescales. TN highlighted it may take a few days for the meter read to be passed to the retailer and for the retailer to enter this in CMOS thus if read at the end of a month would not be entered in time for 1st of the following month and would lead to a missed read in that calendar month.

JD noted if reporting on the previous calendar month need to provide sufficient time for reads to be entered into CMOS to prevent the calendar month being shortened.

TN enquired if this is the current approach.

JD confirmed this is the current approach.

EJo highlighted next level of metric design will encompass target performance levels and flexibility could be added here.

JF enquired if there will be two separate KPIs; one to read the meter and one to submit the read into CMOS.

AJ noted proposing to remove the submission window KPI and no specific KPI on submission times has been recommended.

	<p>AJ further noted KPIs for how often the meter should be read and another for lateness of reads are both proposed.</p> <p>TN enquired if performance levels are codified or can they be changed during a performance period under the new governance.</p> <p>SW confirmed performance levels currently not codified and recommendation for revised MPF is to codify performance period within which PAC can alter the expected performance levels.</p>
<p>3.</p>	<p>M19 Cyclic non-market meter reads performed within SLA (biannual or monthly)</p>
	<p>AJ provided an overview of M19 and enquired if it should mirror M01</p> <p>AJ noted current MPS13 biannual metric and MPS14 monthly metric and highlighted the drawbacks of the current metrics, reports look back to market opening, calculation is complex, difficult to understand when meter is due to be read and disparity with MPS18/19.</p> <p>AJ highlighted mirroring M01 would enable the metric to be simple to understand and calculate, influences behaviour of submitting reads in acceptable interval through the year, consistency and fairness across meter reads.</p> <p>Attendees generally agreed the principle of mirroring the approach to M01 for M19.</p> <p>AJ enquired if calendar days or business days would be preferable.</p> <p>JF noted need to be consistent with other areas of code, thus preference for business days.</p> <p>TN noted preference for business days to remain fair and take into account holiday periods such as Christmas and Easter.</p> <p>TN noted meter readers not following code but fulfilling a contract which may state a meter has to be read in early April thus not working to number of days.</p> <p>GB noted meter reader providers have to factor in reading household meters also and may not have separate walk routes for non-household.</p> <p>AJ enquired from a retailer perspective for M01 how vacant SPIDs should be treated and should they be treated differently or not to encourage readings on vacant SPIDs.</p> <p>TN noted the main issue with vacant SPIDs is internal meters and thus they cannot be read and would therefore, if included, need to be reflected in the performance levels.</p>

	<p>JF noted would be useful to see data on how many C1 and B5 bilaterals lead to an update in CMOS.</p> <p>TN noted if taking C1 and B5s into account should only discount those meters where unable to gain a meter read as other reasons exist for C1a and B5s.</p>
<p>4.</p>	<p>Upcoming PAG workshop(s) & AOB</p>
	<p>CD noted metrics being designed based upon current code architecture however need to take into account any potential code changes such as CPW142.</p> <p>CD highlighted CAG have issued minded to support on code documents for part B tools and these have been published for wider review.</p> <p>CD noted a minor improvement to the process for additional metric monitoring had been added of a one-month minimum notice period of any changes.</p> <p>CD noted increased cadence of meetings during May and confirmed M04 and M06 to be reviewed at meetings on 1 and 8 May.</p> <p>TN requested sufficient notice regarding when M01 and M19 will return to PAG to enable meeting invites to be shared with SMEs.</p> <p>GL noted scheduling M04 and MO6 together is useful and when M01 and M19 return to agenda would be useful to review alongside M03 and M21.</p> <p>CD thanked attendees for feedback and challenges.</p>