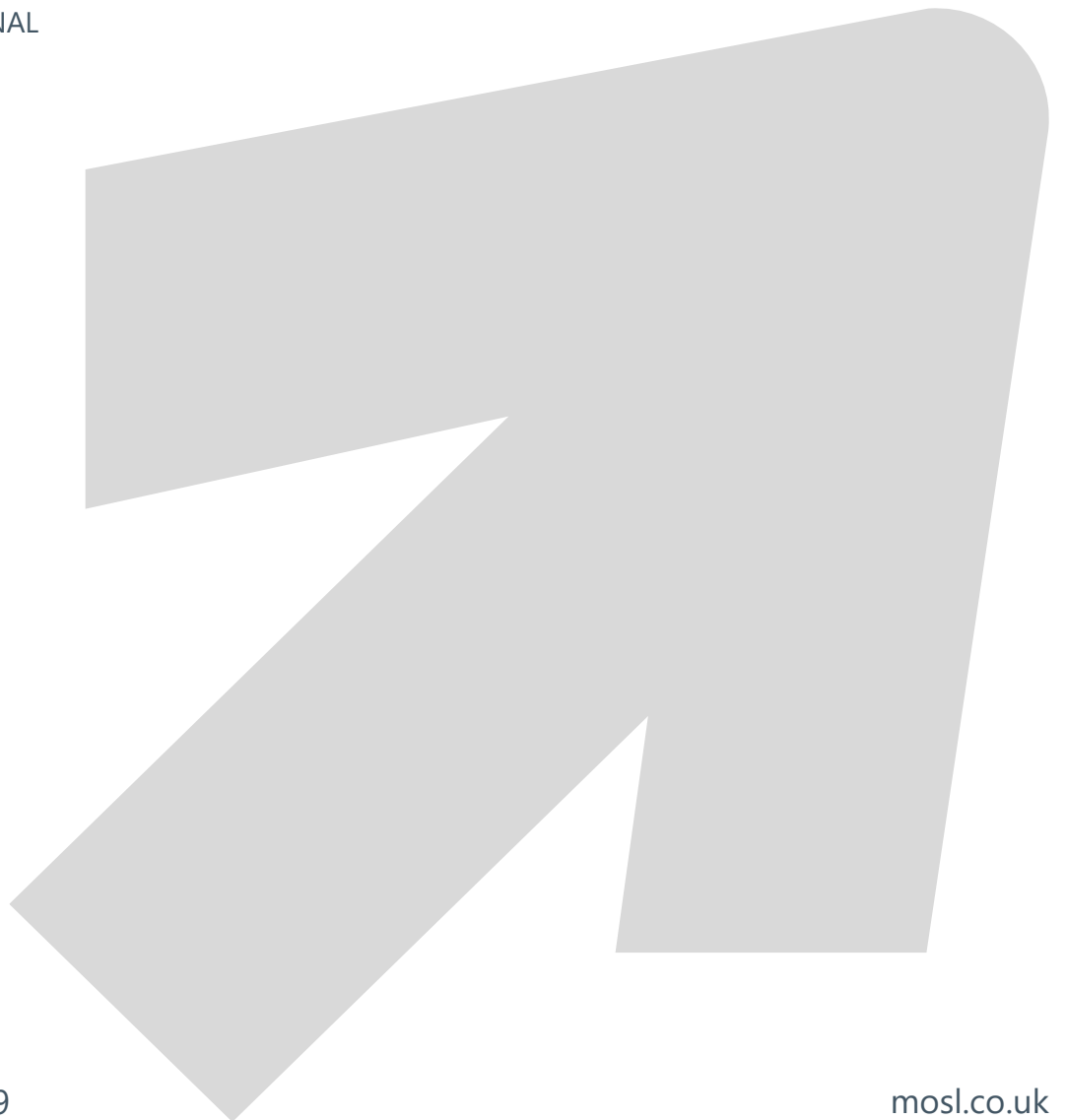


Performance Advisory Group (PAG) 42

Location: MS Teams

Date and time: 2 July 2024, 1000 - 1200

Status of minutes: FINAL



Meeting Minutes

Market attendees

Name	(Initial)	Role/Organisation	Name	(Initial)	Role/Organisation
Clare Garland	CG	UU (W)	Pam Nash	PN	C&C (O)
Calum Pittman	CP		Peter Strain	PS	Castle (R)
Claire Stanness	CS	Wave (R)	Paul Walmsley	PW	Yorkshire (W)
Daniel Proctor	DP	Waterplus (R)	Samantha Byrom	SB	Yorkshire (W)
David Morris	DM	Waterplus (R)	Shakima Fagan	SF	Everflow (R)
Emily Jerrome	EJ	Water2Business (R)	Sian Forward	SFo	Northumbrian (W)
Gillian Bladen	GB	South West (W)	Shaun Kent	SK	Ofwat (O)
Gerard Lyden	GL	Thames (W)	Syndiso Bango-Dube	SBD	Waterscan (R)
Jon Fuller	JF	Wessex (W)	Tim Brewer	TB	Wessex (W)
Jordanna Lo	JL	Business Stream (R)	Trevor Nelson	TN	Business Stream (R)
Mike Rathbone	MR	Severn Trent (W)	Wendy Monk	WM	Wave (R)

MOSL Attendees

Name	(Initial)	Role	Name	(Initial)	Role
Chris Dawson	CD	Chair	Janet Judge	JJ	Observer
Lisa-Ann Lott	LAL	Notes	Lisa Connell	LC	Observer
Abby Jackson	AJ	Presenter	Luke Coyle	LCo	Observer
Adam Richardson	AR	Observer	Oli Robins	OR	Observer
Flo Monea	FM	Observer	Sam Webb	SW	Observer
Huw Comerford	HC	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 noting the slide pack was circulated in advance.</p> <p>CD ran through the high-level programme plan.</p>
<p>2.</p>	<p>M01 Cyclic meter reads performed within SLA (biannual or monthly)</p>
	<p>AJ ran through the opening slides on the metric journey, the required PAG input and a recap of previous PAG discussions.</p> <p>AJ provided an example of the proposed performance standard related to M01 as detailed on slide 14.</p> <p>AJ ran through scenarios related to M01 vacant meters detailed on slides 16 and 17.</p> <p>TN noted option 1 too simplistic and does not create a level playing field for trading parties as new trading parties not encumbered by legacy sites which most vacants are. Additionally, different wholesalers located meters in different locations i.e. some located more internally and some more externally.</p> <p>TN further noted even some external meters are behind locked gates and therefore not accessible.</p> <p>TN highlighted current metric (MPS18/19) does take vacants into account and therefore option two preferable.</p> <p>CS noted option 1 as an incumbent retailer with a high proportion of internal meters does not create level playing field however does assist to identify vacant sites.</p> <p>CS recommended an additional option of a metric which focuses on vacant internal versus vacant external leading to a dashboard showing the split between wholesalers and retailers.</p> <p>AJ clarified M01 would then be for metered occupied sites and a new metric developed for vacant sites.</p> <p>AJ noted the complexity of a vacant site metric would exist due to length of vacancy.</p> <p>PS observed the metric indicates where 100% performance is not possible and the code obligation at 3.5.1 in CSD0002 is impossible to meet.</p>

AR noted need to balance simplicity and takes into account code obligations highlighting the 80% performance standard shown was for example only and to make the illustrations easier.

GL noted if setting a minimum acceptable threshold for any measures this would be a point of principle and should be applied across all measures.

GL noted need for allowance for vacant internal meters to prevent penalties for retailers unable to read in circumstances highlighted.

GL highlighted internal meters often in large urban areas with high number of split premises and lack of space on streets to accommodate external meters.

TN noted design principle of simplicity however highlighted need for fairness and including vacants does not provide fairness.

HC highlighted option one provides an incentive to read all meters and thus vacants will be identified and occupancy status updated where appropriate.

JL noted option one too simplistic and highlighted to incentivise regular visual reads obligation could be included in code as it is for the Scottish market.

CD noted this could be contained within the API/market indicator metric commitment.

JF noted a compromise if vacants excluded from the metric could be another measure/incentive which includes LUMs.

TN suggested the penalty could be based upon occupied meters with outperformance for M01 based upon all meters.

TN noted new API could be developed for vacant meters in a similar manner to M01 for occupied meters.

AR enquired what should happen with those sites which change occupancy status during the look back period and how these should be treated under M01 e.g. where a property has been vacant for six of the seven months should it be excluded or included in the calculation.

JL noted over complication and suggested if vacant on day report is run then it is vacant and excluded at that point.

GB noted should be excluded if vacant anytime during the read window.

TN noted currently excluding vacant meters and provided no complaints against current approach should continue to use same methodology.

SW highlighted complexities of current methodology noting difficult for retailers to understand when meter read is due and potentially would not work with new framework design.

AR noted need for further consideration of the complexity and whether to incorporate vacant and monitor whether vacant sites are being read.

AJ ran through M01 scenarios related to C1/B5 service requests as detailed on slides 18 and 19.

CS noted where meter is vacant unable to raise a C1 or B5 service requests as wholesalers reject due to being unable to access property. CS further noted this supports the need for a third metric.

JL noted option three is preferred as where able to obtain a read it will be included and does not prevent raising a C1 or B5 request.

TN noted agreed with the proposed option three.

SF and EJ also noted a preference for the proposed option three.

CS also noted a preference for the proposed option three along with GB and GL.

GL noted option three does not mitigate the risk of C1 and B5 being misused and this will need to be continually monitored.

GL further noted the principle issue of vacant internal meters to which neither the retailer nor the wholesaler have access.

No attendees disagreed that option three is the preferred option.

AJ ran through the M01 scenarios relating to transferred meters detailed on slide 20.

CS noted preference for the proposed option one.

TN also agreed preference for option one however seven-month clock should be from transaction date (Registration Start date) not transfer date.

JL noted preference for option one and enquired if it includes new meters and where a bilateral request exists on a transferred meter how will this be treated.

AJ noted where an open bilateral request exists against a transferred meter this would be excluded as per the open C1/B5 scenarios.

JL noted significant verifications required on transferred meters.

CD noted if open bilateral exists this will be excluded as per the previous agreed scenarios.

GL noted supportive of option one given bilateral exclusions would apply as well. GL noted reliant on actual read metric

EJ agreed preference for option one as option two could lead to a penalty and then be transferred back.

OR agreed need to ensure incentive correct on M09 and a further mitigation could be an additional metric looking at average duration for a biannual read to be entered post registration where a transfer read is estimated.

No other attendees raised comments on those scenarios.

AJ ran through M01 scenarios relating to meter exchanges detailed on slides 21 and 22

TN noted there is a both a primary and secondary benefit to option two and this would be the preferred option.

JL thanked MOSL for further consideration on meter exchanges.

PS noted there are other transactions which need to be taken into consideration in these scenarios.

Attendees generally agreed option two as the preferred option.

AJ ran through M01 scenarios relating to disconnected SPIDs detailed on slide 23 noting only a single proposal.

SF noted temporary disconnections should still be included as the meter is likely still in situ and can be read if it has been removed it should be taken out of the market.

SF further noted would aid retailer understanding as temporary disconnections often turned back on by customers.

	<p>GL agreed with SF as temporary disconnections often for very limited period normally related to non-payment.</p> <p>GB noted supply capped and meter removed at point of temporary disconnection and thus a meter reader would use a skip code as the meter would not be in situ. GB further noted the meter is often retained by the technician to be reinstalled as soon as payment received.</p> <p>PS enquired how X&Y reads were to be treated given they have to be either visual or remote.</p> <p>AJ to review as to whether they would be included as the cyclic read.</p> <p>PS noted for transfer reads they have to be either a visual or remote read and thus an actual read as they impact settlement.</p> <p>JL noted should be including everything possible in temporary disconnections.</p> <p>SF noted when reconnected retailer should submit a bilateral request to the wholesaler to request updated in CMOS and thus temporary disconnections should be included as it highlighted when a meter has been reconnected without being updated.</p> <p>CS agreed temporary disconnections should be included given customers do reconnect meters themselves.</p> <p>AJ ran through M01 scenarios relating to backdated changes detailed on slide 24.</p> <p>GL noted proposal is sensible and enquired if business day 11 will be the date the report is run for monthly meters as well as biannuals.</p> <p>AJ noted will be run on consistent day however not confirmed at present if it will be business day 11 however 10 BD will still be provided to enter the reads.</p> <p>PS enquired if an outstanding C5 deregistration request exists should this be excluded.</p> <p>GB agreed C5 deregistration should be excluded.</p> <p>AF enquired if deregistration requests are for buildings which have been demolished or are being demolished.</p> <p>GB noted will not be the majority most will relate to eligibility.</p> <p>MOSL to review data and revert.</p>
<p>2.1</p>	<p>Smart meters</p>

	<p>AJ provided an overview of metrics which relate to smart meters and requested PAG provide feedback via mpfreform@mosl.co.uk.</p> <p>GL noted need not to pre-empt result of any code change and highlighted preference for option two noting the metric should relate to responsibility not technology.</p> <p>SK noted outcome of CPW142 unknown and should be considered.</p> <p>EJ noted the rollout of smart meters is substantially different across the market and therefore could be an inconsistency of performance across the market.</p> <p>TN noted need to be mindful of when responsibility is transferred i.e. not on fitting of smart meter but on activation of the smart meter and enquired if CMOS data provides the distinction.</p> <p>JJ noted should CPW142 be implemented this will enable a CMOS change to effectively know the AMI meter is active.</p> <p>HC noted smart meter definition is included within CPW142 and this means not considered as a smart meter until connection and activation process is complete.</p> <p>TN noted this would alleviate the difficulties and a further API/market metric on slow activation could be added.</p> <p>AR noted risk of differential rollout of smart meters across the market could be significant and is being considered by Metering Committee. AR further noted need for MPF to consider the rollout e.g. metric on percentage of smart meters alongside M02 and system metric to ensure smart reads taken.</p> <p>AR welcomed PAG feedback in regard to smart meter metrics and how these should be managed over the next 3-5 years.</p> <p>TN noted description of M02 on slide does not reflect the description in the consultation document and enquired which description is correct.</p> <p>JJ noted the description differs and clarified both descriptions align to the metric working in the same way.</p> <p>GL noted issues with regard to incentives should be considered when Ofwat review CPW142.</p>
<p>3.</p>	<p>Consultation 4 update</p>

	<p>MR ran through an update on Consultation four (slides 26-28) and the three pre-read documents which have already been published confirming the consultation will run from 8 July – 2 August.</p> <p>GL noted timing of consultation clashes with consultation on Strategic Panel Flourishing market roadmap and draft determinations which may affect wholesalers ability to answer in depth.</p> <p>MR confirmed consultation response timeline will not be extended.</p> <p>GL further noted may still require further opportunity to feedback post the close of the consultation period.</p> <p>MR noted will work with trading parties on the details once consultation feedback received.</p> <p>TN enquired if the financial tools will be reviewed by PAG post consultation.</p> <p>MR confirmed following consultation four detailed feedback will be provided to PAG for further engagement.</p>
<p>4.</p>	<p>Upcoming PAG workshop(s) & AOB</p>
	<p>CD provided an overview of the upcoming PAG meetings to end of July.</p>