

MPF Consultation 5

Transfer Meter Reading Metrics

Proposed charges and performance standards for Transfer Meter Read metrics M04, M06 & M09

Performance Advisory Group (PAG)

30 January 2025



Agenda

	Item	Presenter	Time
1	Welcome & update	Miles Robinson (Chair)	10 mins
2	Summary of proposal	Evan Joanette	20 mins
3	M04 and M06 charges and standards	Janet Judge	60 mins
4	M09 standards	Janet Judge	20 mins
5	Upcoming PAG workshops & AOB	Miles Robinson (Chair)	10 mins
			Total: 2 hours

To cover

- Update on consultation 5 timeline
- Initial view of charges and standards for Transfer reads M04, M06 & M09



Seeking PAG feedback on updates and proposals



Housekeeping



Welcome all – please introduce yourself in the chat



Workshop format – input and feedback needed



We will allow time for discussion and questions
Questions via mpfreform@mosl.co.uk



MOSL Website for [Agenda, Minutes & Slides](#)

Part C: delivering in phases

Phase 1: priority KPIs & BR-Mex

- **M01** - Cyclic meter reads performed within SLA (biannual/monthly)
- **M02** – Proportion of smart meters read
- **M04/05** - Proportion of transfer meter reads performed/submitted within SLA
- **M06** - Lateness of overdue transfer meter reads
- **M09** - Proportion of transferred SPIDs with estimated reading
- **M12*** - Proportion of premises address data accuracy
- **M15*** - Average lateness of failed SLAs for bilateral Requests
- **M18*** - Proportion of SLAs for bilateral requests completed on time
- **M19** - Cyclic non-market meter reads performed within SLA (biannual or monthly)

To go live: November 2025

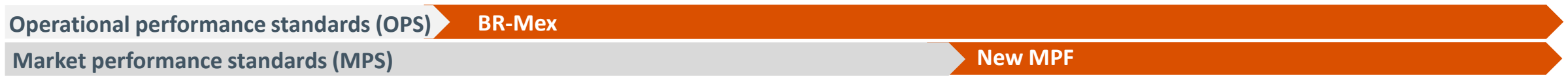
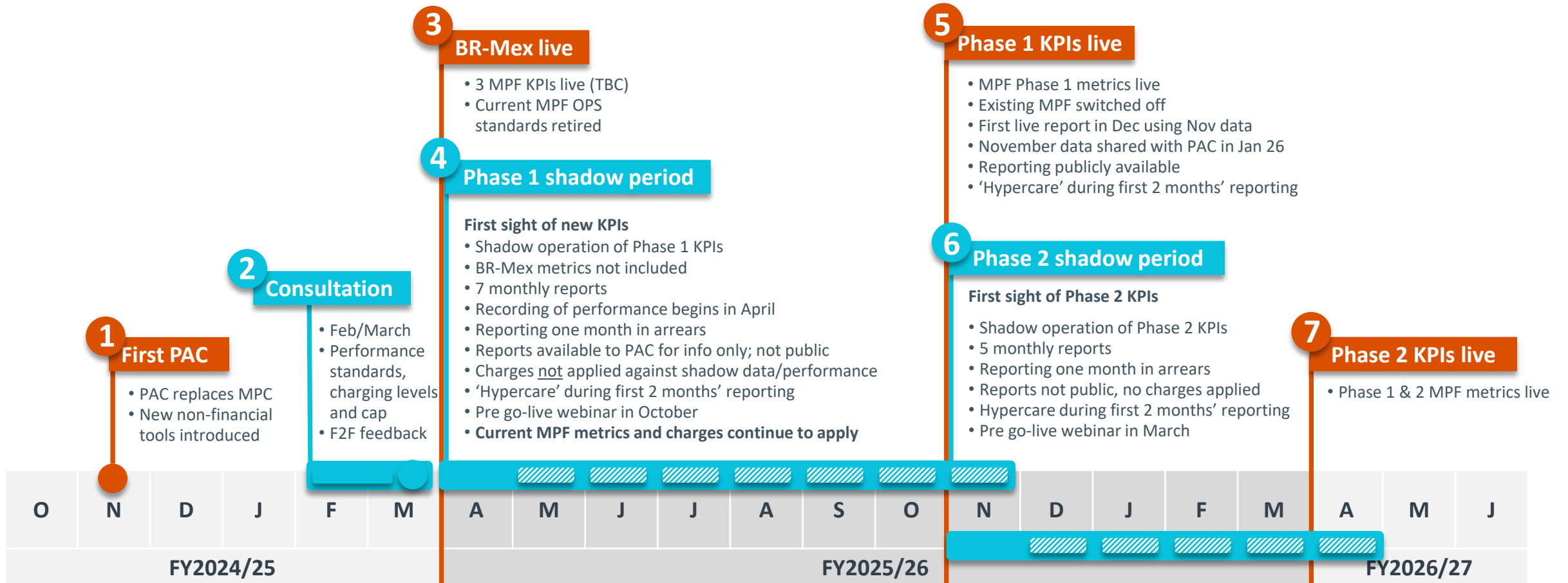
Phase 2: lower-priority KPIs

- **M07** - Proportion of consumption from cyclic meter reads performed within the biannual or monthly Service Level Agreement
- **M08** - Proportion of consumption settled on actuals vs estimates for smart meters
- **M10** - No of Long Unread Meters with outstanding B5 or C1 bilateral
- **M11** - Proportion of complete and accurate customer name/banner name and Standard Industry Classification (SIC) code
- **M13** - Proportion of unassured long-term vacant (LTV) premises
- **M14** - Proportion of meters with credible GIS coordinates
- **M16** - Proportion of deferred ORIDs
- **M17** - Average length of deferrals per ORID
- **M20** - Proportion of consumption from cyclic non-market meter reads performed within the biannual or monthly SLA

To go live: April 2026

*BR-Mex metrics – to go live in April 2025

MPF Delivery Plan Overview



Agenda

	Item	Presenter	Time
1	Welcome & update	Miles Robinson (Chair)	10 mins
2	Summary of proposal	Evan Joanette	20 mins
3	M04 and M06 charges and standards	Janet Judge	60 mins
4	M09 standards	Janet Judge	20 mins
5	Upcoming PAG workshops & AOB	Miles Robinson (Chair)	10 mins
			Total: 2 hours

Consultation 5 overview

- Consultation 5 will seek feedback on proposals for Cyclic Meter Reads and Transfer Reads in relation to:
 - Performance standards for each KPI
 - Performance charges for each KPI
 - Total performance charge 'cap' for all KPIs
- Revised Consultation 5 dates (Nb: draft, to be confirmed tomorrow)

Date	Event/document
31 Jan	Doc 1: intro & timeline
w/c 10 Feb	Doc 2: Cyclic Meter Read KPI summary
w/c 17 Feb	Consultation 5 live
	Doc 3: Transfer Meter Read KPI summary Doc 4: Supplementary info for Docs 2 & 3 + performance charge cap
Fri 7 March	Consultation closes
w/c 21 April	Feedback session, London



About today's PAG

- Draft proposals for Transfer Meter Read metrics, i.e.:
 - M04 – Proportion of successful transfer reads
 - M06 – Lateness of missing transfer meter reads
 - M09 – Proportion of 'actual' transfer meter reads
- Following PAG feedback, we will finalise Consultation 5 proposals for Transfer Meter Reads
- Following useful feedback from PAG last week, we plan to bring the Cyclic Meter Read proposals back to PAG next week, as well as proposals for the charging cap.



Overview of proposed charging model

Following Consultation 4 (as discussed last week):

- The concept of **compensation payments** between trading parties was dropped
- **Outperformance payments** need further consideration and will not be introduced at implementation
- **Monthly penalty charges will be the MPF's only financial tool** at implementation
- **Performance standards will be introduced** for each KPI, which the Performance Assurance Committee (PAC) will be able to increase or decrease within an agreed tolerance
- **Meter reading performance standards will be set at less than 100%** to reflect that not all meters can be read, often for reasons outside parties' control
- Cyclic Meter Reads will also have **separate standards for internal and external meters**

Specific to Transfer Reads

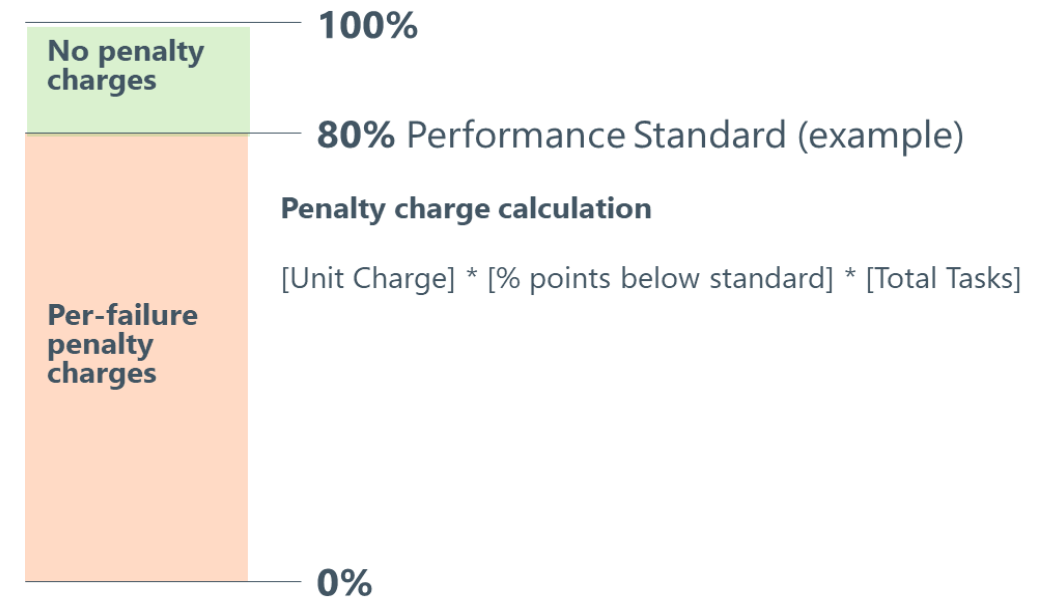
- **M04 Proportion of successful transfer meter reads performance standard will be set at 100%**
This reflects that estimated transfer reads, as well as 'actual' reads, will be allowed.
- **M09 Proportion of 'actual' transfer meter reads performance standard will be set at 0%**, based on interpretation of the existing market codes, which allow estimated transfer meter reads under certain circumstances.

Please note that the following proposals are **draft** for PAG feedback and comment.

Performance standards

As per Cyclic Meter Reads

- Reformed MPF will introduce Performance Standards into the Codes for each KPI
- Trading parties whose average performance against a KPI in a given month achieves the Performance Standard **will not receive any charges for that KPI**
- Performances below standard will be charged per failure
- PAC may adjust Performance Standards up or down within agreed % tolerance. Changes outside tolerance will require change to the Codes
- PAC will be required to consult with the industry on changes to standards and provide at least three months' notice before implementation
- Changes will be subject to final Panel approval of a non-code document containing the prevailing standards.



The concept of **outperformance payments** is subject to further discussion and will not be introduced initially.

General rationale

Considerations

In developing proposals, MOSL has:

Considered context driving KPI design

Recognised trading parties' activity costs

Estimated market average performance

Balanced charges at TP incentivisation level with total charges at market level

Focused on addressing areas of poor performance that impact customers, other parties

Looked for points of consistency between KPIs

General rationale

Approach



MOSL has considered the financial impact of its proposals:

- Taken a **relatively conservative approach** to setting initial performance standards
- **Proposals set performance 'baseline' for the MPF**, which PAC can adjust up or down within a % tolerance
- **Apportionment of charges between trading parties will be different**
- **Most trading parties will receive same, or lower, charges under the new MPF.** However, the proposed model will apply charges in a way that recognises the impact of companies' performance on customers
- Recognition of impact of performances on customers is expected to lead to **material increases in charges for a small number of trading parties.** However, the increase is not expected to exceed the level at which these companies have been charged within the past four years.
- Looked at total charges to the market and how they **broadly compare to equivalent current** Market Performance Standards (MPS)

Agenda

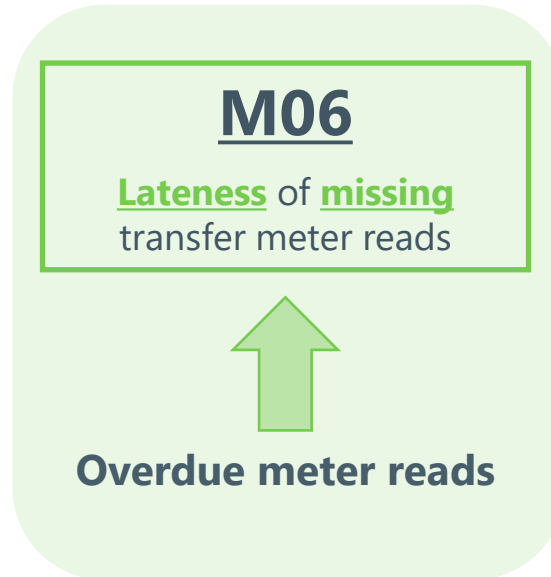
	Item	Presenter	Time
1	Welcome & update	Miles Robinson (Chair)	10 mins
2	Summary of proposal	Evan Joanette	20 mins
3	M04 and M06 charges and standards	Janet Judge	60 mins
4	M09 standards	Janet Judge	20 mins
5	Upcoming PAG workshops & AOB	Miles Robinson (Chair)	10 mins
			Total: 2 hours

Reminder of Transfer Read KPIs



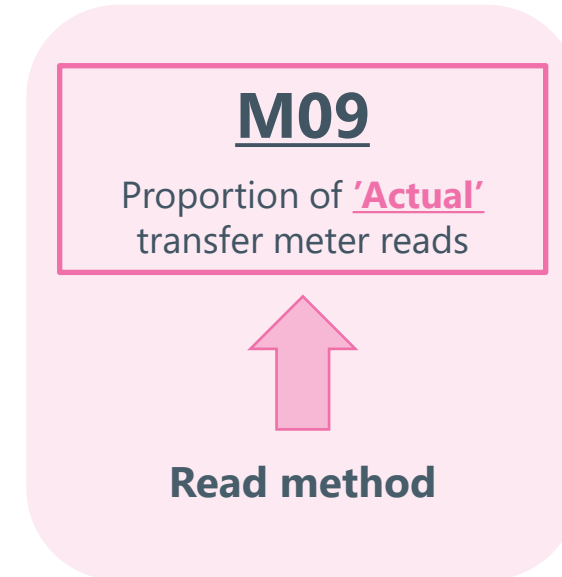
Performance charge

M04 Successful transfer read = read date within read window (-2 to +7 from registration start date) and read submitted within submission window (within 8 BDs of date the meter is read).



Performance charge

M06 only considers M04 failures where no read (actual or estimated) has been received.



Performance charge set to zero

M09 only considers transfer reads that were expected within the reporting period.
Following Consultation 4, the performance charge for M09 will be set to zero initially – Outperformance Payments subject to further discussion.

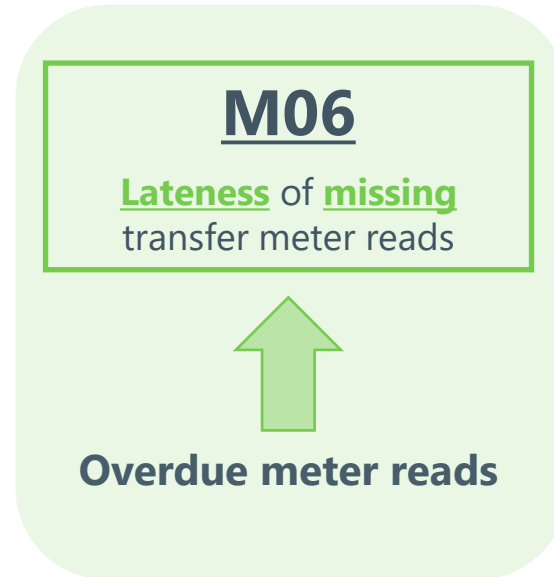
Transfer Read KPIs

M04 & M06



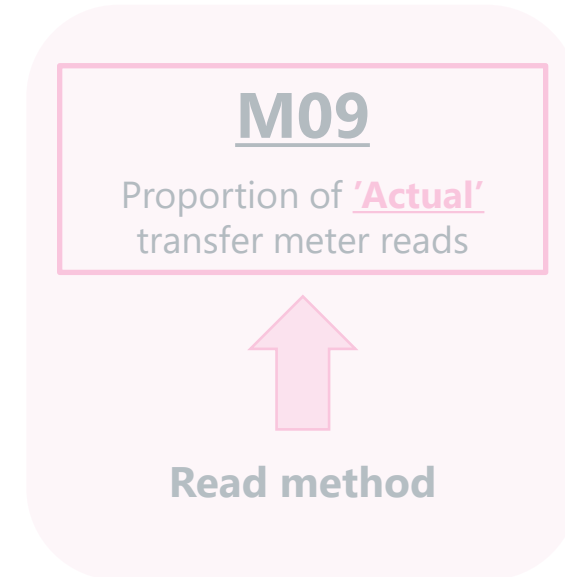
Performance charge

M04 Successful transfer read = read date within read window (-2 to +7 from registration start date) and read submitted within submission window (within 8 BDs of date the meter is read).



Performance charge

M06 only considers M04 failures where no read (actual or estimated) has been received.



Performance charge set to zero

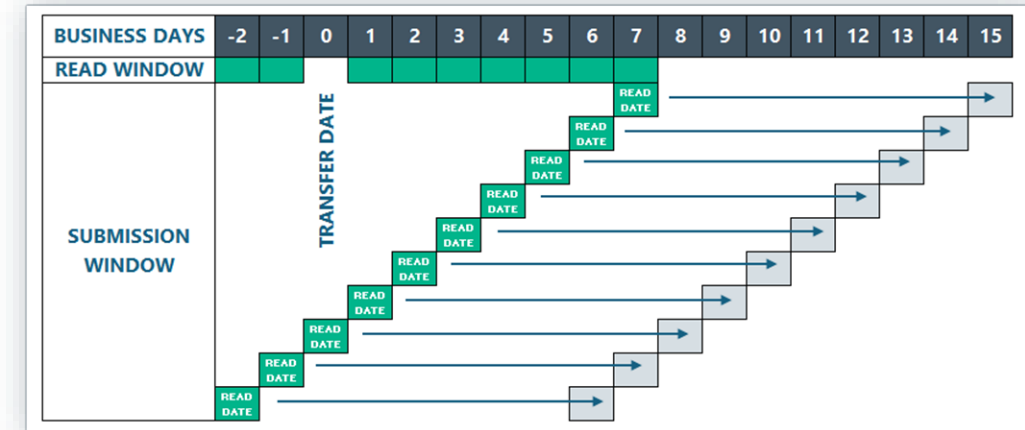
M09 only considers transfer reads that were expected within the reporting period.
Following Consultation 4, the performance charge for M09 will be set to zero initially – Outperformance Payments subject to further discussion.

M04 & M06 design

Reminder



- Proposed M04 & M06 replace current MPS16 and MPS17
- M04 will report the proportion of successful transfer reads, i.e. where both:
 - Meter read date is within read window (-2 to +7 BDs from registration start date, **and**
 - Read is submitted within submission window (within 8BDs of date meter is read)
- M04 allows for meter read methods of:
 - Actual (whether visual, customer or remote), or
 - Estimated



T108.R = Trigger for Read Window (-2, +7BDs)

T105.R = Submission window tracking

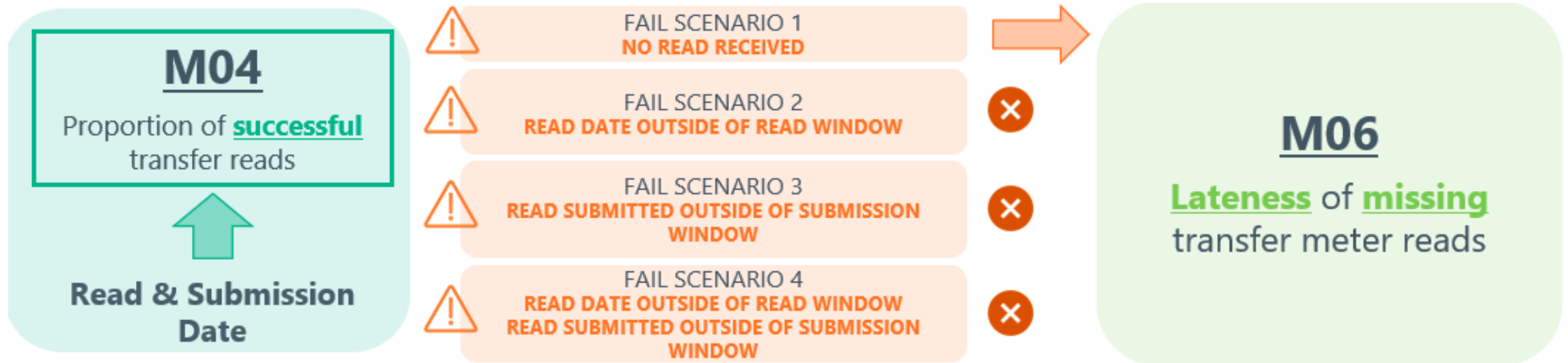
Report includes all transfers where BD 15 falls within the "reporting window"

Overarching rule: status as-is when report is run = status used for the metric calculations (as per logic today).

M04 & M06 design

Reminder

- M06 will report the lateness of missing transfer meter reads
- It only considers M04 failures where no read has been received
- It calculates lateness from BD16 after the Registration Start Date, up to BD30



Overarching rule: status as-is when report is run = status used for the metric calculations (as per logic today)

Performance standards

Rationale for M04 standard

- Propose 100% target because:
 - Achievable: M04 allows estimated as well as 'actual' transfer reads, i.e. visual, customer or remote – one or other simply needs to be submitted on time
 - Of the importance of having a transfer read for closing/opening customer accounts and settlement
 - Same proposal as at PAG 39 (12 June 2024)
 - Best performing Retailers of types (i.e. those with >50k SPIDs, <50K SPIDs, Self Supply & NAVs) are already at, or near, this standard
- Single standard in line with KPI design
- Standard represents 7% uplift vs estimated market performance.

M04 – successful transfer reads	
Proposed Standard	100%

Performance standards

Rationale for M06 standard

- Standard for M06 is zero days late (BD15 = 0 days)
- No % performance standard needed, as “late is late”

M06 – Lateness of missing transfer reads	
Standard	0 days late

Performance charges

Rationale for M04 charges

£5.00 per failure (below standard) per month

- Taking and submitting transfer reads is a core activity and is chargeable today
- As standard is 100% the penalty is per failure (as today)
- Charge needs to be balanced and considered alongside M06 lateness charge, so as not to disincentivise taking 'actual' transfer reads
- £5 is in line with REC charge

M04 Performance charges	
Charge per failure	£5.00

Performance charges

Rationale for M06 charges

£1.00 per day late

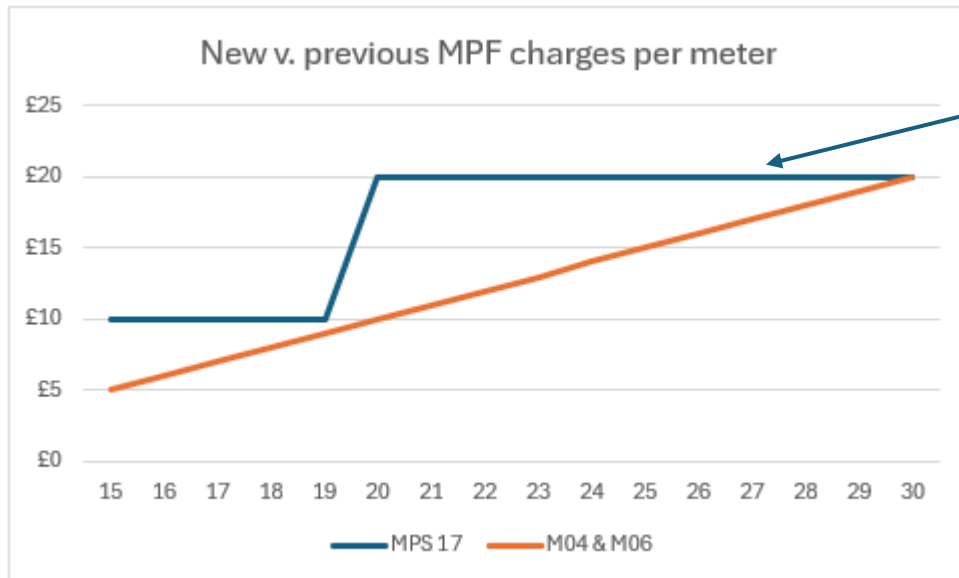
- The maximum M06 charge per meter is £15 i.e. £1/day late for 15BDs (16BDs to 30BDs after Registration Start Date)
- No disincentive to putting in a read
- Offers potential for lower charges at the meter level if missed reads are resolved sooner
- This creates an incentive to resolve missed reads quickly.

M06 Performance charges	
Charge per day late	£1.00

Summary of M04 & M06 proposals

- Maximum charge under M04 and M06 is £20
- This is equivalent to MPS17 charges (£10 at 15BD and £10 at 20BD)
- No disincentive to putting in a read

KPI	Unit Charge	Proposed initial standard
M04 Successful transfer reads	£5.00	100%
M06 Lateness of missing transfer reads	£1.00	0 days late



Note: If MPS16 charges were incurred this shifts the MPS line up by £5

Estimated financial impact of proposals for M04 & M06

- We do not consider the proposals pose an unacceptable risk to the market
- Assuming no change/improvement in performance charges estimated to be a potential £120k v £50k of historical charges

KPI	Estimated annual charges for reformed MPF (whole market)*	Whole market MPS16 and MPS17	
		August 2023 to July 2024	Annual average from Aug 2021 to July 2024
M04	~£26k to £30k	£50k	£51k
M06	£92K		
Total	~£118k to £122k	~£50k	~£51k

* Caveats:

- Based on one month's data for these new metrics
- M04 range reflects variation in transfer reads based on MPS data (August 2021 to July 2024)
- M06 assumes the same volume of lateness every month

Agenda

	Item	Presenter	Time
1	Welcome & update	Miles Robinson (Chair)	10 mins
2	Summary of proposal	Evan Joanette	20 mins
3	M04 and M06 charges and standards	Janet Judge	60 mins
4	M09 standards	Janet Judge	20 mins
5	Upcoming PAG workshops & AOB	Miles Robinson (Chair)	10 mins
			Total: 2 hours

Transfer read KPI M09



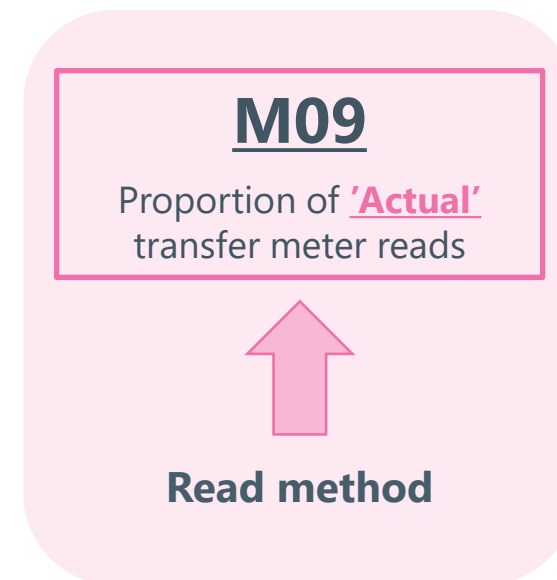
Performance charge

M04 Successful transfer read = read date within read window (-2 to +7 from registration start date) and read submitted within submission window (within 8 BDs of date the meter is read).



Performance charge

M06 only considers M04 failures where no read (actual or estimated) has been received.



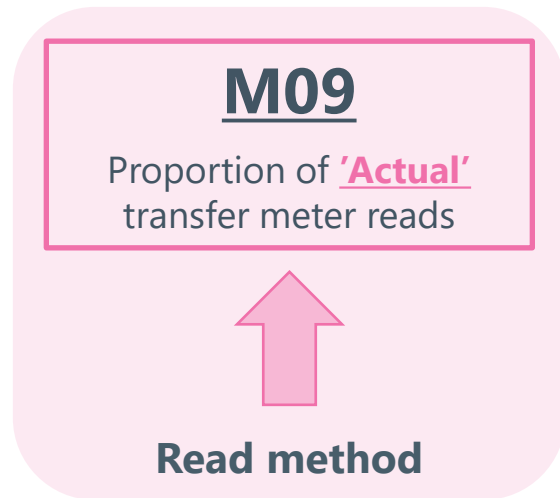
Performance charge set to zero

M09 only considers transfer reads that were expected within the reporting period.

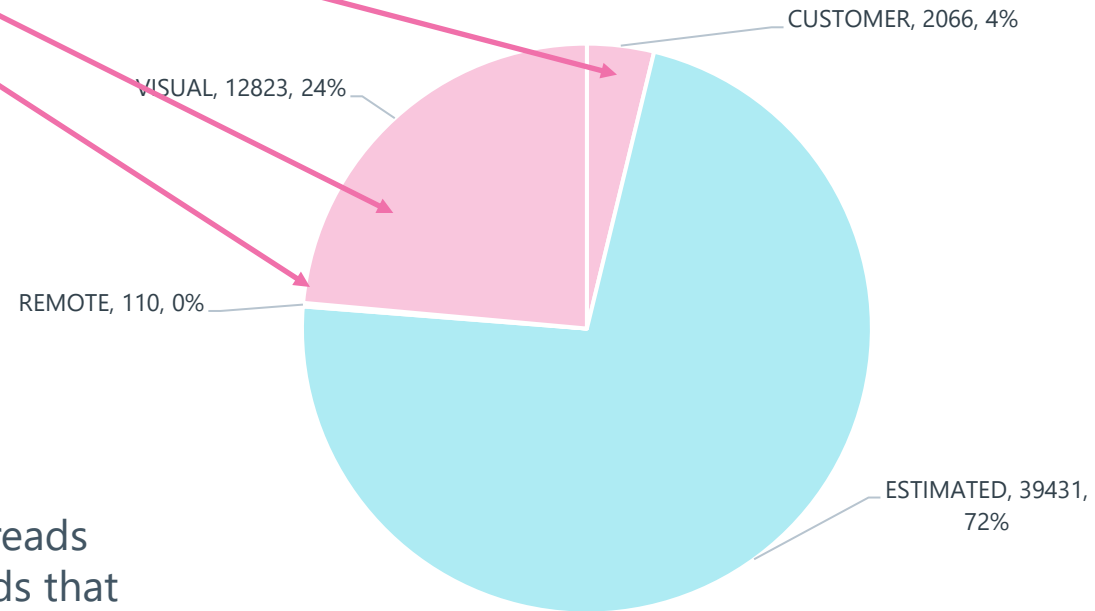
Following Consultation 4, the performance charge for M09 will be set to zero initially – Outperformance Payments subject to further discussion.

Reminder of M09 Design

Swift submission of **actual** transfer meter readings, taken within **proximity** of the “transfer date” (registration start date)



Split of Read Method



54430 Reads – Dated 01/04/2023 – 31/03/2024

■ CUSTOMER ■ ESTIMATED ■ REMOTE ■ VISUAL

M09 performance calculation: % of actual transfer reads vs all transfer reads, per month. Only considers reads that were expected within reporting period

Overarching rule: status as-is when report is run = status used for the metric calculations (as per logic today)

Performance standards

Rationale for M09 standard

- Standard recognises that market code ([CSD0102 2.2.27](#)) allows transfer reads to be estimated, under limited circumstances, as well as 'actual' reads (i.e. visual, customer or remote).
- Metering Committee has remit and interest in estimated transfer reads. MPF design would reflect any change to obligation.

M09 – Estimated v actual reads	
Proposed Standard	0%

Nb: the concept of **outperformance payments** is subject to further discussion and will not be introduced **initially**.

Agenda

	Item	Presenter	Time
1	Welcome & update	Miles Robinson (Chair)	10 mins
2	Summary of proposal	Evan Joanette	20 mins
3	M04 and M06 charges and standards	Janet Judge	50 mins
4	M09 standards	Janet Judge	30 mins
5	Upcoming PAG workshops & AOB	Miles Robinson (Chair)	10 mins
			Total: 2 hours

Upcoming PAG workshop(s)

Nb: subject to change

Date	Detail
30 January 2025	Charges and performance standards for M04, M06, M09 Transfer Reads
5 February 2025	Cyclic meter reads replay

AOB