

market focus

Welcome to our January edition of Market Focus, providing a monthly update on MOSL activities and the water retail market.

MOSL publishes draft 2021-24 Business Plan for consultation

On 7 January, MOSL issued its [draft 2021-24 Business Plan](#) for member consultation. This marks our first three-year rolling business plan, providing members, stakeholders and the market with greater clarity on our future plans and proposed improvement programmes.

Taking onboard feedback from the Panel, we engaged earlier and more proactively throughout the business planning process.

We issued the first draft of our plan to the Panel at the same time as the MOSL Board (November 2019), two months before sharing it for consultation with members. We are grateful for the Panel's constructive response, which can be found in Panel Chair, [Trisha McAuley's introduction](#).

We believe our approach resulted in a more considered and comprehensive plan through which we have challenged our priorities and sought efficiencies at every stage.

Our plan was built in two parts, both continue to focus on making

it 'easier to do business' in the market.

Core service delivery - 2021/24

Supporting the delivery of 'business as usual' core services, in line with our code obligations and wider member expectation. Our core service delivery plan is focused on consistent efficient, high quality delivery.

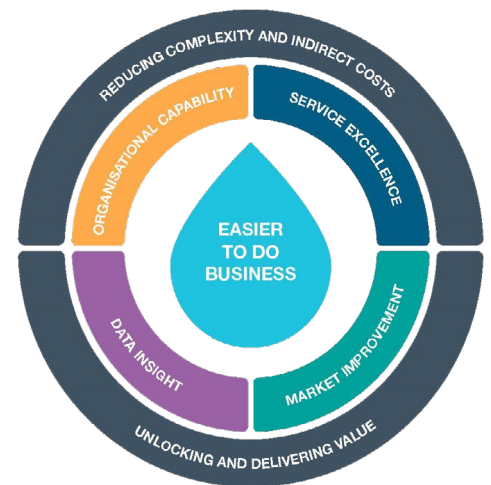
Improvement programmes - three-year plan to 2023/24

Our longer term delivery roadmap sets out how we will advance the market through our strategic priorities, building on and evolving our plan for 2020/21.

Our proposed budget for 2021/22

totals £11,315k across the two components and shows:

- The costs of our core service delivery are lower due to continued efficiency
- The costs of our improvement programmes is higher due to the short-term peak in the [Bilateral Transactions Programme costs](#)
- The overall budget is slightly higher - but the short-term increase in the cost of improvement programme will be funded from our reserves,



using saving realised in 2020/21.

- Our Market Operator (MO) charges will reduce by 1.1 per cent, reflecting the improved level of efficiency.



We encourage members and stakeholders to respond to the [online consultation](#) which runs until 22 January 2021. We will consider feedback before publishing our final plan for members to vote on in February.

The final plan will be published on 8 February with the General Meeting being held on 25 February.

If you have any questions on [MOSL's 2021-24 Business Plan](#), please email comms@mosl.co.uk.



Market Operator Services Limited (MOSL)

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R-MeX results

On 5 October, MOSL issued the [R-MeX survey](#) to all retailer Contract Managers and Deputy Contract Managers. The survey consisted of 10 questions covering topics such as wholesaler engagement, communication and data quality.

We received completed responses from 14 retailers, representing 87 per cent of the supply points and 85 per cent of the water consumption in the market. The largest five wholesalers (United Utilities, Thames Water, Severn Trent Water, Anglian Water and Yorkshire Water) received reviews covering on average 97 per cent of their market share.

The league table shows the average score received by each wholesaler reviewed across seven areas, corresponding to areas with a rating score. We have omitted the questions with open text fields only.

The 'overall service' column shows the average score given by retailers in response to how they would rate the wholesaler overall. We have not included wholesalers who received fewer than three reviews, as we do not believe this

Wholesalers League Table (Min 3 reviews)

Rank	Wholesaler	Overall service	Speed and quality of responses to service requests	Level of communication	Quality of data maintenance and improvement	Effectiveness of systems and notifications	Level of engagement and support	Effectiveness of financial policies	Reviews	Potential Review	Reviews Rate
1	Bristol Water	8.5	8.5	7.9	8.1	8.2	8.9	8.4	8	17	47%
2	Portsmouth Water	8.0	7.8	7.8	8.0	7.5	8.8	6.5	4	16	25%
2	Wessex Water	8.0	8.0	8.0	8.5	7.7	7.7	8.2	6	17	35%
4	Affinity Water (WSL)	7.8	8.1	7.3	8.1	8.0	7.9	7.2	8	17	47%
4	South East Water	7.8	7.2	7.8	7.5	6.2	7.2	7.0	4	17	24%
6	Anglian Water (WSL)	7.7	7.0	7.6	6.9	7.1	7.9	7.4	10	17	59%
6	South West Water	7.7	7.6	7.4	6.8	7.2	8.2	6.7	9	15	60%
8	Yorkshire Water	7.6	7.7	6.6	6.7	7.7	7.7	7.6	8	17	47%
9	SES Water	7.5	7.0	7.0	7.0	7.2	7.2	7.5	4	15	27%
9	United Utilities Water	7.5	7.6	7.2	7.9	5.4	7.9	8.2	8	17	47%
11	Southern Water	7.2	7.0	7.4	6.2	6.8	7.6	7.8	5	17	29%
12	Northumbrian Water	7.1	7.1	7.0	6.6	6.8	6.9	7.8	8	17	47%
13	Severn Trent Water	6.3	5.4	6.6	5.8	6.1	6.6	6.0	9	18	50%
13	South Staffordshire Water	6.3	5.8	6.8	6.0	5.5	6.0	6.3	6	17	35%
15	Thames Water	6.1	5.3	6.0	5.1	6.6	7.0	6.4	9	17	53%
	Market Average	7.4	7.1	7.2	7.0	6.9	7.6	7.3	106	251	42%

allows for a true reflection of their performance compared to those with more responses. The last column shows the total number of reviews received by each wholesaler, to provide context when viewing the results.

We are pleased to see strong performance of some wholesalers across most, if not all, service areas.

Whilst most scores were mid-

range (with each area scoring between five and seven), we commend Bristol Water, Portsmouth Water and Wessex Water for their strong results.

Wholesalers were sent their individual responses on Monday 7 December, including all written feedback, which we have asked wholesalers to review and make necessary improvements.

We will use responses from the next R-MeX to create comparative data that can be used to inform future improvements. Noting feedback from the last survey, we will work with trading parties to ensure the timing of the survey allows retailers to provide a full and comprehensive response.

Data cleanse Request for Information (RFI) next steps

In October 2020, we issued an RFI on core market data cleanse.

We invited trading parties to provide feedback on the:

- Cost-impact and benefits of data quality
- Benefits to improving data quality
- Required activities for maintaining data quality
- Recommendations for resolving data quality issues.

We received 24 responses from 14 wholesalers and 10 retailers. Overall, feedback on MOSL's data cleanse analysis and recommendations was positive.

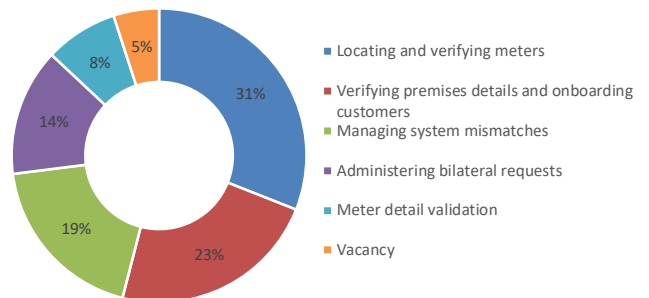
The majority of trading parties supported the prioritisation of the identified core data items and welcomed MOSL's focus to address data quality issues. 75 per cent of trading parties confirmed poor data has an adverse impact on market outcomes, including:

- Inaccurate settlement calculations leading to inaccurate customer bills
- Lack of ability to identify customers for tendering and switching
- High cost to serve for meter reading, onboarding of customers and verification of premises.

Trading parties were asked to provide details of the cost of maintaining data and resolving data quality issues. Based on our analysis of the responses, we estimate the annual cost to trading parties to be over £10m, with the following activities highlighted as the main resource cost:

- Locating and verifying meters
- Verifying premises details and onboarding customers
- Managing system mismatches

Data Cleanse Spend Breakdown



- Administering bilateral requests.

Reducing the cost to serve and improving market efficiency through improved data quality would enable trading parties to provide a better service to customers and potentially lead to greater value-added services and innovation.

As part of the RFI, trading parties confirmed:

- Additional data is still

currently being stored outside of the central system (CMOS)

- They support the use of new technology to improve the capture and accuracy of data
- They support the removal of meter manufacturer from the validation of meter read submissions.

We will publish the findings from the RFI at the end of January. This will include our high-level plan for data cleanse activities for 2021, in line with MOSL's [proposed three-year Business Plan](#).

MOSL Independent Non-Executive Board member Hunada Nouss honoured with an OBE

We are delighted to share that [Hunada Nouss](#) has been celebrated in the 2021 New Year's Honours List in recognition of her public service, in particular her work in education in her Board roles with the Education and Skills Funding Agency's (ESFA) and City, University of London.



Hunada said: "I was surprised and delighted to be awarded an OBE in the New Years Honours list. I am humbled by the recognition and grateful for this touch of good fortune in these unsettled times.

"I pay tribute to all those who work tirelessly in the public sector, particularly at this critical time and would like to take this

opportunity to thank my Board colleagues and all those I have worked with over the years for their support."

Hunada is currently a Non-Executive Director for a number of organisations, both public and private sector. She joined the MOSL Board as an Independent Non-Executive member in

November 2020.

Anne Heal, Chair of the MOSL Board, said of the news: "The MOSL board was thrilled to hear the news that Hunada, its newest member, has been honoured in the recent announcements. Our congratulations go to her on a very well-deserved award."

Market improvement: monthly Market Performance Operating Plan (MPOP) progress

Here is an update of our MPOP workstreams over the last month.

Workstream A: High quality customer and asset data

We will be publishing our findings from the Data Cleanse Request for Information (RFI) at the end of January 2021. Including our key findings and next steps to improve the quality of core market data across 2021. We are also developing dashboards to help trading parties track their data quality performance and prioritise their activity against a set of Additional Performance Indicators (APIs). We expect this to be available on the MOSL portal by the end of January.

We'd like to thank trading parties who responded to our New Connections RFI. We are currently reviewing the feedback and will provide a summary of the responses in the coming weeks.

We are analysing the responses to the consultation on change proposal [CPW106: 'De-registration of long-term vacant supply points'](#) and are working with the change proposal sponsor to assess whether to proceed with developing a draft recommendation report (DRR) or to consult again on an amended solution.

We have improved our internal reporting for the Vacancy Change Application (VCA) process, allowing us to better monitor the volume of applications. However, due to the extensive work required to develop and implement an interim solution for the VCA, MOSL is considering the case for a code change. We expect to confirm priorities and next steps for managing vacancy challenges by the end of January 2021.

Workstream B: Timely and robust consumption data

The outstanding deliverables for Workstream B are being covered by MOSL's comprehensive [Strategic Metering Review](#). This will include a proposal for sharing metering data, options for difficult to read meters and streamlining the meter read rejections process. We expect to be able to confirm the timelines and priorities in the coming months.

For more information on our [Strategic Metering Review](#) and its objectives, please read MOSL's 2021-24 Business Plan.



Workstream C: COVID-19 remediation activity

We have concluded that the use of a retrospective performance measure for Yearly Volume Estimates (YVEs) would be an effective way to monitor the accuracy of YVEs used in settlement going forward. This measure will be based on a comparison between the estimated and actual consumption when meter reads are submitted. We will publish further information before implementing this measure as an API.

We will also be publishing the findings of our Vacancy Strategy by the end of February 2021, including our targeted level of underlying vacancy and our proposed strategies for achieving it.

For more information, [visit the dedicated Market Improvement page of our website.](#)

CMOS transactions (all interactions by trading parties e.g. switches, meter readings etc)

December total:
3,031,274

25% = trading parties
75% = MOSL

Preparations begin for launch of Bilateral transaction pilot process in April

The [Bilateral Transactions Programme](#) has gained considerable momentum over the course of 2020 and we are working closely with trading parties, including through the programme's four advisory groups.

We are now underway with the first pilot process. In 2021, we will continue this momentum and will complete the design and user testing for additional processes and agree the code changes required to mandate the use of these processes.

We will deliver the majority of the Bilateral Transactions Programme this year - with three phases due in 2021/22. These include the introduction of a central 'hub' through which all bilateral processes and transactions will be managed.

The hub, including the C1 process, is due to go live in April when trading parties will be able to test the processes via the MOSL web portal and begin system-to-system integration. From July, it will be mandatory for trading

parties to use the hub to process C1 transactions, so we encourage members to start testing from April.

The next phase, including a further seven processes, is due to go live at the end of November 2021.

The bilaterals programme team provides regular updates to Contract Managers. The next presentation, which will focus on testing and implementation (April-July), will be held on

[Wednesday 27 January.](#)

For more information about the programme, its costs and deliverables across 2021/22, please read [MOSL's 2021-24 Business Plan](#).

If you have any questions about the programme, please email bilaterals@mosl.co.uk.

New Chair for Market Performance Committee

Following consultation with the Panel, MOSL is pleased to announce the appointment of [Pamela Taylor](#) as the new Chair of the Market Performance Committee (MPC). Pamela, as an Independent member of the MPC, will formally take over this role at the next meeting scheduled for the 28 January 2021.

Pamela is founder and CEO of Taylor Macpherson, a coaching and leadership training business, working with leaders, teams and organisations in regulated sectors to innovate and embrace change.

As well as being a qualified coach, Pamela has over 17 years of experience in the energy sector and was formerly a Director at Ofgem and FTI Consulting. Her other NED roles include; Chair of the Energy Switch Guarantee

Board, Chair of the Green Gas Certification Scheme Compliance Committee and Member of Western Power Distribution's Consumer Engagement Panel.

Pamela also holds the position of Deputy Chair of the Panel. We believe this is a great opportunity to strengthen the working relationship between the two groups.

Pamela will replace John Gilbert,

MOSL's Head of Planning, who has been Interim Chair of the MPC since July 2020. Pamela and John will be working closely together over the next month to ensure a smooth handover of roles.

Pamela said: "I'm excited to take on this role at a critical time with the results of the Satori Board Review likely to change both how the Panel works but also the MPC and the relationship between the two in the coming months."



Panel seeks nominations for Associated Retailer representatives

There has been a vacancy for an Associated Retailer Panel member since 1 April 2019 and following the notice that Michelle Burns (Water Plus), current Associated Retailer member does not intend to seek re-election when her term comes to an end this month, there are now two vacancies.

To enable the Panel to continue to function, [CPM022: 'Reducing Panel Quorum'](#) was passed to support the Panel to make decisions with an interim quorum until 31 March. However, it is in the interests of both the Panel and the market to have a full complement of retailer members.

Election

On 13 January we notified members that a Panel Nomination meeting will be held on Tuesday 9 February 2021.

Up to two Panel members,

nominated by associated retailers, will be appointed at the meeting. If there are insufficient nominations from associated retailers, the Panel Secretary will implement [CPM034: 'Retailer Panel Member Changes'](#) and appoint Panel members nominated by unassociated retailers.

Retailers can nominate candidates using the form on the [election page](#) of the MOSL website by Tuesday 2 February 2021. We also request that retailers notify the Panel Secretariat no later than Sunday 7 February, of who will be representing them in voting and participating in the

Panel Nominations meeting on 9 February.

Market Governance Review

Panel members are elected for two years and the current Panel term officially ends on 31 March. As this extraordinary nomination process takes place towards the end of the current elected Panel member's term of office, it would necessitate two elections back-to-back.

As part of the Panel's Market Governance review, the Panel is reviewing its composition. Ofwat is also considering [CPM036:](#)

[Provision to vary term of Panel Members](#) which, if implemented, would enable the Panel to request Ofwat to grant an extension to elected Panel members' terms.

In January, the Panel will consider if this potential provision should be used to extend the term of currently elected members, so the next election will be delayed until after any decisions on the Panel's composition have been made and changes implemented.

For more information on the Panel nominations process visit our [Panel Elections page on our website](#).

Diary dates

Here are some key events coming up over the next month.



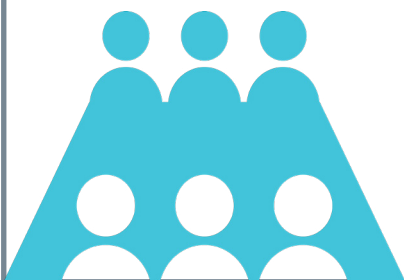
20 Jan	Disputes Committee	8 Feb	Final Business Plan voting opens
22 Jan	Business Plan consultation ends	12 Feb	Strategic User Forum
26 Jan	Panel Meeting 51	24 Feb	User Forum
27 Jan	MPC Meeting 46	24 Feb	MPC Meeting 47

Making changes: your change proposal update

Change Proposals

[CPW110: 'Sharing Non-Household Emergency Contact Details'](#)

This change seeks to introduce an agreed format of sharing non-household emergency contact details between trading parties.



[CPW111: 'Housekeeping change to align the codes with CMOS'](#)

This change intends to make housekeeping changes to Code Subsidiary Documents (CSDs) 0202, 0203 and 0301 in order to remedy inaccuracies relating to a small number of data transactions.

[CPW112: 'Clarifications to CSD 0102 and CSD 0105'](#)

This change is intended to enhance the clarity of the wording in CSD 0102 and CSD 0105 to ensure a consistent approach within the market when submitting a transfer read and performing a retrospective amendment.

Ofwat Decisions

[CPW085 - Premises Vacant transaction link to DPID](#)

This change seeks to implement CMOS validation to prohibit premises occupancy change to vacant if there is an active Discharge Point Identifier (DPID) on the premises. It also introduces a Service Level Agreement (SLA) for the wholesaler in Process G6 Termination to support a timely process for moving a premises to vacant with an active DPID.

Ofwat published its decision to send the change back for further assessment on 10 December.

News in brief

Panel Effectiveness Review

Satori Board Review presented its initial findings on Panel effectiveness at the December Panel meeting, taking comments and questions from Panel members. Satori will be presenting a full report of its findings and recommendations in January for the Panel to consider.

We will look to provide an update on the findings to the market within the next few weeks, including any actions and recommendations.

MOSL Q3 Quarterly Report

MOSL will be publishing its Q3 quarterly report on 28 January 2021. The digital report will include updated performance against our Key Performance Indicators (KPIs) and key services metrics.



Strategic User Forum

The third Strategic User Forum took place on 18 December.

The forum discussed and agreed its vision for the market, the priority focus areas to be addressed in the short, medium and longer terms and how the group should operate to ensure it can deliver tangible improvements in the following agreed areas:

- ◆ Upcoming MOSL improvements, particularly [Strategic Metering Review](#) and [Data Insight](#)
- ◆ Approach and engagement on PR24
- ◆ Market and water industry resilience e.g. delivering long term market aims such as water efficiency and how to withstand future resilience challenges.

MOSL also shared a first view of its stakeholder map, being developed to capture the various groups and forums across the market, their focus areas and how they interlink. We will be continuing to develop the map as part of MOSL's stakeholder engagement.

The next meeting will take place on Friday 12 February.

We welcome your comments and suggestions on the content of the monthly Market Focus update. Please email the [MOSL Communications Inbox](#) with any feedback.