

Minutes of Code Change Committee Public Session Meeting 34

10 December 2024

MS Teams

Status of the Minutes: **Final**

Anthony Pygram	AP	Independent Chair	Steve Creighton	SC	Alternative Customer Representative
John Vinson	JV	Customer Representative	Kye Smith	KS	Wholesaler Member
Mike Rathbone	MR	Wholesaler Member	Matt Glover	MG	Retailer Member
Euan Mitchell	EM	Retailer Member	Mike O'Connor	MO	Independent Member
Ulrike Hotopp	UH	Independent Member			

AFFILIATE MEMBERS PRESENT

Holly Woodhead	HW	Ofwat	Sarah McMath	SM	MOSL
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SECRETARIAT

Adam Richardson	AR	Panel Secretary	Helen Peace	HP	Secretariat
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OTHER ATTENDEES

Stuart Boyle	SB	MOSL Presenter (item 3)	Peter Strain	PS	Castle Water Observer
Tom Daborn	TD	MOSL Presenter (items 4 and 5)	David Morris	DM	Water Plus Observer
Andrew Johnson	AJ	Secretariat	Liam Burlinson	LB	Arbnco (item 5)
			Stephen Preece	SPa	Arbnco (item 5)

APOLOGIES

Sasha Pearce	SP	Ofwat			
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1 Welcome and Introductions

- 1.1 The Chair welcomed members to the 34th meeting of the Code Change Committee (the “Committee”).
- 1.2 It was confirmed that the meeting was quorate with all members in attendance.
- 1.3 Apologies received from SP were accepted.
- 1.4 The Compliance Statement was displayed, and Committee members were asked to declare any potential conflicts of interest in relation to the meeting agenda. None were declared.

2 Minutes and Outstanding Actions

- 2.1 The Committee noted that the minutes from Code Change Committee 32, held on 8 October 2024, were circulated for review before the meeting. The minutes were confirmed as an accurate reflection of the proceedings, subject to the two amendments incorporated into the copy of record. The open session minutes were approved for publication.
- 2.2 The Committee agreed that the following actions would be closed:
 - 2.2.1 • CCC21_01 – The schedule of change proposals and consultations completed in 2024 detailing which had included the ‘costs template’, was included in the presentation;
 - 2.2.2 • CCC33_01 – An additional chart had been included in the Change Report showing the average duration from ‘recommendation’ to implementation of all Code changes;
 - 2.2.3 • CCC33_02 – The Committee’s request for the prioritisation of PIP088, ‘Review of Estimated Transfer Read Conditions’ was sent to the Chair of the Metering Committee on Friday, 6 December 2024; and
 - 2.2.4 • CCC33_03 – The Phase One and Two metrics were communicated in the CCC MPF teach-in.
- 2.3 The Committee agreed that the following actions would remain open:

CCC23_02, CCC30_02 and CCC31_02 were deferred until the dates listed on the action log as previously agreed.

- 2.4 SB presented the analysis of the change proposals and consultations during 2023-2024 that used the cost template, as detailed in the meeting papers. The Committee discussed the findings, concluding that the efficacy of the non-obligatory cost template could not be assessed due to its low usage, with only two out of twelve change proposals and no consultations in the previous twelve months.
- 2.5 The Committee supported the assessment that accurate cost-benefit analysis, or cost-benefit analysis with a confidence ratio, would support better-informed decisions. The Committee proposed that the cost template remain optional, pending a recommendation being tabled in March 2025 on improving the cost-benefit analysis in support of proposed Code changes.

ACTION CCC34_01

3 Change Report

3.1 SB presented a summary of the Change Report, which highlighted the current delivery programme, upcoming changes, changes in the pipeline, consultations, trading party requests, post-implementation reviews and Ofwat decisions. The following points were highlighted:

- 3.1.1 • Changes implemented on 21 November 2024 included [MPF Reform – Governance \(CPM058 and CPW149\(a\)\)](#) and [MPF Reform – Non-Financial Tools \(CPM058 and CPW149\(b\)\)](#). Changes implemented on 6 December 2024 included [Transfer Read Notifications for Outgoing Retailers \(CPW148\)](#), [MAC and MOSL Articles Duplication \(CPM059\)](#). In addition, [Bilateral Hub – Additional enhancements pt3 \(CPW139h\)](#) was implemented on 13 December 2024;

SM joined the meeting at 9.54 am.

- 3.1.2 • An additional chart included in the Change Report, showing the average duration from recommendation to implementation, was NOTED;
- 3.1.3 • Three changes had completed the initial assessment; the two included on the agenda for acceptance and prioritisation at this meeting included [CMOS Data Retention Beyond Seven Years \(CPW157\)](#) and [Customer and Third-Party Access to Consumption Data \(CPM060 and CPW156\)](#); both had consultation processes associated with the proposal but with differing timeframes. The third [Data/Report Release to Public Bodies \(CPM061](#)

[and CPW158](#)) would be presented in January 2025, as would Bilateral Hub (Additional enhancements pt4 (CPW139i); and

- 3.1.4 • The additional pipeline changes included;
- Review of Estimated Transfer Read Conditions (PIP088) and Cyclic Read Skip Codes (PIP224) were expected to be tabled in February 2025,
 - Standardising the Definition of Sensitive Customer Data (PIP216) was expected to be tabled in April 2025, and
 - The two new changes, Clarifying Deferral Rules (PIP211) arising from an audit conducted by MOSL, and Interim Supply: Customer Data – Enduring (PIP184), dependent on the post-implementation review of the change [Interim Supply: Customer Data Provisions \(CPW137\)](#) which would be presented in the Spring were noted.
- 3.1.5 • The consultation dashboard was noted, with SB highlighting that the extension of the consultation phases for [Interim Supply: Cost Recover Mechanism \(CPW153\)](#) and [Interim Supply: Initial Cost Support \(CPW154\)](#) would impact the authority timetable for those changes which were due to be tabled in January 2025;
- 3.1.6 • SB advised that the [BR-MeX changes \(CPM052 and CPW140\)](#) would be tabled in February 2025 and not January 2025 at the request of Ofwat to allow for presentation at the Code Advisory Group post the release of the final determinations on 19 December 2024; and
- 3.1.7 • The schedule of post-implementation reviews was noted.

4 CMOS Data Retention Beyond Seven Years (CPW157) for acceptance

- 4.1 The proposal, put forward by Water Plus, sought to extend the Code obligation on the Market Operator to retain CMOS data for seven years. The rationale for the change was to prevent the potential impact, in certain circumstances, on charging within the 44-month settlement window and refunds issued after this period of deleting historical data.
- 4.2 The deletion of historical data would affect meters with large gaps between actual readings, particularly long unread meters (meters without an actual reading in CMOS in the previous 12 months) and legacy long unread meters (meters without an actual reading in CMOS or where the last actual reading was prior to market opening). Examples provided by the proposer included scenarios with long unread meters, where CMOS generated ‘g reads’

intended to crystallise consumption between actual readings had been removed. The proposer believed refunds in the 'deadzone' period after the window for unplanned settlement runs had closed would be affected if historical data was deleted.

- 4.3 MOSL's assessment of whether the Code change proposal had met the acceptance criteria and the change proposal plan, detailed in the meeting papers, was noted. Members of the Committee stated that there were use cases for historical data beyond settlement and cautioned against a routine approach to data deletion. The extent to which data deletion was an industry-wide issue remained unclear.
- 4.4 TD outlined the areas of assessment, which included the number of affected meters and the materiality of the impact, post-RF data amendment practices, data deletion practices in other markets, technical implications of any amendment, the impact on forecasting and water efficiency, GDPR compliance risk, and the need for customer consent.
- 4.5 AJ confirmed that data deletion had been due to commence in September 2024 in line with MOSL's interpretation of the Codes and GDPR guidelines. This had been paused pending the outcome of the Code change proposal; however, there were costs associated with the retention of this data, as outlined in the meeting papers. The Committee noted differences in views on the interpretation of the Codes in terms of the retention period and the classification of 'meter reads' as 'personal data'.
- 4.6 AP reminded the Committee that work on only one of the two proposed changes for consideration could commence immediately due to resource constraints; accordingly, the decision on prioritisation would be considered only after considering both changes.
- 4.7 Members of the Committee proposed that there was a need for a comprehensive data retention policy and clear communication of this in the privacy notices issued. It was further proposed that a data protection impact assessment was required to inform the rationale for the retention of data beyond seven years if required. The Committee challenged whether the matter being proposed was related to a Code change or whether data retention was a MOSL policy matter. Some members noted that it was not good practice to hold data without good reason; for the majority of customers, there was no reason to hold their data longer.
- 4.8 The Code Change Committee:
- 4.8.1 • AGREED (eight in favour, one against) that CPW157, CMOS Data Retention Beyond Seven Years, passed the Acceptance and Prioritisation Criteria. The dissenting member did so

on the basis that in their assessment, a policy change, as opposed to a Code change, was required;

- 4.8.2 • AGREED (unanimously) the scope of the assessment as outlined in the meeting papers.

5 Customer and Third-Party Access to Consumption Data (CPM060 & CPW156) for acceptance

As the proposers of this Code change, Liam Burlinson and Stephen Preece from arbnco, joined the meeting at 11.00 am.

- 5.1 The proposal by arbnco, included in the meeting papers, aimed to introduce a centralised mechanism for access to consumption data. The current model restricts third-party and customer access to consumption data impacting Environmental, Social and Governance (ESG) reporting, consumption forecasting, water efficiency initiatives, data insight, and customer engagement and awareness.
- 5.2 The assessment covered the current data retrieval process, stakeholder impacts, third-party and customer use cases, processing access requests, centralised data access models in other sectors, GDPR and data privacy impacts, and future central systems like a granular data sharing hub for smart meter data.
- 5.3 The Committee discussed the proposal with the following points being highlighted:
- 5.3.1 • The need for ESG reporting by real estate investment trusts and property management firms, and the need for ongoing maintenance and improvements to support sustainability objectives;
- 5.3.2 • The extent to which retailers or the bill-paying customers were not sharing the consumption data required for reporting purposes was highlighted as a challenge which fell outside of the obligations of the market to resolve;
- 5.3.3 • The extent to which the classification of meter readings and consumption data were 'personal data', directly or indirectly, and the limitations on the sharing of personal data was noted;
- 5.3.4 • There were financial implications of providing access to data, as well as possible financial benefits which third-parties may realise as a result of access to the data within CMOS, and whether these benefits could be derived by MOSL and used for further development was highlighted as a consideration;

- 5.3.5 • Some members of the Committee were supportive of the principles of open data and improved transparency; however, there was a need to understand the Strategic Panel's views on open source and open data, and it was incumbent on the Committee to take its steer from the Strategic Panel;
- 5.3.6 • The Code change presented was a single-use case; however, MOSL confirmed that there were numerous requests for access to consumption data and a holistic approach would require consideration;
- 5.3.7 • The Committee's support for innovation and third-party solutions to improve market effectiveness was noted;
- 5.3.8 • MOSL's assessment of whether the Code change proposal had met the acceptance criteria and the change proposal plan, detailed in the meeting papers, was noted; and
- 5.3.9 • A member raised a concern about the impact on resources relative to the benefit of progressing a change which may benefit only a small number of large corporates and not necessarily bill-paying customers, querying whether the proposal met the primary principle of benefiting customers. In addition, the Committee noted that the data protection provisions of GDPR would require consideration.

5.4 The Code Change Committee:

- 5.4.1 • AGREED (eight in favour, one against) that CPM060 and CPW156, Customer and Third-Party Access to Consumption Data passed the acceptance and prioritisation criteria. The dissenting member did so on the basis that alignment with the views of the Strategic Panel required consideration and whether it was appropriate that MOSL would share the requested information;
- 5.4.2 • AGREED (unanimously) the scope of the assessment as outlined in the meeting papers.

Liam Burlinson and Stephen Preece left the meeting at 11.31 am.

- 5.5 The Committee discussed the prioritisation of the two accepted Code changes at this meeting and those changes which were 'in-flight' considering the resource limitations. The Committee noted that the deletion of data change would be placed on hold; however, there were costs associated, as outlined in the meeting papers, with data retention. The Committee further noted links between CPW157 CMOS Data Retention Beyond Seven Years and CPW152 Post-RF Customer Refunds, which was 'in-flight'; MG and TD undertook to explore the impacts and provide feedback to the Committee.

ACTION CCC34_02

- 5.6 HW advised that the Interim Supply: Initial Cost Support (CPW154) and Interim Supply: Cost Recovery Mechanism (CPW153) were delayed until March 2025 because the consultation took longer than anticipated.
- 5.7 The Code Change Committee **AGREED** (six in favour, three against) with the recommendation that CPM060 and CPW156 Customer and Third-Party Access to Consumption Data would be prioritised immediately, with CPW157 CMOS Data Retention Beyond Seven Years to commence in March 2025.

JV and EM left the meeting at 11.41 am.

6 AOB

- 6.1 AR advised that the Strategic Panel would seek to fill two roles on the MPF Reform Steering Group, one immediately due to the establishment of the Performance Assurance Committee and one following MR stepping down from several industry groups.

CLOSED SESSION

7 Committee Reflections

- 7.1 Committee members shared their learning from other market governance committees and groups they had participated in and reflected on the meeting.