

A stylized illustration of a woman with dark skin, curly hair, and glasses, wearing a blue top. She is holding a document titled "Your water bill". The background is a teal and light blue geometric pattern.

MOSL

Market Performance Framework (MPF) Reform

Consultation 5
Pre-event pack

23 April 2025

MPF Consultation 5

- Consultation 5 ran from 7 February to 15 March 2025
- The consultation presented proposals for:
 - Performance standards for Phase 1 KPIs (see slide 2)
 - Performance Assurance Committee (PAC) adjustment of KPI performance standards
 - Performance charges for Phase 1 KPIs
 - Performance charge cap
- 21 stakeholders responded to the consultation: 12 Wholesalers, 8 Retailers, 1 Other (CCW)
- The following documents are also available on the [MOSL website](#):
 - Quantitative feedback (published 14 March)
 - Stakeholders' verbatim comments
 - Responses to c500 individual comments



About this document

- This slide deck outlines the 22 feedback themes that were identified from stakeholders' responses to Consultation 5
- The 22 themes have been grouped into categories, which will form the basis of a series of discussions at the in-person event on Thursday 24 April
- MOSL's "minded to" position for each discussion point is provided on slide 11
- It is expected that the remaining feedback themes, all of which are included in the detailed response document, will be covered in more general discussion
- Trading parties will be invited to identify other issues that they may wish to discuss on the day.
- MOSL will issue further communications following the in-person event.

Phase 1: priority KPIs

Cyclic Meter Read KPIs

- M01 Cyclic meter reads performed within SLA (biannual/ monthly)
- M02 Proportion of smart meters read
- M19 Cyclic non-market meter reads performed within SLA (biannual or monthly)

Transfer meter read KPIs

- M04 Proportion of transfer meter reads performed/ submitted within SLA
- M06 Lateness of overdue transfer meter reads
- M09 Proportion of transferred SPIDs with estimated reading

Draft agenda for 24 April (subject to change)

No	Item
1	Welcome, aims and introductions
2	Consultation 5 process and overview of feedback
3	Session 1: Plan – size of data sample used for modelling
4	Session 2: Plan – updated implementation plan
5	Session 3: Design – cyclic meter read KPIs (M01/M02) – separate or combined
6	Session 4: Design – cyclic meter read variants for non-market meters (M19)
	Lunch
7	Session 5: Design – actual transfer reads (M09) – KPI or Additional Metric
8	Session 6: Performance standards
9	Session 7: Performance charges
10	Open Forum – discussion
11	Summary and next steps

Responses

- 21 responses
- Nearly 500 individual comments
- Post-consultation publications:
 - 14 March: quantitative feedback
 - 17 April: verbatim comments, detailed responses to comments
 - 23 April: overview of key themes (this document)
- **Thank you to everyone that responded to the consultation**



Wholesalers	Retailers	Other
Affinity Water	Business Stream	CCW
Anglian Water	Castle Water	
Dŵr Cymru (W)	Everflow	
Northumbrian Water	Pennon Water Services	
Portsmouth Water	Water2Business	
South East Water	Waterscan	
South West (inc Bristol)	WaterPlus	
Southern Water	Wave	
Thames Water		
United Utilities		
Wessex Water		
Yorkshire Water		
12	8	1

22 themes identified from feedback

Theme	Group
T1: The performance standard is too high or low, lacks sufficient rationale or disagree with rationale	Standards
T2: The performance charge is too high or low, lacks sufficient rationale or disagree with rationale	Charges
T3: The overall performance charge cap is too high or low	Charges
T4: The proposals put market stability at risk	Charges
T5: Comments relating to distribution of MPF performance charges	Charges
T6: The +/- 5% points tolerance for PAC to change standards is too great/too little	Governance
T7: The 12-month tolerance for PAC to change standards is too infrequent/too frequent	Governance
T8: The metric should not be a KPI	Design
T9: The KPI design is not appropriate, including suggestions for improvement, requests for clarification, etc	Design
T10: The proposals are inconsistent	Design
T11: The proposals do not support competition	Design

22 themes identified from feedback

Theme	Group
T12: The proposals are too complicated/require clarification	Design
T13: The proposals do not sufficiently account for factors that are outside parties' control	Design
T14: Concerns related to smart and cyclic meter read KPIs	Design
T15: The proposals lack parity in the treatment of Wholesalers and Retailers	Design
T16: The proposals create a disincentive for parties to collaborate and may increase the risk of inappropriate behaviours, e.g. raising bilaterals inappropriately.	Design
T17: The underlying data sample on which the proposals are based is insufficient	Plan
T18: Concern related to the current delivery timeline/shadow period/implementation	Plan
T19: Will we/when will we have access to our company's performance data?	Plan
T20: The proposals will not fix the issues in the market	Other
T21: Concern related to market code obligations/definitions	Other
T22: Comments relating to MOSL's MPF/Consultation 5 process or governance	Other

Grouped into six categories

Plan	Design	Performance standards
<ul style="list-style-type: none"> • Underlying data sample is insufficient • Concern related to timeline/shadow or implementation • Query whether and when trading parties will have access to their performance data 	<ul style="list-style-type: none"> • Metric(s) should not be a KPI (Ref: M02, M09) • KPI design is not appropriate or needs clarification (Ref: M01, M02, M09, M19) • Proposals do not support competition • Proposals are too complicated/require clarification • Proposals do not account sufficiently for factors outside TP control • Proposals lack parity in treatment of Wholesalers and Retailers • Proposals create a disincentive for parties to collaborate and may increase the risk of inappropriate behaviours, e.g. raising bilaterals 	<ul style="list-style-type: none"> • Performance standards are too high or too low (Ref: M01, M02, M19) • Standards lack rationale

Grouped into six categories

Charges	Governance of standards	Other
<ul style="list-style-type: none"> • Performance charges are too high or low (Ref: M01, M02, M19) • Charges lack rationale • Performance charge cap is too high or low • Proposals put market stability at risk • Concerns that MPF designed to generate funding for redistribution purposes, e.g. Market Improvement Fund (MIF) 	<ul style="list-style-type: none"> • PAC ability to adjust standards by +/-5% is too great/too little • Requirement that the PAC can only adjust a KPI standard once in a 12-month period is too infrequent/too frequent 	<ul style="list-style-type: none"> • The proposals will not fix the issues in the market • Concerns related to market code obligations/definitions • Comments relating to MOSL's consultation process or governance (see 'what to expect' slide)

Key themes we are not planning to discuss in detail

The following proposals had broad support from stakeholders in response to Consultation 5:

#	Theme	Topic	MOSL “minded to” position
-	Governance	PAC ability to adjust standards by +/-5% too great/too little	Moving forward as proposed
-	Governance	Requirement that the PAC can only adjust a KPI standard once in a 12-month period is too infrequent/too frequent	Moving forward as proposed
-	Performance charges	Retain current overall Performance Charge cap	Moving forward as proposed

Key themes for discussion with MOSL's "minded to" position



#	Group	Theme	Next steps
1	Plan	Whether underlying data sample used for modelling is sufficient	Change: Complete data set with 3 month "lookback" will be shared with Trading Parties and CCC
2	Plan	Concerns relating to timeline, shadow period or implementation plan	MOSL to present updated plan today
3	Design	Whether M19 (non-market meter reads) should be split into 8 variants (monthly/bi-annual, each with internal/external, traditional/smart variants), or simplified	No change: minded to keep the proposed design of M19
4	Design	Whether M09 (proportion of actual transfer reads) should be a KPI (visible publicly) or 'Additional Metric' (PAC only)	Change: minded to change M09 from KPI to Additional Metric
5	Design	Whether M01 (cyclic meter reads of traditional meters) and M02 (cyclic meter reads of smart meters) KPIs should be kept separate or combined	No change: minded to keep M01/M02 as separate KPIs
6	Standards	Whether performance standard for monthly internal M01 (cyclic meter reads of traditional meters) should be reduced to match biannually read meters	Change: minded to reduce the standard for monthly internal M01 KPI only
7	Charges	Whether the performance charge for biannual M19 (non-market meter reads) should be £17.50 as proposed, or lowered to £10 (rationale as per M01)	Change: minded to reduce the charge for biannual M19 only to £10

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If you have any
questions, please
raise them via
[MyMOSL](#)

