

MARKET OPERATOR SERVICES LIMITED

Minutes of a meeting of the board of directors held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG on 10 January 2017 at 10.36 a.m.

Present:	Andrew Pinder (AP)	Chairman
	Margaret Beels (MB)	Independent Director
	Ben Jeffs (BJ)	Chief Executive Officer
	Peter Bucks (PB)	Independent Director
	Peter Simpson (PS)	Undertaker Director
	John Reynolds (JR)	New Entrant Director
In attendance	Steve Lyon (SL)	MOSL Finance Director
	Samir Rahim (SR)	MOSL IT Director
	Tara McGeehan (TM)	CGI (VP Utilities)
	Lucy Bridge	Addleshaw Goddard LLP

1 Preliminary

- 1.1 A quorum being present, the Chairman declared the meeting open.
- 1.2 The chairman reminded those present that the meeting had been duly convened to consider and, if thought fit, approve certain proposals in relation to minutes of the last meeting, 15 December General meeting minutes, Letter of assurance/Market readiness, CGI/MOSL System close out plan and finance update.
- 1.3 As required by section 177 Companies Act 2006 and the articles of association of the Company each director present with an interest in the proposed business declared to the meeting the details of the nature and extent of that interest.

2 Minutes of the last meeting and action log

- 2.1 The minutes of the last meeting were discussed and approved and the open matters were discussed and acknowledged.
- 2.2 The Board reviewed and approved the General meeting minutes from the meeting which took place on 15 December 2016.

3 Letter of Assurance/ Market readiness

- 3.1 Ahead of the third Letter of Assurance the MOSL Board dedicated the January meeting to reviewing the current state of MOSL's readiness programme.
- 3.2 The Executive presented a paper covering market framework, central market operating system (CMOS), MOSL and participant readiness;
- 3.3 Market framework
 - 3.3.1 The policy framework was now largely in place and discussed the risks associated with any system affecting changes arising from the recent consultation on market codes and operational testing of untested policy areas (e.g. gap site allocation, interim supply code, first/last resort, small company derogations etc.)

- 3.3.2 The Board raised concern around any system change that may be required as a result of any late code changes being made and requested this be raised with Ofwat at the next meeting.
- 3.3.3 The Board noted the Programme partners have confirmed that pre-switching should be enabled in March so that all customers that subject to an exit are on supply with their chosen retailer at the start of the market.
- 3.3.4 The Board noted MOSL was currently working to find a solution on to how to implement Retail Exit, given a significant proportion of the market is subject to exit on 1 April. The Board discussed the potential risk this poses and requested Management provide an update paper on the Market Exit solution. **(Action; BJ)**
- 3.4 System readiness
 - 3.4.1 The Board noted the continuing progress made on CMOS. The Board were satisfied that much of the core functionality required to support customers was in place and proven. Testing continues on release 2.3 which is the major change release ahead of Market opening.
 - 3.4.2 It was noted that a final release (R2.3.1) will be required ahead of market opening and that work was ongoing to the 'close out' of remaining defects, that are required improve confidence and minimise any impact at market opening.
 - 3.4.3 The Board noted a further one-week delay in the deployment of CMOS Release 2.26 into production and of Release 2.3 into the market participant sandpit environment and agreed to raise this with Tara McGeehan (CGI) as part of the "Plan on a Page" update later in the meeting.
 - 3.4.4 The Board were provided an update on the continued constructive support being received from participants, via the CIO Forum and User groups.
- 3.5 MOSL Ready
 - 3.5.1 The Board noted the progress being made on settlement assurance and the Executives' view that more needs to be done by MOSL and market participants to assure customer journeys post market opening in the "switch to collect" cycle.
 - 3.5.2 MOSL is still progressing its work in building its operational capabilities and establishing the enduring panel. Certain processes are in place and being operated, whilst others have been built but not tested. There are still a number of processes that will require further development that is planned leading up to market opening.
 - 3.5.3 PwC have commenced their market audit work to support the letter of assurance and wider market audit for which the finding will need to actioned.
 - 3.5.4 The Board discussed the assurances they would require ahead of signing the letter of assurance. **(Action SL to include papers in Board pack for 7 February)**
 - 3.5.5 MOSL is required to sign an accession agreement to the code in respect of their position as market operator, the Board asked for clarity on the process and the MOSL obligations. **(Action SL)**

3.6 Participant ready

The Board discussed the level of transactions being performed within the production shadow market system and the Executive's concern about whether full advantage was being taken by all market participants to prove and improve the quality of their data ahead of market opening

4 System close out plan

SR entered the meeting at 11.33am to provide an update to the Board on CGI's performance since the last board meeting ahead of TM's presentation of the Plan on a Page.

TM entered the meeting at 12.03pm.

4.1 Tara McGeehan (CGI UK Vice President) presented the "Plan on a Page" (PoaP) which captures all MOSL and CGI system close out activities required ahead of market opening.

4.2 The Board reiterated the importance of the market opening on time in the best shape possible and the need for hands-on and effective management to close out the remaining activities that have been agreed to the required level of quality in a way that build confidence and trust in the CMOS service.

4.3 Tara provided CGI's assurance to the Board that the plan would be fully resourced with the right capabilities to provide confidence in delivery to market opening and beyond and Steve Thorn (CGI, UK President) will be invited back to the February Board to update on progress.

TM and SR left the meeting at 13.22pm.

5 Finance Update

5.1 Explanations for the variances to budget for the month of December were presented by SL.

6 Closure of the meeting

There being no further business, the Chairman closed the meeting at 14.11pm.

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Chairman