

## Minutes of Panel Meeting 12

31<sup>st</sup> October 2017 | 10:30 – 17:00

Held at Holborn Bars, 138-142 High Holborn, London, EC1N 2NQ

Status of the Minutes: Draft

### MEMBERS PRESENT

Margaret Beels	MBe	Chair	Nicola Smith	NS	Panel Member (Unassociated Retailer)
Mike Brindle	MBr	Panel Member (Associated Retailer)	Dylan Freeman	DF	Panel Member (Wholesaler)
Simon Wilshire	SW	Panel Member (Associated Retailer)	Howard Smith	HS	Panel Member (Wholesaler)
Jon Vinson	JV	Independent Alternate Panel Member (for Associated Retailer)	Mark Holloway	MH	Panel Member (Wholesaler)
Helyn Mensah	HM	Panel Member (Independent)	Chris Scoggins	CS	Affiliated Panel Member (MOSL)
Nigel Sisman	NS	Panel Member (Independent)	Dan Mason	DM	Affiliated Panel Member (Ofwat)
Elsa Wye	EW	Panel Member (Independent)	Christina Blackwell	CB	Affiliated Panel Member (CCWater)
Richard Moore	RM	Panel Member (Unassociated Retailer)	Adam Richardson	ARI	Panel Secretary
Trevor Nelson	TN	Panel Member (Unassociated Retailer)			

### OTHER ATTENDEES

Elliot Bird	Meeting Secretary	Mike Hancock	Presenter (South East Water)
Chris Arnold	Presenter (MOSL)	Rob Smith	Presenter (South East Water)
Mihai Ciurba	Presenter (MOSL)	Gerard Lyden	Presenter (Thames Water)
Oscar McLaughlin	Presenter (MOSL)	Lord Rupert Redesdale	Presenter (The Water Retail Company)
Zainab Mohammed	Presenter (MOSL)	Rob Curry	Observer (MOSL)
Rebecca Mottram	Presenter (MOSL)	Liz D’Arcy	Observer (MOSL)
Harry Osei-Tutu	Presenter (MOSL)	Lewis Jones	Observer (MOSL)
Abu Rashid	Presenter (MOSL)	Jim Keohane	Observer (MOSL)
Emma Taylor	Presenter (MOSL)	Stephen Winnie	Observer (MOSL)
David Gandee	Presenter (PwC)	Priya Singh	Observer (Ofwat)

Sam Mahey	Presenter (PwC)		
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## APOLOGIES

Wendy Monk	Panel Member (Associated Retailer)
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## 1. Welcome and Introductions

### Purpose: For Information

- 1.1. The Chair began the meeting by welcoming the Panel to its Twelfth meeting.
- 1.2. The Chair gave Wendy's apologies to the group, and introduced Jon Vinson as her appointed Alternate for the meeting.

## 2. Minutes and Outstanding Actions

### Purpose: For Decision

#### 2.1. Minutes

- 2.2. The Panel **AGREED** upon the accuracy of the minutes and for the final minutes to be published on the MOSL website.

#### 2.3. Actions

- 2.4. The Panel agreed to close 11 actions (**A1\_01, A06\_04, A06\_11, A07\_07, A11\_01, A11\_02, A11\_03, A11\_04, A11\_05, A11\_06** and **A11\_07**) from the previous meetings, based on the update provided by the Secretariat.

## 3. Update from Ofwat

### Purpose: For Decision/Information

- 3.1. Dan Mason (DM) from Ofwat provided an update to the Panel on Ofwat's work since the last meeting and began by providing an update on change proposals of which 3 are currently in the internal review process and likely to reach a decision within the next week. DM also indicated that Ofwat would be reviewing the Retailer Exit Code and was looking to publish a consultation document in the coming weeks.
- 3.2. It was highlighted that a consultation for the conditions for companies' agreement on license simplification was being drafted and will be circulated soon.
- 3.3. An update was provided on the planned credit review. DM noted that any work would take account of issues sent to the Panel in light of its request for information and any further issues identified by Ofwat. The intention of Ofwat was to finalise the scope of the review before the end of the year.
- 3.4. A Panel Member requested an update on the previous mentioned interim supply process test, which Ofwat reported to be in the final stages of formalising and that there would be a draft available in the new year.

3.5. The Panel **NOTED** the presentation from Ofwat.

## 4. Update from MOSL

### **Purpose: For Information**

- 4.1. Chris Scoggins (CS) the Chief Executive of MOSL provided an update on the key activities at MOSL including the appointment of Mel Karam as the new Wholesale Director on the MOSL board and the extension of time for the Retailer Director elections.
- 4.2. CS highlighted the first draft of the MOSL Business Plan, which had been based on feedback received by members in the CEO questionnaire mentioned previously, and a CEO event that was held on the 25<sup>th</sup> of October. Comments have been requested from members by the 10<sup>th</sup> of November. An updated version will be issued by the MOSL Board on the 30<sup>th</sup> of November. A MOSL members' meeting to approve the plan, will be held on December the 15<sup>th</sup>.
- 4.3. CS also highlighted that MOSL will be moving Office on the 01<sup>st</sup> November 2017, to Monument in London, which will deliver savings of £186,000 a year. The accommodation will have the facilities to host Panel and Committee meetings.
- 4.4. CS informed the Panel of the industry request for a digital strategy committee, and that nominations had been requested for the group by the 27<sup>th</sup> of October. He confirmed there had been a good response to the request.
- 4.5. An update was provided on the most recent meeting of the User Forum, which had 22 representatives attend in person and 17 attended online. CS also confirmed that the next meeting of the User Forum will be on the 9<sup>th</sup> of November at CGI's offices.
- 4.6. CS informed the Panel that CMOS release 3.0 had gone live, which delivered 18 changes to the code and systems as well as a number of defect fixes. A second update to the system went live on the 20<sup>th</sup> of October to address a small number of defects in release 3.0.
- 4.7. CS also informed the Panel that the Quarterly review had been published on the 26<sup>th</sup> of October which had attracted some media attention.
- 4.8. The Panel **NOTED** the presentation from MOSL.

## 5. Change Report

### **Purpose: For Information**

- 5.1. The Panel was provided with an update on the Change Report that had some minor improvements made, following actions from the previous Panel meeting.
- 5.2. The Panel was pleased with the changes that had been made to the Change Report and had no further comments on the amendments made.
- 5.3. The Panel **NOTED** the contents of this paper.

## 6. Initial Written Assessment CPW022 - New Connection Retailer Unknown

### Purpose: For Decision

- 6.1. The Panel considered a proposal that sought to allow Wholesalers to leave the “Retailer ID” field blank when requesting a new connection SPID in CMOS for a connection type of “NEW” (Standard new connection) or “CU” (Entry Change of Use).
- 6.2. The Proposer highlighted that currently Trading Parties cannot obligate customers to choose a Retailer, which has caused issues with the submission of new connections into CMOS. The Data Catalogue requires a Retailer ID to be submitted in order to register a new connection, which because of the previous point is not always possible. In order to work around this, Wholesalers have been submitting these new connection sites without Retailers as gap sites, which do not require a Retailer ID to be registered. The Proposer felt that, in doing this, a Wholesaler was not technically compliant with the code, which was especially relevant given that Market Performance Standards measures are being implemented in April 2018.
- 6.3. The MOSL presenter provided the Panel with a summary of the high-level impact assessments made by CGI on the 3 different systems solutions to the problem described within the Change Proposal paper. These assessments implied that there are two options available for between £10,000 - 100,00, one of which will provide a field for Wholesalers to include reasoning why a Retailer ID has been left blank and one which does not. The other solution was a more comprehensive introduction of a new systems process for registering New Connections, which would have a higher cost between £75,000 and £125,000.
- 6.4. The Proposer explained that the change was working to a strict timetable because of a desire for the change to be implemented ahead of the introduction of the new performance charges. To implement this change in time, it was required to have an Authority decision by November, which meant the Proposer had to consider how to engage the industry prior to putting the change forward. The proposer had therefore presented the change to the Wholesaler Interface Group (WIG) and the User Forum where it was received positively. The change had also been subject to a request for information (RFI) issued by MOSL.
- 6.5. The Proposer reported the responses from the Request for Information, which indicated significant support from the industry with a very small number of negative impacts being provided by the respondents.
- 6.6. The Proposer highlighted that previously there have been questions from Trading Parties asking how you can prevent mistakes, once this change is implemented. The Proposer could confirm that currently they were aware of only one customer out of hundreds of New Connections who has selected a water retailer. However, this question had prompted the solution option were the Wholesaler must provide a reason why the field is blank.
- 6.7. The Panel:
  - **AGREED** to recommend the implementation of the presented second implementation option of CPW022 to the Authority for approval; and

- **AGREED** the proposed implementation approach and the implementation date to align with the March 2018 release.
- 6.8. A question was raised by a Panel Member whether Portfolio Managers currently capture work arounds that are being used in the industry. MOSL could confirm that it currently captures issues that are flagged to them where similarly to this change, an improved long-term solution should be sought. The Panel raised an action for MOSL to report on the work arounds currently being used in the industry.

#### **ACTION 12\_01**

- 6.9. **Post Meeting Note:** Detailed Impact Assessment received from CGI has confirmed that there is an impact on XSDs. This has been documented in the Recommendation Report to the Authority.

## 7. Initial Written Assessment CPW023 - Market Entry and Market Reassurance Update

### **Purpose: For Decision**

- 7.1. The Panel considered a proposal that sought to amend CSD 0001, the Market Terms, Definitions, Objectives and Principles, and the Market Arrangements Code, to streamline the market entry code documentation and re-align with the licensing and appointment processes.
- 7.2. The Proposer described the 4 issues this set of changes sought to address, across the MAC and the WRC which were:
- Current alignment of Market Entry Assurance and Ofwat licensing processes create delays for applicants.
  - Ambiguities and inefficiencies in the process steps of Market Entry Assurance that MOSL would like to clarify, to ensure applicants have a full understanding of the process.
  - The Market Re-assurance process does not allow for Trading Parties to scale required Re-assurance in the same way as the Market Entry Assurance process.
  - Inefficiency within the Market Entry process due to Trading Condition requiring Retail Applicants to have a Wholesale Contract in place to become a Trading Party.
- 7.3. A Panel Member asked for clarification on whether this change would mean that a retailer could switch a customer without a Wholesale Contract in place. MOSL clarified that this is not possible without the Wholesaler first confirming within CMOS that a Wholesale Contract is in place with the Retailer. The presumption was that the Wholesaler would not do so unless there was a contract.
- 7.4. Another question was raised by the Panel whether a Retailer could enter CMOS as a Trading Party without a Wholesale Contract and access data about every SPID, and whether this would raise a data protection issue. MOSL clarified that the Retailer would be licensed at this point in the process and bound by the terms of the licence, and therefore would already be prohibited from using the market dataset in this way.
- 7.5. The Proposer also highlighted that several obligations to report to the Panel have been removed, which was based on confidentiality considerations. Information on business plans and strategies will

remain confidential and are not appropriate to be reported to the Panel, applicants have also previously indicated that they are uncomfortable sharing their plans with the Panel and request they remain confidential. The Panel requested that, in absence of this reporting, if it could be provided with a redacted non-confidential version of this.

- 7.6. A Panel Member requested clarification on what criteria the Market Operator uses on assessing the business plans new Retailers provide. MOSL confirmed that it does not assess the viability or profitability of a business plan, it will only assess whether Trading Parties will be able to uphold their obligations under the code.
- 7.7. The Panel agreed that it would prefer to consider the change at the January Panel meeting, rather than December, which would give more time for Trading Parties to respond to consultation. Based on this the Panel agreed to a 20 Business day consultation, rather than the previously recommended 10.
- 7.8. The Chair suggested that the consultation contain an additional question that asks whether there are any further simplifications to the processes that could be made.
- 7.9. The Panel:
  - **AGREED** to progress the Change Proposals CPW023 & CPM005 to the Industry Consultation;
  - **AGREED** the questions to be considered in the Industry Consultation; and
  - **AGREED** the proposed implementation approach and the implementation date of March 2018 release.

## 8. Initial Written Assessment CPW024 - Settlement Renaming and Report Updating

### **Purpose: For Information/Decision**

- 8.1. The Panel considered a Change Proposal that sought to amend CSD 0201: Settlement Timetable and Reporting to better differentiate between consecutive and successive numbering and also clarify how settlement files are issued to Trading Parties so as to confirm existing custom and practice.
- 8.2. The Proposer highlighted that the new wording reflected current practices and if the change was not implemented the Market Operator would have to change its current processes. The Panel noted that, as this change sought to clarify existing working practices, it was likely this that Trading Parties may also be impacted if this change was not implemented.
- 8.3. The Panel unanimously:
  - **AGREED** to recommend the implementation of CPW024 to the Authority; and
  - **AGREED** the recommended implementation date of 1st December 2017, if the Authority's decision is received before 24th November 2017, otherwise it will be implemented in the March 2018 release.

## 9. Initial Written Assessment CPW025 - Extending TCORR Functionality for Inactive Data Items

### **Purpose: For Decision**

- 9.1. The Panel considered a proposal to extend the functionality of TCORR transactions to enable the amendment of Data Items when a SPID has been deregistered, removed or terminated.
- 9.2. A Panel Member requested clarification on whether the change was addressing an error in the codes, or whether it is to address the way the system has interpreted the code. The Proposer clarified that the proposal is looking to amend existing code provisions and therefore requires a Change Proposal.
- 9.3. The Panel noted that the Change Proposal may need further assessment and that it was unlikely that the change could be implemented in the next major release (March 2018). Panel Member agreed that the change should be progressed to facilitate timely implementation taking account of the defined release schedule.
- 9.4. A Panel Member requested clarification on how this issue might affect customers. It was clarified that, if Retailers use CMOS data to directly bill customers this issue could lead to customers being wrongly billed.
- 9.5. A Panel Member suggested that a dual control security could be implemented, in order to allow this kind of amendment to happen, which would require agreement from Wholesalers and Retailers.
- 9.6. The Panel agreed that it would be beneficial to discuss this item at the 9<sup>th</sup> November User Forum and that there would be value in providing a longer consultation.
- 9.7. The Panel unanimously:
  - **AGREED** to progress CPW025 to the Assessment stage.
- 9.8. The Panel requested that the Proposer and MOSL report to the Panel in January with a recommendation report, and that a simple update on the progress of the change should be provided in December.

## 10. MOSL Business Plan 2018/19

### **Purpose: For Information**

- 10.1. CS provided an overview of the outcomes to date of the MOSL Strategic review and key principles of the 2018/19 business plan, an update on the results of the CEO survey sent to Trading Parties and an update from the CEO event hosted by CS and JK on 25 October. Panel Members input was sought.
- 10.2. The Panel noted that the business plan for 2018/19 was underpinned by two overriding principles: the need for cost and efficiency to remain at the top of MOSL's agenda, especially in recognition of the external challenges being faced by member organisations; and the need to ensure MOSL does not jeopardise the stabilisation of the market in the pursuit of short-term cost efficiencies.

- 10.3. CS confirmed that the business plan and budget were designed to provide members with a compliant, efficient and effective market operator that delivers a stable and well-functioning market in terms of systems and service, and facilitates market change to allow the market to develop and evolve.
- 10.4. The Panel noted that the draft business plan incorporated a total base budget of £8.9 million, marking a significant reduction from the £10.2 million budget for 2017/18 and in the £9.6 million target 2018/19 pre-agreed by members in the 2017/18 business plan. Panel Members noted that in addition to the base cost the business plan included £1m for change costs and £0.8M for the market audit (vs. £2m and £0.8 million in 2017/18).
- 10.5. A Panel Member requested clarity on where the digital strategy committee (DSC) will be funded from, and whether it will be from the Change budget. It was confirmed that any recommendations from the DSC will require a business case that will be presented to members on a case by case basis that will include the mechanism for funding – reflecting the fact that changes might be sought and funded by a sub-set of MOSL members. Where DSC recommendations require changes to the market codes, these changes would be progressed and funded in the usual way.
- 10.6. To provide feedback on the business plan, it was agreed that each constituency of Panel Members should elect a representative to attend a sub-group meeting. The Market Operator took an action to communicate with Panel Members to arrange this session. The Panel agreed the following timetable for considering the business plan:
- Form a group with one Panel representative from each of the 4 constituencies
  - Give Panel Members until **Friday 10th November** to submit comments
  - Group to meet **w/c 13th November** to draft Panel responses
  - Draft Panel response circulated by **17th November**
  - Comments from Panel Members within 3 working days and no later than **22nd November**
  - Group meeting on **23rd November** to submit to MOSL

**ACTIONS 12\_02 and 12\_03**

- 10.7. The Panel **NOTED** the presentation from MOSL.

## 11. Market Incident Management Group Sub-Committee Terms of Reference

### **Purpose: For Decision**

- 11.1. The Panel considered a draft revised Terms of Reference (ToR) for the Market Incident Management Plan (MIMP) Committee, as a framework for Panel discussion. This item also included a draft Terms of Reference (ToR) for the Incident Management Group, which is the sub-group of the Market Incident Management Plan Committee, as a framework for Panel discussion.
- 11.2. Rob Curry introduced himself to the Panel, as he will be managing the Business Continuity Planning for MOSL in future.

11.3. The Panel:

- **AGREED** the final version of the Terms of Reference and publishing on the MOSL website;
- **AGREED** to appoint the chair of the MIMP Committee as the Market Operator's IT Director;
- **AGREED** MOSL commences with the nominations process for Committee Members;
- **NOTED** the draft Terms of Reference for the Committee sub-group; and
- **NOTED** that the Terms of Reference of the Committee sub-group will be reviewed by the MIMP Committee and will be subsequently presented to the Panel for approval.

## 12. Developer Services

**Purpose: For Decision**

- 12.1. The Panel considered an approach to review a range of suspended provisions which relate to new connections in the Operational Terms.
- 12.2. The Panel noted there are a number of changes occurring in the regulation of Developer Services. The charging rules for new connections are being changed, and will require Wholesalers to publish their methodology on how they charge new developments. The D-Mex measure is being developed, which will measure the satisfaction of developers with Wholesaler services. Ofwat has also completed its investigation into the NAV market which has highlighted issues around pricing, behaviours and barriers to entry. Further, Water UK has set up a reporting suite of metrics relating to new connections which are published quarterly.
- 12.3. MOSL highlighted that the review of the Developer Services provisions was discussed at the most recent User Forum meeting. A number of Trading Parties noted the evolving regulatory landscape and expressed doubt that there was a case for introducing Developer Services provisions in October 2018.
- 12.4. The Panel also noted that developers may not fully understand the impact of the introduction of Part A, and that there was a need for further engagement on this topic.
- 12.5. The Panel agreed that if the introduction of the currently suspended provisions were to be deferred, there should be significant justification for doing so.
- 12.6. When asked to provide a view, Ofwat indicated that it was appropriate to re-consider the timing of introduction of the suspended provisions. In Ofwat's view, the scale of change in the regulatory landscape that had occurred and was continuing to be progressed, meant there was merit in considering deferring the implementation of these suspended provisions beyond October 2018.
- 12.7. Panel Members felt that any extension of the suspension should be for a defined period. The Panel noted that MOSL could not raise a change proposal in this area and asked that, if Ofwat felt the suspension should be extended, Ofwat should consider raising a change proposal to this effect. The Panel indicated that such a change should be progressed before January 2018. The Panel agreed that this approach should be supported by a workplan to review the suspended provisions and requested that MOSL work with Ofwat to develop a co-ordinated plan that ensured a full review of Part A could be undertaken well before any suspension is lifted. When asked to provide a view, Ofwat indicated

that they agreed with the Panel's initial thoughts to defer the introduction of these provisions, given the expected regulatory changes in this area.

12.8. The Panel:

- **NOTED** Ofwat's preference for extending the suspension of the Developer Services provisions, in light of ongoing regulatory work in this area;
- **AGREED** that MOSL should return to a subsequent Panel meeting to enable the Panel to consider a potential Change Proposal that would extend the suspension of these provisions; and
- **AGREED** that it would consider the timing and scope of the review of Developer Services in light of this draft Change Proposal and the ongoing regulatory work.

### 13. Update on CPW019 - *Alternative Eligible Credit Support Assessment*

**Purpose: For Information**

- 13.1. The Panel was provided an update on the progress of the assessment of the Change Proposal CPW019.
- 13.2. The Proposer of CPW019 attended the meeting and notified the Panel of a material change in circumstances following the last Panel meeting on 26th September, where the Panel had agreed to progress CPW019 to a Working Group. The Proposer formally requested that, due to a this change in circumstances, the Panel consider expediting the process to be able to make a recommendation to the Authority in the week commencing 20th November.
- 13.3. The proposer contends that the current forms of Eligible Credit Support are only available to large companies and negotiation of Alternative Eligible Credit Support with Wholesalers is very challenging. The Proposer contended that the solution reduced the working capital requirements which would benefit Unassociated Retailers and new entrants.
- 13.4. A Panel Member asked whether the escrow account arrangements, outlined in this change, would be provided as supporting material for this change. The Proposer confirmed that was the intention and that it would work to prepare these for inclusion in the industry consultation documents.
- 13.5. MOSL provided three work plans that set out possible timeframes for this Change Proposal. As of the Panel meeting only one of the timelines could facilitate a recommendation to the Authority in the week commencing 20<sup>th</sup> November. This timeline required an ad hoc Panel meeting in the week beginning 20<sup>th</sup> November. The Panel noted that this timetable would not allow for a Working Group to meet and assess the change.
- 13.6. Representatives from Ofwat suggested there was potential to have a Working Group with a reduced consultation period which could be brought as a late paper to the November Panel meeting. Panel Members expressed concern with a curtailed consultation period on a very complex and detailed issue. Many Panel Members noted that an extended consultation period would be preferable over any expedited process.
- 13.7. The Panel asked the Authority whether clarity on whether committing to making a recommendation to the Authority on the 12<sup>th</sup> December and the obligation to negotiate in good faith would alleviate the issues being faced by the Proposer. Ofwat confirmed that negotiating in good faith does not require

Trading Parties to wait for outcomes of changes, it only requires them interpret the codes as they stand and any proposals in good faith.

13.8. A Panel Member suggested that it would be beneficial to discuss the issue at the User Forum on the 9<sup>th</sup> of November to support the consultation. The Panel also discussed the benefit of having a Q&A session and the proposer offered to provide their contact details on the solution to answer any further questions respondents have.

13.9. Based on the time constraints the Panel agreed to stand down the Working Group, and instead hold a sub-group meeting of the Panel on the 2<sup>nd</sup> November 2017. The purpose of this meeting was to review the solution and associated legal text and consider specific questions that need addressing prior to the consultation.

13.10. The Panel agreed the following timetable:

- A meeting of a sub-group of the Panel to occur on the **2nd of November** to finalise issues outstanding.
- A 10-day industry consultation on the Change Proposal between the **6th and 17th of November**.
- An ad-hoc Panel meeting to take place on the **21st or 22nd of November** to come to a final decision.
- The Authority to receive a recommendation for the change from the Panel on the **22nd or 23rd of November**.
- The Proposer agreed to inform the Panel if the circumstances affecting their request to expedite the process change. In this instance, the results from the industry consultation would go to the November Panel meeting.

13.11. The Panel

- **AGREED** to decommission the Working Group.
- **AGREED** to an expedited timetable for progressing this change.

## 14. Monthly Committee Updates

**Purpose: For Information**

14.1. The Panel was provided with a monthly update on the activities of the Panel Committees, which have met since the September 2017 Panel meeting.

14.2. It was highlighted by the Chair of the Market Performance Committee (MPC) that a consultation on the Market Performance Standards (MPS) had just concluded and that there were 24 respondents, which have provided useful feedback.

14.3. The Chair of the MPC also confirmed that the aim is still to introduce charges in April. The MPC will make sure it is as transparent as possible in its work and an update will be provided to the 9<sup>th</sup> November User Forum.

- 14.4. The Chair of the MPC highlighted that the Committee will need a recommendation and conclusion report for the December Panel meeting, as well as a well-formed Change Proposal. As the Committee is likely to be under time pressure it is likely the Chair of the MPC will request the Panel agree the approach and delegate responsibility to the MPC for recommending the change.
- 14.5. The Chair of the Trading Disputes Committee could confirm that one trading dispute had arisen, but it did not reach the Committee because the parties involved resolved the dispute very quickly bilaterally.
- 14.6. The Chair of the TDC also highlighted that currently the codes require a 1% materiality rule, in terms of primary charges for that settlement period, or a materiality threshold value of £10,000 to be met in order to raise a Trading Dispute. This raised an issue in the Trading Dispute because the amount of money in the aforementioned dispute was significant but it did not meet the materiality rule. It is the intention of the TDC to raise a change to review this materiality threshold in future.
- 14.7. The Panel noted that the data protection provisions recommended by the Committee were currently out for industry consultation. The deadline for this consultation was the 3<sup>rd</sup> November 2017.

## 15. Update from the Market Auditor

### **Purpose: For Information**

- 15.1. The Panel received an update from the Market Auditor on the progress of the site visits as part of the market audit, which have been completed.
- 15.2. The Market Auditor highlighted there has been good engagement with the audit team and they have observed good practices from Wholesalers and Retailers assisting each other.
- 15.3. The Market Auditor also noted six key themes:
  - Data quality issues, such as inaccurate master data;
  - Management of shared supply points (SPIDs) and challenges around interpretations of the code, specifically with eligibility of customers and communal households;
  - Observed inefficiencies in bilateral processes;
  - Issues on cyclic meter reads caused by a lack of meter reading, which means settlements will be based on estimates, and CMOS is allowing through invalid meter reads which make the issue worse;
  - CMOS functionality impacting data quality; and
  - Trade Effluent issues, particularly the significant decreases in Trade Effluent consents.
- 15.4. The market auditor informed the Panel that the hematic issues report will be finalised in November.
- 15.5. A Panel Member raised the question whether eligible credit support been raised as an issue. The market auditor representatives could confirm that it had been raised several times.
- 15.6. A Panel Member requested clarity on how the MOSL audit would feature in the site visits and general market audit. The market auditor confirmed that it will be working in three separate work streams for

MOSL, Trading Parties and the system. Each of These three work streams will be reported on separately.

- 15.7. The Market Auditor confirmed that MOSL had received an interim report on Market Operator compliance that was completed in the first month of the market and work is ongoing with a full report being completed in March.
- 15.8. The Panel **NOTED** the presentation from the market auditor.

## 16. Any Other Business (AOB)

**Purpose: For Information**

- 16.1. There was no further business and the Chair closed the meeting.

**CLOSED SESSION**

## 17. Trading Disputes Committee Nominations and Approval

**Purpose: For Decision**

- 17.1. The Panel reviewed nominations received for the Panel to appoint one Retailer member to the Trading Disputes Committee.
- 17.2. In total, there were three nominations received, two were from Associated Retailers and one was from and Unassociated Retailer.
- 17.3. The Panel:
- **APPOINTED** Kirstie King from the nominations received to the Trading Disputes Committee; and
  - **NOTED** once appointed, MOSL will seek a confirmation letter and employer release letter for the newly appointed committee member.

### Actions:

- A12\_01** MOSL to report on the work arounds currently being used in the industry.
- A12\_02** Panel Members to elect a representative, for each constituency, to attend a group meeting.
- A12\_03** MOSL to organise the panel sub-group session to provide feedback on the business plan.

The next Panel meeting is scheduled for: **28<sup>th</sup> November 2017, 10:30 – 15:30, at:**

**MOSL Offices**  
**16-18 Monument Street**  
**London**  
**EC3R 8AJ**

**The nearest tube stations are Monument, Bank and London Bridge**