

Trade Effluent Issues Committee Meeting 02 - Minutes

5th December 2017 | 10:30 – 16:00

Grand Connaught Rooms, 61-65 Great Queen St, London WC2B 5DA

MEMBERS PRESENT

Name	Role
Natasha Sinnett	Chair (MOSL)
Zainab Mohammed	Water Operations Lead (MOSL) pm
Chris Arnold	Market Analyst (MOSL)
Evan Joannette	CCWater
Matthew Atkin	Wholesaler
Patricia Quintana	Wholesaler
Andrew Stringer	Wholesaler
Mark Needham	Wholesaler
Jenny Mclean	Retailer
Janet Bulbick	Retailer
Carolina Zenklusen	Retailer
Phil Sinclair	Retailer
Jamie Mack	Retailer

PRESENTERS

Name	Party
Daniel Rowe	Wholesaler

APOLOGIES

Name	Party
Ian Myers	Environment Agency
Tony McHattie	Wholesaler

OPEN SESSION

1. Welcomes and Introductions

1.1 The Chair began the meeting by welcoming the Committee to the meeting.

2. Minutes and Actions Update

2.1 The Committee **AGREED** the minutes of TEIC meeting 01 subject to the following amendments;

- Relabeling of action numbers on the minutes
- The addition of action *TEIC01_012 – circulate an example of the support form for short term consents.*

2.1 Actions *TEIC01_01, TEIC01_02, TEIC01_05, TEIC01_06, TEIC01_08 & TEIC_10* were closed.

2.2 Updates were given on the following actions;

- *TEIC01_03* – The committee were informed that a diagram detailing the various formal groups that the TEIC could consider had been developed but the cut off dates for each Committee had not been captured. MOSL agreed to circulate diagram prior to the next Committee meeting.
- *TEIC01_04* – Members were informed that the most update to date cut off dates for each release could be found via the MOSL change report and the MOSL change page. MOSL agreed to send across the current view of the cutoff dates for each release at which point the action will be closed.

3. Approach and Framework

3.1 The Chair informed Committee members that the Panel had considered the approach and framework document and were generally happy with the Trade Effluent Issues Committee (TEIC) recommended approach and framework. Panel members noted the high level of formality in the document. Additionally, Panel members suggested that TEIC members could include additional wording to capture NHH related issues and were pleased to note that the TEIC had already established an issues register.

3.2 Feedback from Committee members was discussed. In general, members were happy with the document, however some Committee members expressed the view that the approach and framework would benefit from additional clarification points on the matrix to ensure that a consistent approach is taken with respect to impact and effort.

3.3 The Chair informed the Committee that Panel members were interested in the way that the issues raised to the Committee and the respective TEIC recommended actions would be incorporated into the market audit response.

- 3.4 The presenter reminded the Committee of what was not expected to be in scope of the TEIC. In particular legislative problems and technical issues which involve a limited number of parties were highlighted as examples of issues that would not be suitable for the TEIC. Members expressed the view that the scope of the TEIC should be to consider only the market wide Trade Effluent issues.
- 3.5 A Committee member highlighted that the determination as to what should be considered trade effluent and what is not trade effluent would not be an appropriate topic of discussion for the TEIC and informed members that it is the responsibility of individual Wholesalers to make that determination.
- 3.6 MOSL agreed to update the framework and approach document in light of feedback from members and the Panel and populate the remaining sections before circulating to TEIC members again for further comment.

TEIC02_01

4. Issues Update

- 4.1 The Committee were informed that after receiving priority rankings from individual members, MOSL consolidated the individual priority rankings to obtain an aggregate TEIC prioritisation.
- 4.2 The chair informed the Committee of the objectives of the session, these were to;
- To consider the re-prioritised list and make a determination on the suitability of the list.
 - Check and discuss any issues/risks that are important but cannot be dealt with by the Committee.
 - Confirm issues that should be escalated or addressed to another party for resolution or attention
- 4.3 For issues that will require assistance or input from other parties such as OFWAT or EA it might not be possible to align monitoring or action with the Committee processes, noting however that here would be an expectation that where an issue is transferred to another party, the TEIC would be given updates.
- 4.4 The presenter circulated the consolidated prioritisation to members for review and asked for feedback on the following,
- Whether the consolidated log was an accurate reflection of the Committee members views.
 - If it is appropriate what action should be taken e.g. developing an existing change, developing a new change etc.
 - How to appropriately merge issues
 - How the committee wishes to proceed with the prioritisation.

- 4.5 The Committee reviewed the aggregate issues and noted that a large number of issues were duplications and suggested that the merging exercise should be conducted before assigning actions to individual items.
- 4.6 Some members of the committee had provided suggestions of merged issues. The presenter used a suggestion of the merged issues for Committee members to consider within the meeting.
- 4.7 Committee members considered the data group, members decided to remove *TEI028 – Ensuring that data aligns and remains accurate across the water SPID, Waste SPID and DPID* with the rationale that this is a question of CMOS limitations as opposed to a data issue and *TEI071 – systems do not fully support trade effluent processes leading to incorrect data* as Committee members felt that this was a CMOS issue as opposed to a data issue.
- 4.8 Committee members considered the issues that had been grouped by learning. Members discussed *TEI032 – There is a risk that not all Retailers will correctly understand the relationships in the market including the Environment Agency*. Members expressed the view that this might not be an appropriate issue for consideration by the TEIC, as the relationships with the Environment Agency or the Regulator would be a matter outside the Committee scope.
- 4.9 Committee members discussed *TEI067 – The emphasis on dealing with Trade Effluent samples has switched from Wholesaler to Retailer. This has increase demand on resource, increases the risk of customer detriment, complaints and compensation and where a customer fails to settle a TE bill this increases the risk of bad debt write off*. Committee members believed that a separate category should be established to consider issues relating to sampling and removed it from the learning group.
- 4.10 MOSL agreed to summarise the different themes from issues grouped in the learning category and create a draft schedule of training sessions for consideration by the Committee.

TEIC02_02

5. Change to G\02 Form

- 5.1 The presenter gave a brief summary of the history of the G/02 change proposal and informed members that the proposal for the G/02 was considered by both the Interim Codes Panel (ICP) and the Trade Effluent Practitioners Network (TEPN)
- 5.2 The proposal was described to the Committee. It was explained that the current drafting replaces the annex A list in the G/02 form with a hyperlink reference to an up to date list of hazardous substances. The intention of the proposal is to remove the need to constantly request formal change proposals where hazardous substances are amended or added.
- 5.3 An outline of a different suggested change proposal on the G/02 form was discussed. The key aspects of this change are detailed below

- Section 7 – Remove questions relating to average days, canteens etc. on the water consumption information section of the form.
- Section 2 – Add a sub section to select the type of discharge, this is to include a temporary consent (less than 6 months) as an option.
- Sections 2e, 3 – Typographical amendments.
- Section 5 – Adjustments to the sub meter information request.
- Section 10 – Separate discontinuation and termination to improve usability and a clarification on volumes of discharge so that they are always given in m³.

Post Meeting Note: As this Change Proposal predated the new proposal for a temporary TE consent, Section 2 is not required.

- 5.4 The presenter defined the objectives of the session. This was to come to a determination on whether a single change proposal should be progressed to make the update to the G/02 annex containing the list of hazardous substances to be discharged/stored on site or create a complete list of required changes to the G/02 form and include the update to the aforementioned list in a wider change proposal.
- 5.5 The Committee **NOTED** comments from the EA. The Committee highlighted the importance of the point relating to the ambiguity in the term “low risk”.
- 5.6 A member expressed the view that an important factor in determining whether the change should remain separate or be aggregated was the effects of the change on Trading Party IT systems. The Committee agreed that if there were changes to Trading Party IT systems it would be preferable to progress the change as a single change.
- 5.7 The Committee could not determine if the change would or would not have an impact on Trading Party systems and concluded that as this determination could not be easily made, the change should be progressed as a single item i.e. it was assumed that there might be a need for changes on Trading Party IT systems.
- 5.8 Committee members agreed to conduct a mini workshop to consider the Change Proposal in further detail and bring forward recommendations to the next TEIC meeting.

TEIC02_03

6. Yorkshire Water Change Proposal

- 6.1. A Retailer member of the Committee highlighted the need to understand the metrics on the number of temporary consents are received. While Committee members were asked to provide analysis on the numbers, this may need to be expanded to all wholesalers who offer TE services. A Committee member agreed to ask TEPN for this further analysis.

6.2. Committee members highlighted that the exclusion of charges from CMOS does not mean that charges for services are not levied.

6.3. Committee members considered the following three scenarios relating to short term consents;

- Short term consents processed using the procedures detailed in the market codes and billed within CMOS
- Short term consent processed using the procedures detailed in the market codes and billed as non-primary charges i.e. outside of CMOS, and;
- Short term consents are not processed using the procedures in the market codes and not billed within CMOS i.e. outside of CMOS.

6.4. The Committee discussed the implications of using market processes but not CMOS billing as an option to handle short term consents. An attendee confirmed that was current practice already for some Wholesalers.

6.5. The Committee discussed the case where short term consents are not processed using the procedures in the market codes and not included in CMOS. MOSL confirmed that Wholesalers are not permitted to provide Retail services under the exit regulations. For this reason, it was agreed that short term consents are part of the market and must be processed by a Retailer.

6.6. The Committee discussed action *TEIC01_09 – Committee Members agreed to determine the number of consents that they currently receive and the percentage of those requests that meet the ten day requirement*. The Committee members gave figures and noted that in all cases there has been a drop in the number of consents that have been submitted. Committee members noted that this could be an indication that individuals are not applying for consents that should be applying for consents and, that this should be considered as a compliance issue. A member suggested that this drop in consent applications could be a result of the complexity and the difficulty to interpret and complete the G/02 form.

6.7. Numbers suggested for one off discharges or temporary consents during the meeting in relation were:

2016	2017
96	30
240	90
200	90
120	45
200	90

- 6.8. A Committee member noted that a number of Retailers have chosen not to provide Trade Effluent services and questioned whether Retailers should be able to do this as their license conditions specify that Retailers must supply all services.
- 6.9. A Committee member expressed the view that there was a problem with the current queries process as in some cases Wholesalers are not getting the appropriate level of visibility on query handling. It was noted that where a customer contacts the retailer to make an enquiry, there should be a means of tracking and following up these queries to determine whether a consent application is made. There was a range of points raised about the potential operational difficulties in doing this, particularly if a national retailer receives a query, but the customer alternately uses another retailer service.
- 6.10. Wholesaler Committee members discussed that it was previously easier when queries were sent to Wholesalers by customers to monitor the number of queries that led to trade effluent consents being issued and the number that did not lead to consents being issued as well as conducting follow up actions in a timely manner.
- 6.11. Members discussed the different approaches to submitting applications for temporary consents. A number of different current practices were discussed, some Trading Parties are requesting that Retailers submit fully completed G/02 forms whilst other Trading Parties have created bespoke forms to capture the required information.
- 6.12. A Member highlighted the importance of SLA monitoring with any solution that is drafted. If the solution is not codified the member believed that it is unlikely to be monitored or holistically adopted.
- 6.13. Members expressed the view that inputting billing information into CMOS may needlessly complicate and prolong the billing process. Additionally, Members highlighted that making a SPID go tradable can take a relatively large amount of time compared to the period in which the temporary consent process ordinarily takes to complete.
- 6.14. The case of building water was considered as this is a similar case to temporary trade effluent consents. The Committee highlighted the following differences;
- Building water supplies tend to be planned whereas temporary trade effluent consents may not be. and;
 - Building water takes place at a permanent site whereas with temporary consents this may not be the case.

The Committee concluded that these differences were sufficient to treat temporary trade effluent in a different manner to that of building water.

- 6.15. A member informed the Committee that in the Scottish market temporary consents are not entered into the central systems.
- 6.16. The Committee unanimously **AGREED** to recommend that temporary consents (< 6months) are bound by market processes for trade effluent consents but charged as non-primary charges.
- 6.17. Committee member held a wider discussion relating to the treatment of NHH customers and Contractors and discussed the possibility of a new section on the forms that distinguishes between owner/occupier and the owner of the consents and the discharge.

7. MPC Action to TEIC

- 7.1. The presenter informed the Committee on the background on the Market Performance Committee (MPC) and were reminded of their request to provide the MPC with suggestions of appropriate standards to monitor trade effluent performance.
- 7.2. The presenter explained the differences between Operational Performance Standards (OPS) and Market Performance Standards (MPS). The Committee were informed that MPS may be chargeable upon failure and measure transactions. There are two types of MPS, those that consider either a submission date or data item date contained within a submitted transaction and count a specified number of days, if an expected follow up transaction or data item has not been submitted within that specified number of days an MPS charge is levied. The second type considers the differences of dates on submitted transactions, if the difference between the dates exceeds a specified difference a charge is levied. Charges on MPS are due to come into effect next April.
- 7.3. OPS are wholesaler self-reporting against processes defined within the operational terms. They measure Wholesaler performance to Retailers hence the new measure would need to relate to the Wholesalers SLA and not Retailers. Currently there are no charges associated with reporting failures.
- 7.4. The Committee highlighted that the MPC consultation responses suggested that the SLA with respect to G/02 return could be considered for an OPS standard. A number of Committee members expressed the view that a standard on this SLA may not drive appropriate market behavior as it relates to an indicative response.
- 7.5. MOSL agreed to create a list of all trade effluent code related SLAs for the Committee to consider at the next TEIC meeting

8. Any Other Business

8.1. Committee members considered the following question that was submitted to the TEIC for consideration

What is the mechanism for recharging NHH customers for remedial works due to a non-compliant discharge, i.e. cleansing a sewer blockage, and what level of communication is required with the retailer?

The TEIC believed that it would be useful to get positions from different Wholesaler's on their views on the question. The Committee believed that the TEIC may not be the most suitable forum to consider the question and asked the proposer of the question to raise the issue at the Trade Effluent Practitioners Network (TEPN).

8.2. A Trading Party had submitted a query regarding private meter reads. They were concerned that they were not receiving these and the effect it would have on settlement. It was confirmed that Retailers are responsible for these and would be penalised in MPS if reads weren't received.

8.3. A committee member mentioned that where they have received reads which they believe to be incorrect they would take a read and then resolve with the Retailer.