

Bilateral Transactions Programme

Process prioritisation and rationale

Version 1.1

24 July 2020

Version control

- ◆ Version 1.0 priority list issued 6 June 2020
- ◆ Version 1.1 (this document) with **revised priority order** issued 24 July 2020 (see next slide and slides 18-24)

Bilateral Transaction Process Priority Order

v1.1 24 July 2020

Process	Description	Rank v1.0	Rank v1.1
C1	Verification of meter details or meter supply arrangements	1	1
B5	Repair or replacement of a faulty meter performed by the Wholesaler	3	2
G2	Application for Trade Effluent Consent or temporary Trade Effluent Consent and re-activation of discontinued Trade Effluent Consent	4	3
B1	Installation of a meter performed by the Wholesaler	5	4
C2	Gap Sites identified by the Wholesaler	2	5
H1	Application for an allowance and/or volumetric adjustment or Wholesaler notice of review and/or change of allowance	6	6
C5	Deregistration of a Supply Point (including as a result of an error in Registration or a change of circumstance) or removal of Service Components at the request of the Wholesaler	7	7
F5	Non-Household Customer complaints	10	8
C6	Application in respect of Deregistration of a Supply Point (including as a result of an incorrect or erroneous Registration or a change of circumstance) or removal of Service Component at the request of the Retailer	8	9
B3	Meter accuracy test performed by the Wholesaler	9	10
C3	Application in respect of Gap Sites proposed by the Retailer	11	11
I1	Disconnection requested by the Retailer and performed by the Wholesaler in relation to Non-Household Customer non-payment	12	12
G4	Trade Effluent monitoring	13	13
C4	Missing Service Components identified by the Wholesaler or the Retailer	14	14
I8	Reconnection requested by the Retailer and performed by the Wholesaler	15	15

Key

- Increased rank
- Decreased rank

Process prioritisation and rationale

Version 1.0

22 June 2020

Prioritising Bilateral Transaction Processes

- ◆ When the non-household water market was created, the market codes led to the creation of approximately 70 individual [bilateral transaction processes](#)
- ◆ Each of the processes is listed in the Wholesale Contract [‘Operational Terms’](#)
- ◆ Of the c70, the top 10-15 represent the majority of total transactions in the market
- ◆ This document explains the order in which MOSL proposes to address bilateral processes and the rationale for prioritisation, which takes into account both quantitative (i.e. volume) and qualitative (i.e. ‘pain points’) factors
- ◆ MOSL is grateful to members of the [Operational Advisory Group \(OAG\)](#) for their input and advice in this process
- ◆ Please note that the priority list is not ‘set in stone’ and will continue to be reviewed during the implementation process.

Focus on OPS processes

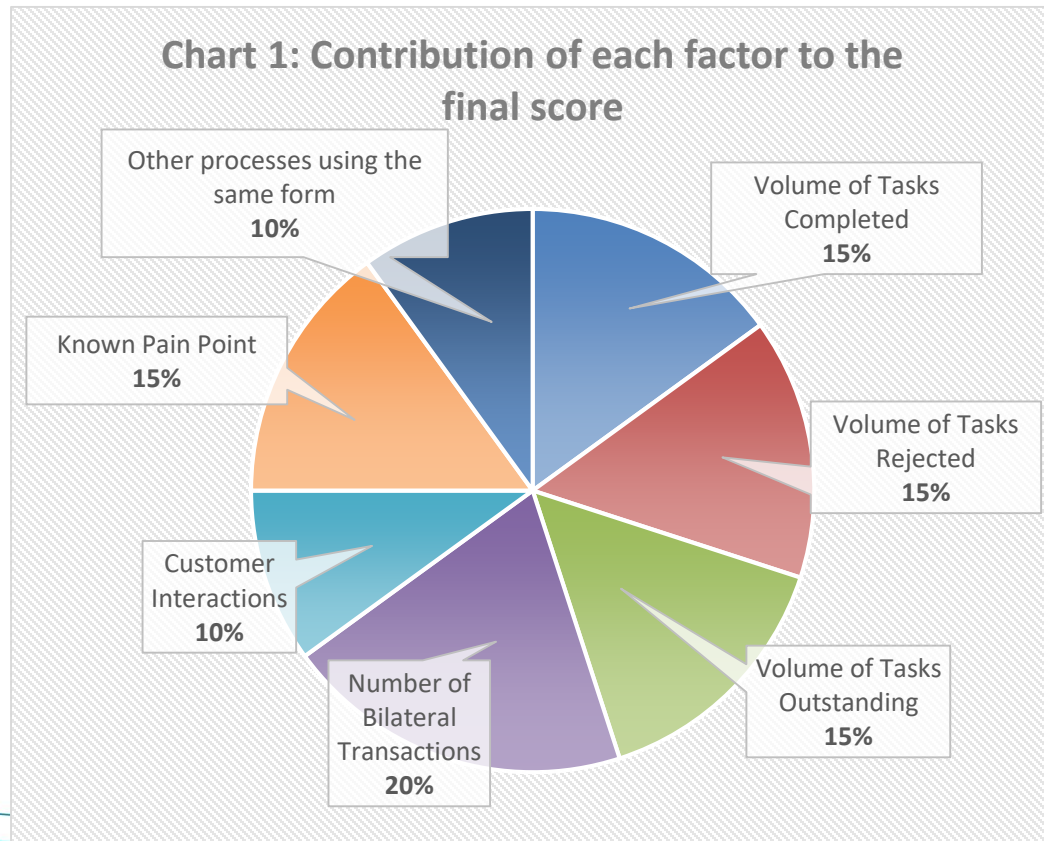
- ◆ For the introduction of processes into the Bilaterals Solution, we have focused our efforts on the review of the processes currently monitored under OPS in the first stage. This has been done for a number of reasons:
 - ◆ OPS processes are the most consistently used and have the highest impact on the market – focusing on OPS processes is more **effective**;
 - ◆ OPS processes have, by extension of the above point, been reviewed and refined the most – focusing on OPS processes is more **efficient**;
 - ◆ Most processes can be binned into categories which all have ‘frontrunners’ included in OPS (e.g., B/G/I processes). Focusing on the more established OPS processes first creates a **foundation** upon which non-OPS processes can be more easily added.

How we reviewed processes

- ◆ In order to determine which processes should be introduced first into the Bilateral Solution we decided to use a range of factors upon which we would rank each process.
- ◆ Each factor represents a different area of interest/concern. Combined, we believe these provide an accurate representation of the importance of each individual process in the wider market.
- ◆ Factors range from indices of volume such as the number of tasks completed or rejected to measures of complexity in terms of the number of bilateral transactions required to complete the process or the complexity of customer interactions involved.

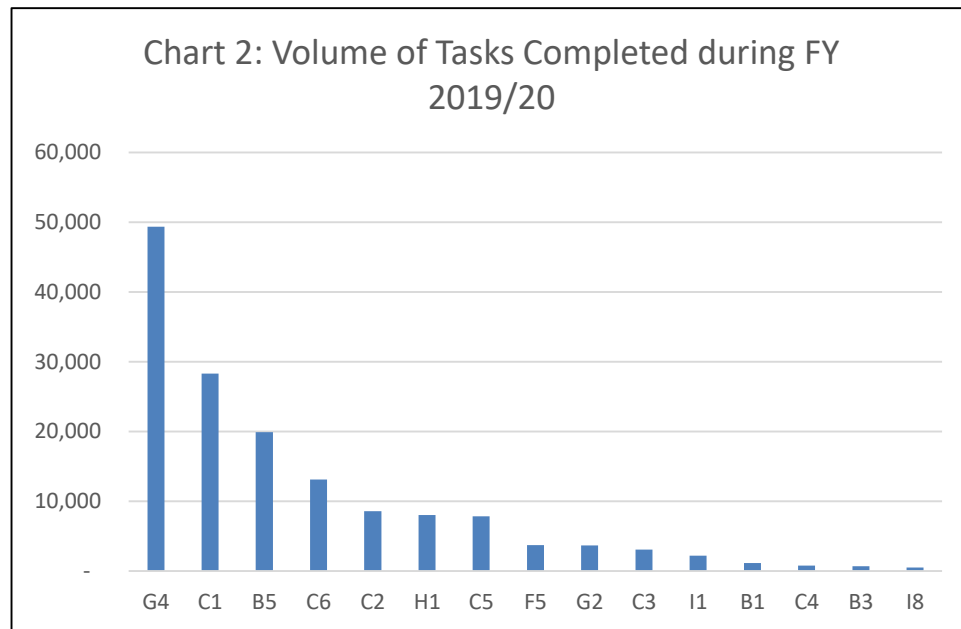
Factor Weighting

- Factors are compiled into a final score which is used to rank these processes and determine which should be approached first.
- Each factor is assigned a weighting which will determine how much it can impact the final score.
- Factors which score higher will be approached first.



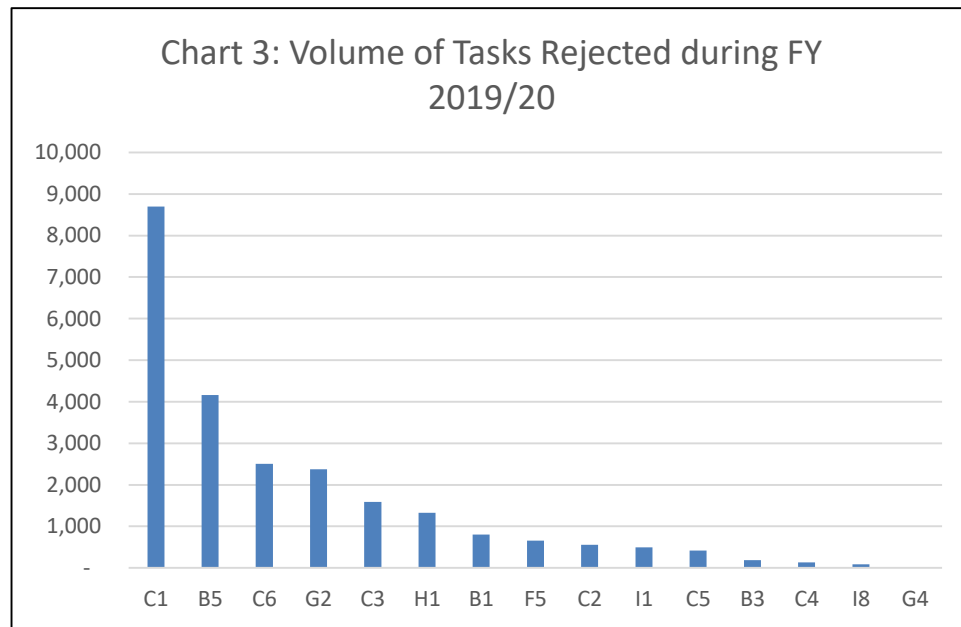
Volume of Tasks Completed

- The overall number of tasks completed during the FY 2019/20
- Improvement in areas of high traffic would generate more value to the market by having a wider impact with each process reviewed



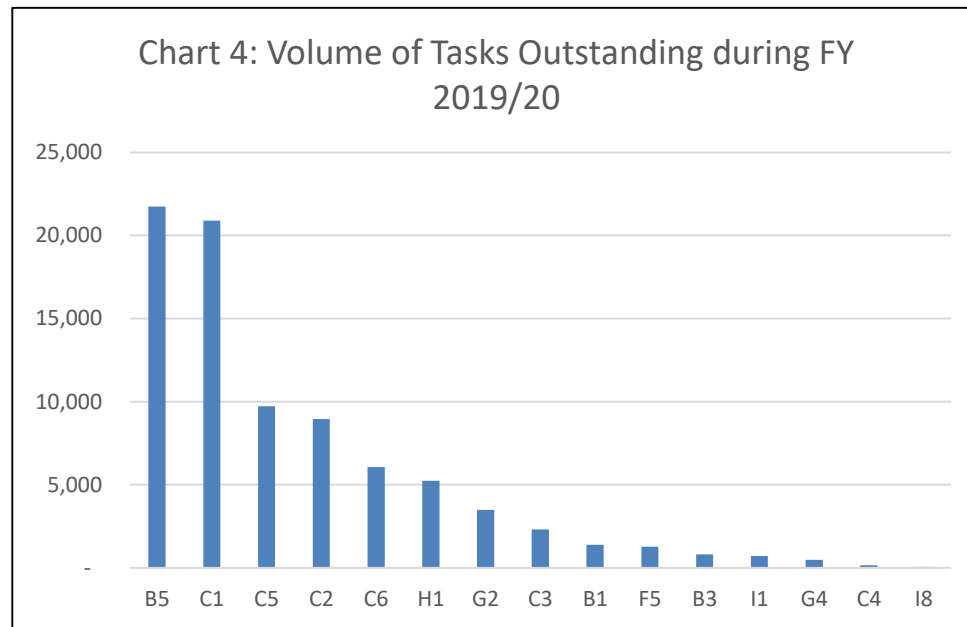
Volume of Tasks Rejected

- ◆ The overall number of tasks completed rejected during FY 2019/20
- ◆ Improvements in areas of high rejections would generate more value to the market by reducing failed attempts to process transactions and freeing up manpower.



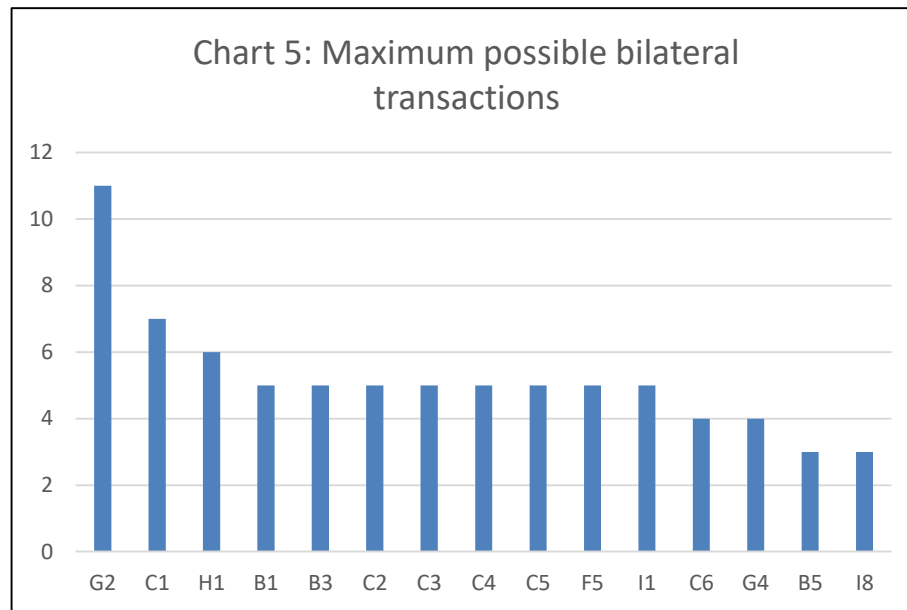
Volume of Tasks Outstanding

- ◆ The overall number of tasks completed outstanding during FY 2019/20
- ◆ Improvement in areas of high complexity would generate more value to the market by reducing processing time and being more efficient with each step of the transaction.



Number of Bilateral Transactions

- ◆ The maximum number of bilateral transactions that could occur during one instance of the process.
- ◆ Processes which require many bilateral transactions generally have more points of failure and possibilities for delay, thus benefiting more from a review.



Customer Interactions

- ◆ Ranking on a scale from 0-4 of the overall complexity of the customer interactions across the entire process.

- ◆ While most OPS processes achieve a rank of 4 due to the prevalence of site visits, it can still differentiate between processes, especially when reviewing non-OPS processes.

Table 1: Description of each Rank

Rank	Description of Rank
0	There are no customer interactions (beyond those that occurred BEFORE the bilateral transaction was initiated by a Trading Party).
1	There is one or more interactions where a Trading Party must inform the customer that the matter is progressing
2	There is one or more interactions where a Trading Party must obtain the customer's acknowledgement or confirmation to proceed
3	There is one or more interactions where a Trading Party must obtain further customer data in an email or by phone, without which the process cannot continue
4	There is one or more interactions where a Trading Party and customer are likely to enter into a dialogue spanning more than a day and/or need to meet on site.

Known Pain Points

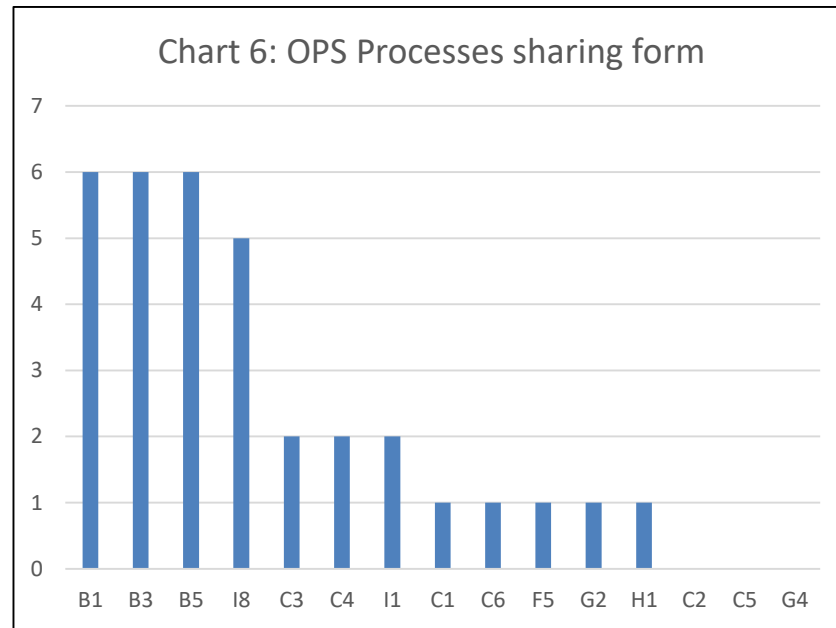
- The presence of a 'pain point' in a process means that in its current form, the process has significant issues which would benefit more from a review.
- With a view to efficiency, processes which do not work as intended currently should be prioritised to ensure the market remains in working order.

Table 2: Known Pain Points

Process	Rationale
B1	Unclear process when task is non-standard
B3	
B5	
C1	
C2	Process steps happen out of sequence with field steps
C3	
C4	
C5	Process calls for duplication of work if SPID is managed by two WSLs
C6	
F5	Process is misused to cause an escalation of another task/ to expediate another process due to its smaller SLA
G2	
G4	
H1	
I1	
I8	

Other processes using the same form

- Reviewing processes which share forms would be more efficient as multiple processes can be delivered at the same time and for reduced effort.
- This factor also introduces the opportunity for ‘bundling’, where lower-volume processes which are very similar can be delivered at the same time to avoid duplication of work.



Results of each Factor

Table 3: Raw Scores for each Process

Process	Tasks Completed (Rank Desc)	Tasks Rejected (Rank Desc)	Tasks Outstanding (Rank Desc)	# of Bilateral transactions (Rank Desc)	Customer Interactions (Rank 0-4)	Known Pain Point (Y/N)	Processes sharing forms (Rank Desc)
B1	4	9	7	5	4	Yes	13
B3	2	4	5	5	4		13
B5	13	14	15	1	4		13
C1	14	15	14	14	4		4
C2	11	7	12	5	4	Yes	1
C3	6	11	8	5	4		9
C4	3	3	2	5	4		9
C5	9	5	13	5	4	Yes	1
C6	12	13	11	3	4		4
F5	8	8	6	5	1	Yes	4
G2	7	12	9	15	4		4
G4	15	1	3	3	4		1
H1	10	10	10	13	4		4
I1	5	6	4	5	4		9
I8	1	2	1	1	4		12

Score calculation

- ◆ The **‘Raw score’** for each factor (seen in the table on the previous slide) is normalised using the **maximum score** in that category. The weight of that factor is then applied, resulting in the **‘factor score’** for that process.
- ◆ For each process, all factor scores are summed up to produce the **‘final score’**.
- ◆ To put this into equations:
 - ◆ $\text{Factor_Score}_p = (\text{Raw_Score}_p / \text{Max_Score}_F) * \text{Weight}_F$
 - ◆ $\text{Final Score}_p = \sum (\text{Factor_Scores}_p)$
 - ◆ Where P = a given process and F = a given factor

Resulting Ranking

- According to our factors and calculation, the table on the right shows the initial ranking of OPS processes in terms of their relevance and importance to the Bilaterals System.
- This list is by not set in stone, as further changes can be made through re-prioritisation, creating tranches, ‘binning’ processes, etc. This merely provides an overview of where we should look first.

Table 4: Ranking

Rank v1.0	Process
1	C1
2	C2
3	B5
4	G2
5	
6	C6
9	F5
10	C3
11	I1
12	B3
13	G4
14	C4
15	I8

Superseded
Please see v1.1

Prioritisation UPDATE

Version 1.1

24 July 2020

Focus on OPS processes

- ◆ We have received a lot of feedback from members of the Operational Advisory Group (OAG) and the wider industry – thank you
- ◆ In ‘you said, we did’ fashion, we wanted to share the adjustments we have made, as well as some other things which we have considered, i.e.:
 - ◆ Prioritisation of the F5 process
 - ◆ Identification of an additional ‘pain point’ for B5
 - ◆ Adjustment of the weights of each factor
 - ◆ Differences in effectiveness between Trading Parties

Prioritisation of the F5 process

- ◆ We have received feedback that customer interaction in the F5 (Customer Complaints) process tends to be higher than was reflected in the original ranking (i.e. v1.0)
- ◆ The ranking used the codes to determine the customer interaction within each process. In practice, this understated the need to involve the customer, and there are many other occasions where a customer is in some way contacted or consulted
- ◆ To reflect this, we have adjusted the customer involvement score of the F5 (Customer Complaints) process from a **1** to a **3**, resulting in an overall change from **10th** place to **8th** place within the ranking

Identification of a 'pain point' for process B5 (Meter Repair or Replacement)

- ◆ As part of our request for feedback from the OAG, a 'pain point' has been identified for the B5 (Meter Repair or Replacement) process
- ◆ From feedback we are aware that it is possible for a B5 process to cause billing complications
- ◆ This has been added as a 'pain point' within the calculation of ranking and has, as a result, promoted B5 from 3rd to 2nd place in the priority order
- ◆ B5 will now become the first process to be delivered after the pilot C1 (Meter Verification) process.

Adjustments of the weights of each factor

- ◆ We received feedback about three of the factors that we use to determine the ‘importance’ of a given process: Tasks Completed, Rejected, and Outstanding
- ◆ It has been argued that these measures should not have the same weight
- ◆ Following the feedback, Tasks Rejected, which shows time wasted that can be reprioritised, has been given a higher weighting.

Factor	Type	Weight	Description
Volume of Tasks Completed	Descending Rank	15.0%	Improvement in areas of high traffic would generate more value to the market by having a wider impact for the same amount of effort.
Volume of Tasks Rejected	Descending Rank	15.0%	Improvements in areas of high rejections would generate more value to the market by freeing up manpower which can be redirected to other areas.
Volume of Tasks Outstanding	Descending Rank	15.0%	Improvement in areas of high complexity would generate more value to the market by reducing processing time and being more efficient with each step of the transaction.



Factor	Type	Weight	Description
Volume of Tasks Completed	Descending Rank	12.5%	Improvement in areas of high traffic would generate more value to the market by having a wider impact for the same amount of effort.
Volume of Tasks Rejected	Descending Rank	20.0%	Improvements in areas of high rejections would generate more value to the market by freeing up manpower which can be redirected to other areas.
Volume of Tasks Outstanding	Descending Rank	12.5%	Improvement in areas of high complexity would generate more value to the market by reducing processing time and being more efficient with each step of the transaction.

Differences in effectiveness between Trading Parties

- ◆ We have received feedback that the initial ranking (which currently only includes the 15 OPS processes) does not always tackle the bulk of tasks which some wholesalers have to resolve – with the proportion being anywhere from 25% to 75%
- ◆ We have taken a look at the volume of non-OPS processes among a few wholesalers and it seems that there is little consensus on which other processes show high usage – E3, E5, B10, and others impact each businesses differently
- ◆ For this reason, the 15 OPS processes remain our initial focus
- ◆ In *principle*, **all** remaining processes, *including non-OPS processes*, will be added to the hub once the base systems are in place. *In practise*, however, we may agree with trading parties that some of the least-used processes do not justify being added and that the time should be spent on further development of higher priority processes. This will be discussed in due course.

Updated ranking of Processes

- ◆ With all the previous changes, the resulting ranking is presented in Table 1 (version 1.1 of the ranking)
- ◆ The previous ranks are also presented. The green highlighting represents an *increase* in rank and an orange highlighting represents a *decrease* in rank.
- ◆ The biggest changes are:
 - ◆ The de-prioritisation of C2 (Gap Sites) following feedback that the process is not as complex as originally thought
 - ◆ The increase of F5 (Customer Complaints)

Table 1: **NEW** Ranking (v1.1)

Ranking	Process	Old Rank
1	C1	1
2	B5	3
3	G2	4
4	B1	5
5	C2	2
6	H1	6
7	C5	7
8	F5	10
9	C6	8
10	B3	9
11	C3	11
12	I1	12
13	G4	13
14	C4	14
15	I8	15

Bilateral Transaction Process Priority Order

v1.1 24 July 2020

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Key

- Increased rank
- Decreased rank

Questions? Comments?

Please email the Bilateral Transactions Programme team:
bilaterals@mosl.co.uk

[Click here](#) for details of team members and programme governance.