

Minutes of Panel Meeting 18

24 April 2018 | 10:30 – 13:30
4th floor, 16-18 Monument Street, London, EC3R 8AJ

Status of the Minutes: Final

MEMBERS PRESENT

Jim Keohane	JK	Chair	Nicola Smith	NSm	Panel Member (Unassociated Retailer)
Mike Brindle	MB	Panel Member (Associated Retailer)	Richard Moore	RM	Panel Member (Unassociated Retailer)
John Vinson	JV	Alternate Independent Panel Member (Associated Retailer)	Mark Holloway	MH	Panel Member (Wholesaler)
Wendy Monk	WM	Panel Member (Associated Retailer)	Janet Bone	JB	Panel Member (Wholesaler)
Helyn Mensah	HM	Panel Member (Independent)	Dylan Freeman	DF	Panel Member (Wholesaler)
Nigel Sisman	NSi	Panel Member (Independent)	Dan Mason	DM	Affiliated Panel Member (Ofwat)
Elsa Wye	EW	Panel Member (Independent)	Chris Scoggins	CS	Affiliated Panel Member (MOSL)
Trevor Nelson	TN	Panel Member (Unassociated Retailer)	Adam Richardson	AR	Panel Secretary

OTHER ATTENDEES

Elliot Bird	Meeting Secretary	Harry Osei-Tutu	Presenter (MOSL)
Rebecca Mottram	Presenter (MOSL)	Richard Collard	Observer (Ofwat)
Mihai Ciurba	Presenter (MOSL)	Antoine Schmidt	Observer (Thames Water)

APOLOGIES

Simon Wilshire	Panel Member (Associated Retailer)
Howard Smith	Panel Member (Wholesaler)



1. Welcome and Introductions

Purpose: For Information

- 1.1. The Chair welcomed Panel Members to the meeting, and thanked those who were able to attend the Panel Strategy workshop held on 23 April 2018.
- 1.2. The Chair passed on the apologies of Howard Smith and Simon Wilshire, who could not attend the Panel meeting.
- 1.3. The Chair also welcomed Janet Bone, who was attending the meeting as an alternate for Howard Smith, and John Vinson who was acting as an alternate for Simon Wilshire.

2. Minutes and Outstanding Actions

Purpose: For Decision

2.1. **Minutes**

- 2.2. The Panel provided comments on the minutes from the previous meeting and agreed the minutes of Panel meeting 17, subject to these changes.

2.3. **Actions**

- 2.4. The Panel agreed to close 5 actions (**A14_01, A16_02, A16_07, A17_01** and **A17_03**) from the previous meetings, based on the update provided by the Panel Secretariat.
- 2.5. Although a number of actions to be discussed at the Panel workshop were addressed, it was agreed that the actions relating to release governance would remain open, given that there was insufficient time to discuss this topic at the workshop.
- 2.6. It was confirmed that the action **A16_05**, relating to the monitoring of the number of Unpaired SPIDs, was currently in progress and had been discussed at the User Forum and Operations and Release Working Group (ORWG). Additionally, MOSL highlighted that Unpaired SPIDs would be a specific issue covered within the Market Performance Operating Plan, which is intended to be available for the June Panel meeting.
- 2.7. However, Panel Members felt that they wanted to reframe the action to clarify that they would like an agenda item at a future meeting on data quality, so that issues can be discussed and plans to improve them can be discussed.

3. Update from Ofwat

Purpose: For Information

- 3.1. Dan Mason (DM) from Ofwat provided an update on the activities of Ofwat in the month since the previous Panel meeting, this included the second wave of the Customer Insight Survey that investigated customers that have switched their services. It was highlighted that the intention is to publish these results and a standalone report.



- 3.2. DM explained that Ofwat were aiming to publish new Water and Sewerage Supply License (WSSL) and Self-Supply application guidance and forms, as well as introducing new standard license conditions in mid-May following a consultation.
- 3.3. DM updated the Panel on the progress of the credit review and confirmed that Ofwat were still waiting for the final report from KPMG, once it receives this it will begin considering recommendations and establishing a workplan for MOSL and Ofwat. Ofwat also agreed that it would circulate publications on credit via the Panel Secretariat when they became available.
- 3.4. Additionally, an update was provided on the status of Change Proposals that were currently with Ofwat including CPM008 the market performance standards (MPS) changes, highlighting that it was still being reviewed internally at Ofwat but a decision should be reached soon.
- 3.5. Ofwat agreed to circulate an organogram of the Ofwat team that is responsible for the regulation of the Non-Household Water Retail Market team to Panel Members via the Panel Secretariat.

ACTION 18_01

- 3.6. The Panel **NOTED** the presentation from Ofwat.

4. Update from MOSL

Purpose: For Information

- 4.1. Steve Arthur (SA) provided an update on the key activities at MOSL, including market activity updates such as new entrants who were progressing through their membership; a number of new entrants to be expected in the future; and a number of Retailers currently in the process of exiting the market.
- 4.2. SA reported that currently 120,000 Supply Points had switched, which represented around 5% of all Supply Points. However, in terms of volumetric consumption the figure was around 10% of all supply points.
- 4.3. It was confirmed that MOSL was investigating the costs associated with the office relocation. The Panel noted that MOSL was providing a further break down of costs to its Board and that it remained the plan to hold a General Meeting vote in May.
- 4.4. SA highlighted that new members had joined the Digital Strategy Committee (DSC) from Castle Water and Water Plus. In response to this Panel Members highlighted that MOSL should ensure that all interested Trading Parties are being suitably informed of the DSC, as there are a number of smaller Trading Parties who will find it more difficult to engage, given their limited resource.
- 4.5. In response to Panel Members concerns that the work of the DSC needed to be aligned with the work of the Panel and its Committees, MOSL agreed to provide a more detailed update on the work and potential future projects of the DSC as part of the MOSL update.

ACTION 18_02

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



5. Monthly Committee Updates

Purpose: For Information

- 5.1. The Panel was provided with a monthly update on the activities of the Panel Committees, which have met since the March 2018 Panel meeting.
- 5.2. The Chair of the MPC confirmed that the intention of the introduction of Market Performance Standards (MPS) charging was to improve performance and enforce the standards defined in the code. However, it was highlighted that there are currently significant underlying market data issues which may limit the effectiveness of such measures.
- 5.3. The Chair of the MPC advised that the performance regime had been developed on the assumption that there are not already significant data quality issues within the system, and although it has been a year that does not necessarily mean Trading Parties have had a year to correct their data as customers could have been switched any time during the year.
- 5.4. The Chair also confirmed that the regime had been developed to align with the obligations in the codes, however, it would be important to keep a watching brief on performance against these standards to ensure that the obligations in the code are appropriate.
- 5.5. Some Panel Members requested whether MOSL or the Chair of the MPC would be able to provide an indication on what the financial impact of introducing charges would be. It was highlighted that it would be difficult to estimate, given changes in the charging methods and recent changes in company performances. However, the Chair of the MPC estimated the impact would be several million pounds per year.
- 5.6. It was also highlighted that the MPC had begun discussions on the performance rectification process and identifying poor performance.
- 5.7. The Chair of the Committee noted that the MPS were being viewed as one-sided by some Trading Parties, given that the exposure of Wholesalers to MPS charging was more limited than Retailers. The Panel noted that the MPC had been considering the introduction of charging for 4-5 Operational Performance Standards (OPS). The MPC felt that the earliest such charges might be introduced would be October. The MPC had established an OPS Working Group had to consider this piece of work.
- 5.8. The MPC Chair raised that on review of the market data, it had been identified that more meters in the market are read monthly than first anticipated, and these were held by a small number of Wholesalers. There are plans being put in place for some of these meters to be moved to twice yearly readings rather than monthly readings. In total there were around 80,000 meters identified in this way and one Wholesaler was responsible for the majority of them.
- 5.9. The Chair of the Committee raised that the amount of work the MPC currently had planned was likely too much for MOSL's current team to support, and expressed concern that MOSL would struggle to deliver work at the required pace.
- 5.10. Following concerns of some Panel Members around enforcement of non-payment of MPS charges, MOSL highlighted that the codes do not allow for non-payment of charges even in the event of a



dispute. However, MOSL and the Panel agreed that MOSL should remind Trading Parties how the process around MPS charging will work and what will happen if they do not pay.

ACTION 18_03

- 5.11. The Chair of the Committee also provided an update on an action from the previous meeting for the Chairs of the MPC and TDC to meet with the Chair of the DSC. This meeting highlighted that the DSC would be taking responsibility to drive data quality, which Panel Committees should support. However, the Panel recognised that the DSC could not be solely responsible for this issue as they are outside the governance of the Panel and its Committees.
- 5.12. The Chair of the Trading Disputes Committee (TDC) provided an update on the work of the Committee including the development of the annual report.
- 5.13. The Chair also provided a progress update on the Change Proposal that had been drafted to reduce both the materiality threshold for disputes and the restrictions on settlement re-runs. It was anticipated that Request for Information (RFI) on these draft changes would be issued, however this had been delayed due to the previous meeting of the TDC not being quorate.
- 5.14. The Chair of the Trade Effluent Issues Committee (TEIC) provided an update on the discussions of the Committee and highlighted that the 2 Operational form changes had been combined into one Change Proposal. Additionally, they explained that the Committee was working on providing a jargon buster to simplify relevant technical terms. The Committee would also be reviewing scenarios that parties are currently facing to identify further potential improvements.

6. Change Report

Purpose: For Information

- 6.1. The Panel considered a report that covered the activity which occurred between 14 March 2018 and 10 April 2018 on Change Proposals. Details on the progression of these changes can be seen on the Change Report, available through the MOSL website.
- 6.2. MOSL confirmed that work currently being undertaken for Change Proposal [CPW019 “Alternative Eligible Credit Support”](#) was progressing as expected. The Panel noted that the findings of the Ofwat/KPMG report on credit would be useful context for the decision on CPW019.
- 6.3. A Panel Member noted Change Proposal [CPW010 “Emergency Contact Details”](#). They felt that the accuracy of sensitive customer information was a priority issue for the Wholesale market. They further explained that they felt improvements in this area could drive improved market performance and customer service. It was agreed that the Panel should consider how the issue described could fit into the Panel Plan priorities.
- 6.4. MOSL also confirmed that a Change Proposal would be coming to the Panel in future to amend the error codes in [CSD 0301](#) to align with the error codes spreadsheet. The Panel requested that a further change be raised to remove the error codes from the codes to avoid update to the error codes having to go through the code Change Process.
- 6.5. The Panel **NOTED** the contents of this paper.

7. Initial Written Assessment: CPM011 – MOSL Invoices and Payment Terms

Purpose: For Decision

- 7.1. The Panel considered a Change Proposal that sought to introduce a consistent invoice date for all charges invoiced by MOSL as these dates are currently variable. This proposal also sought to introduce MOSL payment terms of 10 business days from the date of invoice for Market Operator Charges, and 20 business days from the date of invoice for market performance charges.
- 7.2. MOSL confirmed that the change would clarify the arrangements to allow them to be understood more easily by Trading Parties, and also to give Trading Parties longer to pay their invoices in nearly every case.
- 7.3. MOSL also confirmed that it had considered the possibility of aligning all Market Operator payments (including MPS charges) to the same day of the month, but Trading Parties requested that they be given more time to pay MPS charges, noting that they do not affect MOSL's cash flow.
- 7.4. A Panel Member raised concerns that Trading Parties would not be compliant with the payment terms, given issues described in the change, during the interim before the change was implemented. MOSL confirmed that there is no issue of non-compliance until December 2018 and the proposed implementation date was in advance of this period..
- 7.5. The Panel:
 - Unanimously **AGREED** to recommend implementation of CPM011 to the Authority for approval; and
 - Unanimously **AGREED** the recommended implementation date of:
 - 31 July 2018 if Authority approval is received by 29 June 2018; or
 - 28 September 2018 if Authority approval is received after 29 June 2018
- 7.6. The Panel agreed to recommend approval of the change based on the Objectives and Principles of Efficiency, Proportionality and Transparency being furthered.

8. Draft Recommendation Report: CPW034 – CSD 0301 Housekeeping Changes to GDPR Personal Data warnings

Purpose: For Decision

- 8.1. The Panel considered a Change Proposal that sought to amend drafting errors in the Personal Data warnings contained in CSD 0301, that were introduced as an administration error, when [CPW029 – 'GDPR and Data Protection Provision Updates'](#) was implemented on 30 March 2018.
- 8.2. Some Panel Members raised concerns that this change could impact Trading Parties, if they began implementing system changes based on the previous changes which were incorrect. Therefore, MOSL agreed to raise an action to circulate an industry communication, to highlight the proposed change to Trading Parties following the Panel recommendation and prior to an Authority decision in order to minimise any potential impact on Trading Parties.



8.3. The Panel:

- **AGREED** to recommend implementation of CPW034 to the Authority for approval; and
- **AGREED** the recommended implementation date of:
 - 25 May 2018 if an Authority approval is received by the 24 May 2018; or
 - 1 Business Day following Authority approval if received after 24 May 2018.

8.4. The Panel agreed to recommend approval of the change based on the Objective of Transparency being furthered.

9. Withdrawal of CPM002 – MAC005

Purpose: For Decision

9.1. The Panel received a recommendation from the Proposer of Change Proposal CPM002 – ‘Data Protection Updates’ (previously MAC005) to withdraw the change. In accordance with the ‘Change Proposal Withdrawal Policy’, the Panel was required to determine whether or not to approve the withdrawal, based on the Proposer’s rationale for withdrawing the Change Proposal.

9.2. MOSL confirmed that this change was no longer required and was superseded by the implementation of Change Proposals CPM007 & CPW029 “GDPR and Data Protection Provision Updates”, given that the GDPR Issues Committee recommendation was provided with consideration of this change.

9.3. MOSL also highlighted that it would be issuing a communication to members to inform them that the change was being withdrawn and that Trading Parties would have 10 Business Days to adopt the change, if they wished for it to remain open.

9.4. The Panel:

- **NOTED** the contents of this paper; and
- **APPROVED** the Proposer’s recommendation to withdraw CPM002.

10. Recreating Supply Points following erroneous Deregistration

Purpose: For Information

10.1. The Panel considered a paper that provides guidance to Trading Parties with respect to erroneous Deregistered Supply Points and puts forward an approach to dealing with such SPIDs if new SPIDs are required at the same Eligible Premises. This document was provided in response to Panel requests following the implementation of Change Proposal CPW026 “*SPID Versioning*”.

10.2. MOSL also highlighted that there will be a communication circulated when the document is published that highlights its publishing and purpose.

10.3. Panel Members asked for the communication to also inform the industry the purpose of guidance documents, and the fact that they are not mandatory.

10.4. The Panel:

- **NOTED** the contents of this paper; and
- **NOTED** that the guidance paper will be published on the MOSL website.



11. Any Other Business (AOB)

Purpose: For Information

11.1. A Panel Member requested that a formal action be recorded in the Panel minutes to circulate the slides from the Panel Strategy Workshop and the criteria discussed to prioritise market issues.

ACTION 18_05

11.2. There was no further business and the Chair closed the meeting.

CLOSED SESSION

12. Market Incident Management Plan (MIMP) Committee Nominations and Appointment

Purpose: For Decision

12.1. The Panel considered a paper that set out the Retailer and Wholesaler nominations received for the three vacant seats on the Market Incident Management Plan (MIMP) Committee.

12.2. The Panel Secretariat explained that, since the last MIMP Committee nominations 2 Members of the Committee had stepped down. This meant that there were 2 Retailer vacancies and 1 Wholesaler vacancy on the Committee.

12.3. The Panel Secretariat advised that 1 Wholesaler and 3 Retailer nominations had been received, and so the Panel should consider the nomination received and appoint 3 new Members to complete the membership of the Committee.

12.4. An update was also provided on the Business Continuity and Market Incident Management plans currently being developed by MOSL, which were currently being reviewed internally by members of the Senior Leadership team.

12.5. The Panel:

- **APPOINTED** Peter Michael Strain and Richard Woodhead as Retailer members from the nominations received; and
- **APPOINTED** Jessica Morgan as a Wholesaler member from the nominations received.



Actions:

- ACTION 18_01** Ofwat to circulate an organogram of the Ofwat team that is responsible for the regulation of the Non-Household Water Retail Market team to Panel Members via the Secretariat.
- ACTION 18_02** MOSL agreed that in future a more detailed update would be provided on the work and potential future projects of the DSC as part of the MOSL update.
- ACTION 18_03** MOSL to provide a Trading Party a guidance note that explains how the process around MPS charging will work.
- ACTION 18_04** MOSL agreed to circulate a communication to the industry to indicate the agreement of CPW034 and the existence of the errors within the CSD0301 drafting.
- ACTION 18_05** MOSL to circulate the slides of the Panel Strategy meeting and the suggested criteria for prioritisation of market issues.

The next Panel meeting is scheduled for: **29 May 2018, 10:30 – 15:30, at:**

MOSL Offices
16-18 Monument Street
London
EC3R 8AJ

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