

# Panel 09 - Headline Report

23<sup>rd</sup> August 2017

## 1. Minutes and Outstanding Actions

The Panel reviewed the minutes and outstanding actions of the Panel meeting held on 25<sup>th</sup> July 2017.

- The Panel **AGREED** upon the accuracy of the minutes and for the final minutes to be published on the MOSL website; and
- The Panel reviewed the actions and **AGREED** to close actions **A07\_04, A07\_05, A08\_01, A08\_03, A08\_04, A08\_05, A08\_07, A08\_08, A08\_09** and **A08\_11** from the previous meetings, based on the update provided by the Chair.

## 2. Update from Ofwat

An Affiliated Member from Ofwat provided an update for the Panel. An issue had been raised with Ofwat by a Trading Party concerning another Trading Parties' systems automatically rejecting customer switches for outstanding payment that is not aligned with the definition of bad debt in the Code. The Trading Party concerned is aware of the issue and is rectifying the problem, but Ofwat confirmed it is working with MOSL to ensure this is an isolated incident. Ofwat also indicated that it was working with MOSL to develop two Change Proposals in respect of a process for urgent Change Proposals and improvements to the Market Entry Process. An update was also provided on the six recommendations reports that were issued to Authority following the July 2017 meeting, noting that Ofwat would be publishing its decisions shortly. The delegate confirmed that Ofwat was still considering holding a credit workshop and invited Panel members to provide views on the issues that such a workshop should cover. but the timing was uncertain.

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

## 3. Update from MOSL

The Chief Executive of MOSL provided an update on the key activities at MOSL since the previous Panel meeting. It was noted that MOSL had published its first quarterly market report on 3<sup>rd</sup> August 2017 which reflected the first three months of the non-household retail market, including market activity, emerging market issues and the changes considered by the Panel. MOSL confirmed that the release of CMOS 3.0 is due for deployment into MPS2 on Saturday, 2<sup>nd</sup> September 2017 and then into the production environment later that month. Further updates included that the new User Forum will have its first meeting on 14<sup>th</sup> September 2017, information regarding the new market entrants and the strategic review that is being carried out by MOSL.

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

## 4. Change Report

MOSL provided a monthly update to the Panel on the status and progress of current in flight Change Proposals and highlighted key changes to the report since the previous meeting, including the addition

of the new Gantt Chart in Appendix 1. The Panel requested that a further breakdown of costs associated to the assessment and implementation of changes be included in the report, as well as Change Proposal names be displayed alongside the relevant Change Proposal references.

- The Panel **NOTED** the contents of this paper.

## 5. Initial Written Assessment: CPM004: Board Nomination Process Extension

This paper set out a proposal to extend the board nomination process from six (6) months to twelve (12) months.

- The Panel unanimously **AGREED** to recommend the implementation of CPM004 to the Authority for approval; and
- The Panel unanimously **AGREED** to recommend to the Authority the implementation date on:
  - 15<sup>th</sup> September 2017 if Authority approval is received by 8<sup>th</sup> September 2017; or
  - 3 Working Days after the Authority approval, if received after 8<sup>th</sup> September 2017.

## 6. Initial Written Assessment: CPM003 – Revised MIMP Committee Composition

This paper set out a proposal to rework the provisions of the Market Incident Management Plan (MIMP) Committee as specified in Schedule 11 of the Market Arrangements Code (MAC) in order to better suit the requirements of the group. The Panel raised concerns with certain parts of the proposed amendments to Schedule 11, but agreed that CPM003 should be submitted for Industry Consultation subject to some amendments to the drafting, alongside changes to a consultation note that outlines the high-level principles by which the MIMP Committee and its sub-group will operate.

- The Panel **AGREED** to submit CPM003 for Industry Consultation.

## 7. Assessment Update: CPW019 – Alternative Eligible Credit

MOSL provided a verbal update that set out the progress of the assessment of a change which proposes to clarify the range of alternative eligible credit options. In light of the assessment work carried out, it was discussed that ahead of the Panel making a recommendation on the change, an allowance should be made for the Proposer to make any final amendments to the solution. Subject to the amendments made, the Panel agreed to schedule a teleconference for 7<sup>th</sup> September 2017 to determine the next stage of the process, such as whether an Industry Consultation should be issued, in advance of the September Panel meeting when a decision would be made.

- The Panel **NOTED** the verbal update; and
- The Panel **AGREED** to hold a teleconference meeting on 7<sup>th</sup> September 2017 to discuss CPW019.

## 8. Draft Recommendation Report: CPW012 – Flags on D1 Settlement Report

This paper set out a proposal to add flags to settlement reports to identify the method of volume estimation in settlement calculation. MOSL provided an overview of the results of the Industry Consultation that was issued on 29<sup>th</sup> June 2017 and invited Panel Members to consider whether CPW012 should be recommended to the Authority for approval or rejection. Based on the concerns raised by respondents and the high implementation costs, the Panel decided that it could not recommend CPW012 to the Authority for approval. However, the Panel asked MOSL to advise if other changes are required to settlement reporting to which this change might be added at marginal cost.

- The Panel unanimously **AGREED** to recommend CPW012 to the Authority for rejection; and
- If the Authority decided to approve CPW012, the Panel **AGREED** to recommend to the Authority the implementation date of:
  - 3<sup>rd</sup> March 2018 if Authority approval is received by 31<sup>st</sup> October 2017; or
  - September 2018 if Authority approval is received after 31<sup>st</sup> October 2017.

## 9. Draft Recommendation Report: CPW013 – Meter Reading Validation

This paper set out a proposal to amend the volume validation tests in CMOS. MOSL provided an overview of the analysis that had been performed by the Working Group for this change and outlined the responses to the Working Group consultation. The Panel debated whether it was appropriate to relax tolerances at this stage in market opening. It was noted however, that there would be advantages in creating within CMOS an ability to parameterise the tolerance so that they could be re-set without requiring a major code change. The Panel requested some minor amendments to the way the solution is reflected in the markets codes and recommended CPW013 to the Authority for approval.

- The Panel **AGREED** to recommend the implementation of CPW013 to the Authority for approval - subject to amendments in the way the solution is reflected in the markets codes, and on agreement to revisit tolerances applied in the meter reading validation tests before the change is implemented; and
- The Panel **AGREED** to recommend to the Authority the implementation date of:
  - 3<sup>rd</sup> March 2018 if Authority approval is received by 31<sup>st</sup> October 2017; or
  - September 2018 if Authority approval is received by 30<sup>th</sup> April 2018.

## 10. SPID Versioning

This paper set out the concept of “SPID versioning”, identified its current implementation in CMOS and set out options which are available as a consequence of CMOS not fully supporting different versions of a SPID. The Panel questioned the purpose behind SPID versioning and whether some way of reversing the deregistering of a SPID could be an alternative, less costly solution to SPID versioning. MOSL stated that it plans to discuss SPID versioning at the next Operations and Release Working Group (ORWG)

meeting, which is scheduled for 12<sup>th</sup> September 2017, and will return to present an update to the Panel at a future Panel meeting.

- The Panel **NOTED** the presentation from MOSL; and
- The Panel **AGREED** the proposed way forward.

## 11. Trade Effluent Issues Committee Terms of Reference

MOSL presented a case for a Trade Effluent Issues Committee (TEIC) to be established, as there are many known Trade Effluent issues within the market. MOSL presented the TEIC Terms of Reference (ToR), which the Panel stated needed minor amendments. The Panel requested that MOSL returns to the September Panel meeting with an amended version of the TEIC ToR, as well as an update on the nominations received for the Committee.

- The Panel **AGREED** the contents of this paper subject to some minor amendments; and
- The Panel **AGREED** to set up a Trade Effluent Issues Committee and publish on the MOSL website.

## 12. Panel 3-Month Review of Working Practices – Summary of Feedback

As the meeting was short on time, the Chair suggested that this agenda item be deferred to the next Panel meeting.

- The Panel **DEFERRED** discussion of the presentation to the September 2017 meeting; and
- The Chair invited the Secretariat to put forward alternative arrangements for the Panel paper day.

## 13. Monthly Committee Updates

This paper provided a monthly update on the activities of the Panel Committees, which have met since the last Panel meeting on the 27<sup>th</sup> July 2017. Additionally, the Chair invited each of the Chairs of the Panel Committees to provide an update from their respective Committees.

- The Panel **NOTED** the contents of the paper, notably as regards to the need to find a replacement TDC and MPC Member; and
- The Panel **AGREED** to the amendments made to the TDC Terms of Reference, as set out in Appendix A of the paper.

## 14. Industry Technology Committee

As the meeting was short on time, the Chair suggested that this agenda item be deferred to the next Panel meeting.

- The Panel **DEFERRED** discussion of the presentation to the September 2017 meeting.

## 15. Market Risk Assessment and Audit Update from the Market Auditor

This verbal presentation from the Market Auditor summarised the results of the Trading Party questionnaire which was being undertaken by the auditor, as well as the processes behind its market risk assessment and profiling. The Market Auditor stated that its Trading Party site visits were underway and would be completed by mid-October, and it will return to the October Panel meeting to present further information.

- The Panel **NOTED** the presentation.

## 16. Any Other Business (AOB)

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