
Technical Panel Meeting, 24th February 2009

Approved Minute

Attendees

Brian Saunders (BS)– CMA (Chair)
Jeremy Atkinson (JA)- CMA
Kevin Ensell (KE) - Osprey
Richard Khaldi (RK)- the Commission
Tom May (TM)- Business Stream
Jessie McLeman (JMcl)– Scottish Water
David Nicol (DN)- CMA (Secretary)
Mark Nolan (MN)- the Commission
Alastair Ross (AR)- Satec

1. Minutes

The minutes of the meetings of

- 11th December 2008, and
- 19th December 2008

were approved.

2. Actions and Administrative Update

JA presented the “Actions and Administrative Update Report”. He noted that most items were for noting, rather than decision or approval. He highlighted action AP033 (“Issues list to be a standing item on the MPF agenda”) which instead had been placed on the TP agenda, noting that it should be discussed beside the Release Plan. JA also noted that it was (i) the TP’s responsibility to approve modification proposals, (ii) the Board’s responsibility to approve the Release Plan, and (iii) for the CMA to deliver the release plan. BS noted that on the basis that the TP were not approving the release plan, it was suitable as TP business, and the meeting concurred.

In answer to a question from JMcl, JA noted that the “Market Design Authority” was an individual role within the CMA; specifically the person responsible for the Change Control processes and Release Planning. This person would work closely with the “System Design Authority” (who would work for the CMA’s Service Provider). Defining this role was part of a process of bringing greater formality to the change process.

The meeting accepted the report

3. Change Proposals in Progress

JA presented the “Change Proposals in Process Report”. The meeting considered each of the change proposals in turn.

MCCP001 – Reconciliation Reports

This MCCP was first presented by Scottish Water at the TP meeting on January 2008. It had now been overtaken by events. In particular disaggregated reports for the monthly runs (P1-R3) had now been developed. JMcl raised various concerns, and in particular that the disaggregated settlement report be properly specified and put under change control. DN assured her that this was the CMA’s intention, and that the new change proposals were a

step to this end. The meeting therefore agreed that this change proposal could now be terminated.

MCCP016 - Baseline the format of the Aggregated Settlement Report

This MCCP had been first put forward in August 2008 to formally baseline the existing Aggregated Settlement Report. The specification had already been issued by the CMA as Guidance Note GN002. At that meeting, the TP agreed the proposal in principle, but some small changes to the MCCP had not been progressed.

This revised proposal had small revisions compared to the August proposal:

- The proposed text for CSD0201 made it clear that the specification only applied to the Aggregated Settlement Report for runs P1-R3 (and not RF); and
- Small changes had been made to the description of the specification. (For the avoidance of doubt, this was not a change to the actual specification, but corrections and clarifications where the description of the specification was wrong).

JMcL raised two small points regarding the second point. Subject to the resolution of these matters after the meeting; the meeting agreed the changes to MCCP016.

JMcL and DN to agree detailed word changes off line. Circulate for final approval.

Action 038 CMA/JMcL

OCCP018 – Amended Form F

Since the previous meeting, the form had been amended by ScottishWater. It had been circulated, but had not been approved. For Business Stream, TM indicated he would like a section to notify where a meter had been changed (eg the meter reader discovered that the meter in the ground wasn't the same one as on the records). RK indicated that a more general process was needed to reconcile data, with a particular view to the forthcoming market audit. This led to a debate about whether there should be a general process, or a specific process for this case. KE recommended "keep it simple", and that it would be worthwhile to include this special case on Form F.

JMcL agreed to facilitate an appropriate change. She would also check the "verification of supply form", and subject to that check would put an appropriate modification on Form F, which would be sent round for approval by correspondence

Action 039 JMcl (CMA)

4. New Change Proposals

JA introduced the paper on New Change Proposals. Individual sponsors then spoke on each new change.

MCCP022 - Proposed Change to Market Code to allow for Fourth Settlement Runs

JMcL introduced a formal change proposal in respect of a fourth settlement run R4. This had been discussed in outline at the December MPF. This specific proposal sharpened the December discussion by restricting the extra runs to the "earlier months" of the first two financial years. BS questioned the benefit, given that he thought that the settlement would resolve with the RF run. It was clarified that RF run only did a partial settlement, and picked up other values from the earlier R3 runs. DN explained what matters would "crystallise" with the R3 run, and which would be re-settled. This might have some impact on the Central Systems (CS). He also noted that there would be significant impact across many of the CSDs, beyond the key points identified by JMcl, which would require legal drafting. RK noted that this was a significant benefit and should be clearly explained in the

proposal paper. The TP agreed that this proposal should be progressed, with a variety of actions.

JMcL to reword the proposal document.

Action 040 JMcL

JMcL to facilitate legal drafting

Action 041 JMcL

The CMA to consider the impact of the amendment on the CS.

Action 042 CMA

The CMA to the appropriate timing and optimum number of R4 runs to be carried out for each settlement year.

Action 043 CMA

MCCP023 - Market Code Housekeeping: 2009

JA introduced the housekeeping changes for the Market Code, which included the CMA's new address, the introduction of a change control page, version numbering, and appropriate headers and footers. RK noted that changes had to be made because of the CMA's address change. JMcL noted that she would prefer sequential numbering of the different versions of the market code (instead of use of the year as in the proposal). The meeting approved the proposed changes, subject to using sequential numbering.

The CMA to forward the changes to the Commission for approval.

Action 044 CMA

The meeting discussed the Operational Code, and agreed that it should be subjected to exactly the same changes in respect of a change control page and version numbering as the Market Code

SW/CMA to forward the changes to Operating Code to the Commission for approval

Action 045 SW/CMA

MCCP024 - Formalise the use of the Disaggregated Settlement Report

DN introduced this change. The CMA had been distributing the Disaggregated Settlement Run since October 2008. This change formalised the procedure. The change would also facilitate a future change which would allow the Disaggregated Settlement Report to be put under proper change control. SW had requested such a step, which was consistent with other steps to put datasets under change control. The CMA would bring forward such a change as soon as possible, but at present did not have the full specification to hand. RK noted that the proposal should also mention the future benefits of change control.

CMA to put that benefit in the report, and forward to the Commission for approval

Action 046 CMA

MCCP025 - Removal of nugatory obligations in CSD0201

DN introduced MCCP025. He explained that the CSDs now contained nugatory obligations. Since the introduction of MCCP021 in December, in which the EWA was recalculated before every settlement run, the calculation of EWA on a year ahead basis was a nugatory obligation on the CMA as these would be discarded by the CS. Similarly, the obligation on LPs to update all the meter YVe values was nugatory as these would not generally be used in the EWA calculation where there were meter reads. LPs could still update YVe meter values at meter installation.

RK proposed that instead of deleting the relevant section in the CSD, it should instead be marked as "not used" (as in the Market Code). The TP approved the MCCP proposal subject to the change of using "not used" in the text, rather than renumbering sections.

CMA to amend the text, and forward to the Commission for approval

Action 047 CMA

MCCP026 - Produce a Disaggregated Report for the RF Settlement Run

DN introduced MCCP026, as the equivalent to the disaggregated settlement runs for RF as are currently carried out for the monthly settlement runs. Since RF would only be run once in early December 2009, about five days after the last R3 run – there would be little

opportunity for LPs and Scottish Water to otherwise have confidence in the aggregated RF run.

BS asked what would be the value, as this development would have a significant cost. JA suggested that it might cost £80. JA stressed that this had not been discussed with the Service Provider and was an indicative estimated made by comparison to other existing developments. TM noted that Business Stream would effectively pay the bulk of this money, and considered it to be good value compared to an overall settlement bill of £360m. JA noted that taking this proposal formally forward via the TP gave the TP control of the change and visibility of the costs involved. As the change was developed and progressed, and information came back about costs and benefits via the Impact Assessment, the TP could appropriately amend, or stop the proposal if necessary. It was agreed to set up a working group to develop the proposal.

The CMA to set up a working group to progress MCCP026

Action 048 CMA

MCCP027 - Specify the Market Data Set

DN introduced MCCP027. He noted that the use of the MDS had grown since it was originally issued (for example it was now used in the rollover process). There were two issues with the MDS. As with other data sets, users wished it to be under proper change control. Additionally, it was accepted that there were errors in the extraction routines for the current MDS – for example, not all meters in meter networks were extracted. This proposal was in two parts: to consider the current MDS, fully identify the existing errors and specify corrections as necessary (including any additional sub-reports), and then to put the final MDS under change control.

It was agreed to set up a working group to develop the proposal.

The CMA to set up a working group to progress MCCP026

Action 049 CMA

5. Forward Plans

JA introduced the forward plans and the planning framework. It would bring more formality to the change process, and codify the differing roles of the CMA and the TP. The Key Dates schedule indicated, for the example of Area Based Charging, key milestones and realistic lead times in the development process. It also provided proposals in respect of activities which TP members would wish to prioritise.

JMcL noted that the approach was very useful. JA also noted the other changes in the planning process. The CMA would bring in-house release planning, which up till now had been sub-contracted to the Service Provider. This would reverse the flow of information with the subcontractor. He also recognised that participants had not yet contributed to the process, and he solicited their inputs.

There was general discussion about the formal process; and the need for working groups. All parties agreed that the working group had been effective in respect of Assessed Charges – but that the current programme would call for an enhancement of their role, which could be a significant call on resources. KE noted that he would be happy to participate where he could add value; and happy for other groups to go ahead with appropriate reporting back to TP members.

It was agreed that there was a possible need for groups in respect of Meter Networks. JMcL said she would clarify SW's objective in respect of "Market Design Issues".

Members to feed back in respect of individual items on the planning framework.

Action 050 All

Set up appropriate working groups.
Provide more information on "Market Design Issues"

Action 051 CMA
Action 052 JMcl

6. 2009-10 Budget

JA introduced the draft budget. There was a formal deadline of the 12th March for the TP to comment upon it. He noted that in respect of software development, the principle was that if there was a "bug", Gemserv paid for it; if it was a "new request", the CMA paid for it; and if it was a combination of the two, there was a negotiation. Additionally, the CMA was developing its own cost model in respect of estimating software development costs.

The budget had been under spent in the first year due to a hiatus in delivery as Gemserv changed their subcontractor, and the CMA had delayed in staffing up. Moving forward, the CMA was taking on more responsibility "in-house".

Provide any comments on the budget by 12th March.

Action 053 All members

7. Any Other Business

JA noted that following the Impact Assessment, the costs for the Assessed Charges modification were significantly higher than previously indicated to the CMA. This matter was under active current discussion.

Technical Panel Meeting, 24th February 2009

Actions

Action	Section	Subject	Update
<i>From the minute of the October TP meeting</i>			
Action 022 CMA	2.1	Develop a change control mechanism for items that are not covered by CSDs.	LWI under preparation. To be circulated ahead of April TP.
<i>From the minute of the meeting of 24th February</i>			
Action 038 CMA/JMcL		Agree final text of MCCP016 offline. Circulate for final TP approval.	
Action 039 JMcL (CMA)		JMcL to check "verification of supply form". Modify Form F as appropriate to include an update to notify changed meter details. TP secretary to send round for approval by correspondence	
Action 040 JMcL		JMcL to reword MCCP022 to clarify its benefits	
Action 041 JMcL		JMcL to progress with facilitating legal drafting of the required CSD changes in respect of MCCP022	
Action 042 CMA		The CMA to consider the impact on the CS of MCCP022	
Action 043 CMA		The CMA to consider the optimum number of R4 runs and their timing	
Action 044 CMA		Subject to the agreed changes, the CMA to forward MCCP023 to the Commission for approval	
Action 045 SW/CMA		The SW /CMA to forward similar agreed changes to the Operational Code to the Commission for approval	
Action 046 CMA		The CMA to add information to the report, and forward MCCP024 to the Commission for approval	

Action	Section	Subject	Update
Action 047 CMA		The CMA to make the agreed changes to MCCC025, and to forward MCCC025 to the Commission for approval	
Action 048 CMA		The CMA to set up a working group to progress MCCC026	
Action 049 CMA		The CMA to set up a working group to progress MCCC027	
Action 050 All Members		Feedback to the CMA on the Planning Framework	
Action 051 CMA		Set up appropriate working groups	
Action 052 JMCL		Provide more information on "Market Design Issues"	
Action 053 All Members		Provide any comments on the budget to the CMA by 12 th March.	