

**38th Technical Panel Meeting
Minute for Approval**

Present

Brian Saunders (BS) – CMA (TP Chair)
Jeremy Atkinson (JA) - CMA
Jessie McLeman (JMCL) – Scottish Water
Kevin Ensell (KE) – Anglian Water
Neil Cohen (NC) – CMA (TP Secretary)
David Walters (DW) – Commission
Ian Whatton (IW) - United Utilities
Emma Norris (EN) – Thames Water (Telephone)
Hazel Baxter (HB) – Business Stream
Stuart Baldwin (SB) – Aimeria
Paul Allen (PA) – Aimeria

Apologies

Tom May (TM) – Veolia

1. Minute

There were no comments and the minute of 17 October 2013 was approved.

2. Actions and Administrative Update

NC provided an update on the action log:

Action Point 283 was closed off, as JMCL had provided a paper for discussion under Item 6.

Action Point 285 was closed off as URs had been provided with the MCCP127, for discussion under Item 3.

Action Point 288 was closed off, as there was agreement that the issue did not merit a further meeting of the Metering Working group and no other items remained and for that Group.

NC noted that no Change Proposals had been withdrawn since the last TP in August.

NC noted that there was one Change Proposals implemented since the last meeting, namely;

- OCCP043 TE Private Effluent Meter Processes.

Three Change Proposals had been approved since the last meeting, namely;

- MCCP130 Trade Effluent Documentation Changes,
- MCCP133 Gap Site Allocation Data Changes and

- OCP044 Enhancement to Form E – Application for a Development Impact Assessment Changes.

NC noted that there were no Commission Change implemented and no Commission Changes introduced, since the last TP.

NC noted that there were no new and no new Guidance Notes. There were also no new proposed TP dates.

3. Change Proposals in Progress

MCCP127 –Linking Supply Points with a 3rd Party Reference(s)

JMcL explained that this version of the MCCP had been produced following a meeting of the 3rd. Party Ref Working Group and now included Indicative URs and Legal drafting.

BS asked what the objective of the proposal was and how the 3rd Party Refs might be used to deliver this objective. PA suggested that a statement to this effect would be helpful in the proposal. JA noted that delivering two new fields and modifying transactions accordingly would in itself be straightforward. However, the more substantial development would be the necessity of identifying what business rules should sit around these data items so that suitable validation could be established to support the achievement of the objectives of the proposal and this aspect of the proposal would therefore need to be worked up prior to any impact assessment or development. By way of an example, JA asked whether the 3rd Party Refs would need to uniquely relate to one SPID core, or whether there could be, say, a one-to-many relationship in some circumstances.

JA asked whether the proposal should also include 3rd Party Refs for existing Supply Points, noting that the project currently being undertaken by the CMA on behalf of the industry had developed business rules for linking these references to SPIDs and was in the process of establishing these links. JMCL noted that the Working Group had suggested that a review of the project data would be required before adopting that data. JA noted that what the project was delivering were links that enabled improved address data, and that substantial resources had been deployed to ensure that the error rate, whatever it turned out to be, was at the minimum level possible. It seemed unlikely that there was any alternative approach that would improve this error rate, so it was not clear what sort of review could usefully be undertaken. BS considered that any review could only be a plausibility check on samples of SPIDs and their links and associated addresses. Given this, BS also suggested that the work of the project could be used to identify validation for the 3rd Party Refs in the proposal. JMCL felt that CMA input would be essential to develop this and suggested a working meeting should be held to take the proposal forward. JA noted that CMA was supportive of the work done by Scottish Water and would be happy to work with Scottish Water to develop the proposal further.

BS summarised the position, which was agreed by the TP: JMcl should include a statement of the objectives for the proposal and that Scottish Water and the CMA should take the lead in developing suitable business rules and associated validation of 3RD Part Refs to support this objective, with the support of the 3rd Party Ref Working Group and that impact assessment and implementation timescales of the proposal should be considered once this detail is sufficiently developed.

AP308. SW to draft a statement of objectives for the use of the 3rd Party Refs.

AP309. SW/CMA to develop validation rules for the 3rd Party Refs to support the achievement of the objectives for their use.

AP310. SW to schedule a 3rd. Party Ref Working Group to consider the above.

MCCP128 – Meter Network Management

JMcl explained that the proposal had been discussed by the Metering Working Group and that, along with Indicative User Requirements, legal drafting had now been produced. JMcl noted that one aspect of the legal drafting was to remove the term 'Complex Metering', which was considered to be a misleading term and replace it with 'Meter Network'. IW asked whether this term might, itself, be replaced as it too was not an ideal term for the particular arrangement that it covered. NC considered that this would be more difficult, as the term 'Meter Network' was used more widely in documentation and in the CS. BS suggested that, so long as the term was well defined, it could remain as per the proposal.

The TP unanimously approved MCCP128.

AP311. CMA to submit a Final Report for MCCP128 to the Commission

MCCP129 – Trade Effluent Central System Changes

JMcl explained that this was the last of TE related changes and was now complete with Indicative User Requirements, legal drafting and an Impact Assessment had also been done. JMcl drew the TP's attention to one issue that had emerged from the IA, which was that the element of the proposal regarding additional settlement reporting for TE charges had been de-scoped on the grounds that this could not be delivered in the timescales for the proposal. However, JMcl also noted that additional TE reporting was being proposed in MCCP136.

The TP unanimously approved MCCP129.

AP312. CMA to submit a Final Report for MCCP129 to the Commission.

MCCP136 – Disaggregated Trade Effluent Settlement Report

HB noted that the rationale behind this proposal was to provide a quicker and easier means of checking settlement. BS noted that a benefit of £10k per annum had been suggested and NC noted that the CMA tended to adopt a five year period over which to accrue benefits for a change proposal, albeit with no discounting applied. BS considered that this provided a useful baseline against which to consider the cost of the proposal, to be determined by an Impact Assessment.

The TP unanimously agreed that MCCP136 should be subject to an Impact Assessment.

AP313. CMA to progress an Impact Assessment for MCCP136.

4. New Change Proposals

MCCP135 – Amendments to the MCCP Process

This MCCP was put forward by the CMA and seeks to strengthen the existing obligations regarding the completeness of MCCPs for submission to the TP.

NC explained that the MCCP sought to encourage a further evolution of the change management process so as to avoid situations where delivery of a proposal could sometimes be underway when details of the proposal were still being discussed, sometimes resulting in inefficiencies because of the need to re-work and follow-up with subsequent changes. The proposal covered two broad areas. One set of changes did not actually require any change to legal drafting, but constituted part of the package of changes. These changes sought a change to the Terms of Reference for the MPF, such that in addition to the MPF or any of its Working Groups discussing general issues, there might also be discussions designed to develop an MCCP, prior to such being submitted to the TP for decision. A number of other procedural changes had also been suggested. The second set of changes sought to strengthen the TP's processes; by giving the TP Chairman discretion to veto TP consideration of an MCCP if it did not comply with Market Code requirements on what should be included. The proposal also sought to formalise the requirement for Indicative User Requirements to the extent necessary to enable Impact Assessments and subsequent implementation.

JMcL noted that it was not always possible for participants to complete user requirements, since these related to the CS, which only the CMA had detailed knowledge of. NC noted that the CMA would always be able to support a participant in developing user requirements.

SB suggested that the issue identified could be dealt with if the TP were suitably vigilant in their deliberations. DW asked what objections there might be to proposals being discussed at the MPF prior to submission to the TP and BS noted that the TP was primarily a decision making body and that the MPF should perhaps be used more for developing proposals and that Working Groups should report to the MPF, rather than the TP.

The TP also considered that the suggested approach towards identifying how the Market Code Principles might be measured for a proposal was useful, so long as it could be made clear that the guidance was purely a suggestion and had no binding status. NC agreed to add this guidance as an Annex to the CP Pro-Forma, with a suitable caveat.

TP members were of the view that the discussion of the issues was sufficient to highlight what the TP should be aware of and on that basis, the CMA withdrew MCCP135.

AP314. CMA to add guidance on measures for assessing a proposal against Market Code Principles, to the MCCP/OCCP Pro-Forma.

MCCP137 – Transfer Cancellations by an Outgoing LP

This MCCP was put forward by the CMA. NC introduced the proposal and explained that when a transfer is cancelled by an Outgoing LP, information additional to that in the relevant transaction must also be provided and the CMA wished to explicitly establish the process of forwarding this information on to the Incoming LP.

IW and SB asked whether the provision of this information, particularly the size of a purported outstanding debt, was appropriate and HB asked whether there were any data protection issues. JA and NC noted that there was not considered to be any data protection issues, since all data transfers were between Code Members, under the auspices of the Market Code and the CMA was unaware of any other legal impediment. However, NC did note that the Market Code required an explicit obligation for information to be provided to a particular Part or group of Parties. SB suggested that an Incoming LP could obtain such information from the customer. BS asked what the underlying rationale was for this additional information. DW explained that it sought to prevent unfair blocking of a customer changing LP and also noted that there may be a de-minimis threshold for such Outgoing LP transfer cancellations, when the cancellation was based on an outstanding debt. The general view of the TP was that the additional information was not of value to the Incoming LP and may not be an appropriate dataset to be passed on to an Incoming LP. The TP also felt that confidence could be placed on the basic information in the transaction, although it was recognised that there might be an issue if no de-minimis threshold for the timescale and value of an outstanding debt underpinned the use of this reason for the cancellation.

The TP unanimously rejected MCCP137

AP315. CMA to ensure that its procedures exclude any provision, to an Incoming LP, of the additional information supporting an Outgoing LP transfer cancellation.

MCCP139 – Market Assurance and Training

This MCCP was put forward by the CMA. NC introduced the proposal and explained that the current CSD0003 included a number of market assurance techniques that the CMA could use at its discretion, but that a number of these were not actually made use of by the CMA and could be considered to be intrusive and excessive. So long as the CSD drafting remained as is, potential new entrants wishing to make use of an HVI could consider such requirements as a risk; creating a barrier to entry. The proposal sought to remove these techniques, leaving only those less costly processes that the CMA had used to date. NC went on to explain that the proposal also incorporated a re-draft of the CSD to make the key milestones for both training and market assurance clearer. JA also noted that the CSD re-draft had also re-balanced the emphasis within the training from use of the LVI to providing a wider introduction to the market design, for example, the way in which Performance Charges are applied.

The TP supported the proposal and unanimously approved MCCP139.

AP316 CMA to forward a Final Report for MCCP139 to the Commission.

5. Forward Plans

NC Presented the Item 5 papers. The TP noted that there were no further meetings scheduled for the; Metering Working Group, TE Working Group and Change Management Working Group and NC agreed to remove these from the Work Plan, until such time as a further meeting might be required.

6. Reports

6.1 CMA Business Indicators.

NC presented the Business Indicators Report. There were no issues arising.

6.2 Performance Standards Report.

NC presented the Performance Standards Report. There were no issues arising.

6.3 Vacancy Admin Scheme Report.

NC presented the Vacancy Admin Scheme Report. There were no issues arising.

JMcL presented an information paper to the TP on the Vacancy Admin Scheme. JMcL noted that although there were some issues to be considered, the scheme

appeared to be working well and that vacancy rates seemed to be moving to a more realistic level. JMcl identified some initial statistics; water SPID vacancy rates were approximately 14% and sewerage SPIDs were approximately 16%, having both been at something between 20% and 22% a year ago. KE also noted that the scheme had delivered vacancy status changes without recourse to arbitration.

7. Any Other Business

As there was no further business, the meeting was closed.

Action Summary

Action	Subject	Update
<i>From the minute of the 35th Meeting (20th June 2013)</i>		
AP283 SW	Scottish Water to provide an update on Vacancy Admin Scheme at December TP	Completed, 38 th TP
<i>From the minute of the 36th Meeting (15th August 2013)</i>		
AP285 SW	SW to draft User Requirements for MCCP127	Completed
AP288 SW	SW to add operational processes and the possibility of AMR's on "child" meters on the next Metering Working Group Agenda.	Superseded, MWG closed out
<i>From the minute of the 38th Meeting (12th December 2013)</i>		
AP308 SW	Draft a statement of objectives for the use of the 3 rd Party Refs.	
AP309 SW/CMA	Develop validation rules for the 3 rd Party Refs to support the achievement of the objectives for their use.	
AP310 SW	Schedule a 3rd. Party Ref Working Group to consider the above.	
AP311 CMA	Submit a Final Report for MCCP128 to the Commission	
AP312 CMA	Submit a Final Report for MCCP129 to the Commission	
AP313	Progress an Impact Assessment for MCCP136	
AP314 CMA	Add guidance on measures for assessing a proposal against Market Code Principles, to the MCCP/OCCP Pro-Forma	
AP315 CMA	Ensure that CMA procedures exclude any provision, to an Incoming LP, of the additional information supporting an Outgoing LP transfer cancellation.	
AP316 CMA	Submit a Final Report for MCCP139 to the Commission	