

41st. Technical Panel Meeting
Draft Minute for Approval

Present

Derek Ellery (DE) – ~~Biggart Baillie~~DWF LLP (TP Chair)
Belinda Oldfield (BO) – Scottish Water
Kevin Ensell (KE) – Anglian Water
Neil Cohen (NC) – CMA (TP Secretary)
David Walters (DW) – Commission
Mike Brindle (MB) - United Utilities
Emma Norris (EN) – Thames Water
Andrew Sharp (AS) – Business Stream
Paul Allen (PA) – Aimeria
Jeremy Hobbis (JH) – Severn Trent
Stuart Yardley (SY) – Clear Business Water
Tom May (TM) – Veolia
Iain Clark (IC) – Commercial Water Solutions
Scott MacLeod (SMcL) – Cobalt Water

Apologies

Brian Saunders (BS) – CMA

1. Minute

The minutes were approved, subject to a number of amendments presented at the meeting.

2. Actions and Administrative Update

NC provided an update on the action log, noting that all previous actions had been completed, except for AP336.

Regarding AP336, NC explained that the TP Chair had agreed that it would be a retrograde step to re-introduce 'Matters Arising' to the TP agenda, since this agenda item had originally been removed, in order to encourage TP Members to submit any matters to be discussed via some form of written submission and that such matters could then be raised under AOB. This facilitated prior briefing and a more informed discussion.

NC noted that no change proposals had been withdrawn since the last TP.

NC noted that two Change Proposals had been implemented since the last meeting, namely;

- MCCP146 Meter Network Management and
- OCCP046 Connections Process.

Two Change Proposals had been agreed by the Commission since the last meeting, namely;

- MCCP127 Linking Supply Points to 3rd. Party Refs.
- MCCP144 Removing T25s and
- MCCP147 Change to T8.

NC noted that no Commission Changes had been implemented since the last meeting and no Commission Changes had been introduced since the last meeting.

NC noted that no bulletins or Guidance Notes had been issued since the last TP.

NC also noted that no new Guidance Notes had been issued since the last TP.

NC also noted that new meeting dates had now been provided up to the end of FY 2015/16 and that the date of the 42nd. meeting had been moved to 2014-08-28. JH asked whether the 47th. meeting could be moved from 2014-06-18, to avoid the Highland Games. This was agreed and NC agreed to amend the date accordingly.

AP337 CMA to amend the meeting date for the 47th. TP to now be held on 2015-06-25.

3. Change Proposals in Progress

MCCP148 – Changes to the MDS

BO presented this paper and explained that, following previous discussion at the Technical Panel, the proposal had been further developed to provide additional information as to the value and requirements for the additional data items to be added to the MDS.

PA suggested that the justification for the additional data items appeared to be driven more by audit considerations than by market requirements; for example the D2029 Metered Building Water flag. PA again expressed concern over the extent of data provision and the consequent lack of control over that data, which might be abused.

BO said that the proposal was not specifically to support audit, but allowed all parties to reconcile their data and information with that held by the CMA and added to data quality improvement and transparency. BO also noted that the proposal had previously been discussed at the 3rd. Party Refs Working Group.

AS suggested that there were no new data items in the proposal, which seemed to be only about making existing data more easily available. JH agreed and noted that the data was available on the LVI, although some data might only be available to data owners at present. JH and TM considered that there was no particular issue

with making this data available, since parties could ultimately obtain this information by other means.

EN questioned whether the RSD, in particular, was of any value to participants and perhaps should be removed from the list of items to be made available as it could be regarded as sensitive to particular parties. JH suggested that it could be obtained by other means and therefore no issue existed.

KE also considered that the additional data provision would drive efficiency and allow for better decisions by parties.

AS suggested that a review of data availability should be undertaken to establish what was currently available to all parties, what was available to data owners and via what reports, to reveal the governance of particular data items. DW also asked whether the proposal took the availability of data to all parties to completion and which of the data items on the MDS might be available elsewhere. NC noted that settlement charges and performance charges remained limited to relevant parties and noted that there were wider issues regarding data provision, for example, involving the data alignment initiative.

BO agreed to provide further details on the data items in the proposal, along with some statements on the context of these, in particular, whether they were already available via the LVI and the degree of transparency that would be delivered by the proposal, subject to obtaining some feedback from the Technical Panel ahead of the next meeting, to enable a decision to be made at the next meeting.

AP338: SW to provide a further update of MCCP148, with some context on the degree of transparency delivered by the proposal and whether the data was already available via the LVI.

AP339: ALL to provide feedback on the next draft of MCCP148 to SW, prior to the next Technical Panel.

BO subsequently reported that the data identified for inclusion on the MDS in the proposal added some 20% of extra visibility, bringing the overall degree of visibility on the MDS to 30%.

4. New Change Proposals

MCCP150 – SWLP Performance Charges

NC presented this proposal, which had been put forward by the CMA. NC explained that having integrated Performance Charges onto the CS, the CMA has realised that the CSD could be clarified to better describe SWLP charges. In particular, domestic meters that are not allocated to a meter network cannot be attributed to an LP and so cannot attract SWLP charges (since these are payable to an LP by SW). This is implied by the definition of SWLP charges and this proposal sought to make this

explicit. TM suggested that the claimed benefit seemed rather high, NC noted that the proposal carried no cost and that, as always with benefit analysis, the order of magnitude was of more significance than the actual amounts arrived at from estimation.

The Technical Panel unanimously approved M CCP150.

AP340: CMA to forward a Final Report for M CCP150 to the Commission.

M CCP152 – Further Requirement for Integrating POLR onto the CS

NC presented this proposal and explained that, as part of the initiative to integrate POLR processing onto the CS, one aspect of the process involved re-directing any New Supply Points that had initially been identified against the Designated LP to another LP. The original Indicative User Requirements in the Approved Change for this work had assumed that such re-direction implied that any such New Supply Points would be deemed to then be Partial Supply Points. However, the CMA had removed this requirement, on the basis that it was not clear that the POLR process allowed for such a re-designation of the Supply Point status. This proposal sought to clarify existing CSD drafting such that when a New Supply Point is re-directed to a POLR LP, it remains New. The proposal also sought to add an obligation to the CSD for a notification transaction to be provided to the POLR LP identifying any such New Supply Points.

BO suggested that the POLR allocation process did constitute a firm allocation and the POLR LP, having not opted out of the POLR process, should not be in a position to reject such an allocation, which would be the case if the Supply Point remained with a status of New. JH noted that this aspect of the POLR allocation process would imply a need for a POLR LP to have a connections process. PA suggested that customers should not face the risk of being left without an LP and KE noted that due account should be taken of the reputational damage to the industry, if such a risk remained. MB noted that there were not likely to be many such Supply Points involved and POLR itself was a rare event. DW agreed with these views and suggested that some degree of trust needed to be established to ensure that customers would not be left without an LP. DE felt that this needed to be encapsulated in Market code rules to deliver that confidence.

In light of the discussion, NC agreed to withdraw M CCP150 and DW suggested that a Commission Change could be progressed to expedite any Market Code or CSD drafting to make explicit the change of status of any New Supply Points allocated as part of a POLR process, given that the project to deliver the automation of the POLR process was already underway.

AP341: CMA to draft Market Code changes for WICS to consider for a Commission Change, regarding the allocation of New Supply Points under the POLR process.

5. Forward Planning Report

NC presented the report. There were no issues identified.

6. Any Other Business

6.1 Silver Tassie

PA noted that the current level of take-up of sites identified on the Silver Tassie portal was such as to suggest that the cost to the market of the portal was high.

NC suggested that this would be a matter for the CMA Board and KE noted that the Board always were considering the matter of value for money including that of the SAA Project and JH noted that this consideration also took account of the lowering of the incentive payments for Gap sites.

AS asked whether the Board had sought explicit views from the industry, or from the Technical Panel and KE said that it had not. BO asked how Technical Panel matters were reported to the Board. NC noted that the TP Secretary provided input to the CMA CEO report to the Board on progress against Operational Plans, in particular in respect of progress with issues, changes and projects to deliver such changes. KE noted that there were Board members who were also TP Members so these acted as a communications conduit, as well as the Non-Executive Board Members who monitored overall performance and were able to bring some independence and balance to Board decisions to avoid bias.

Action Summary

Action	Subject	Update
<i>From the minute of the 40th Meeting (17th April 2014)</i>		
AP328 CMA	Forward a Final Report for MCCP127 to the Commission.	Completed
AP329 CMA	Forward a Final Report for MCCP144 to the Commission.	Completed
AP330 CMA	Forward a Final Report for MCCP146 to the Commission.	Completed
AP331 CMA	Forward a Final Report for MCCP147 to the Commission.	Completed
AP332 SW	Provide further information on the data items to be included on the MDS, as described in MCCP148.	Completed

Action	Subject	Update
AP333 CMA	Set up a Gap Site Process Working Group and schedule a meeting for two weeks time, or as soon after as is practical.	Completed
AP334 SW/BS/Aimera	Provide examples of where issues have arisen with the Gap Site process.	Completed
AP335 CMA	Provide a process timeline for the Gap Site process.	Completed
AP336 CMA	Add a Matters Arising Item to the TP and MPF agendas.	Removed
<i>From the minute of the 41st. Meeting (19th June 2014)</i>		
AP337 CMA	Amend the meeting date for the 47 th . TP to now be held on 2015-06-25.	
AP338 SW	Provide a further update of MCCP148, with some context on the degree of transparency delivered by the proposal and whether the data was already available via the LVI.	
AP339 ALL	Provide feedback on the next draft of MCCP148 to SW, prior to the next Technical Panel.	
AP340 CMA	Forward a Final Report for MCCP150 to the Commission.	
AP341 CMA	Draft Market Code changes for WICS to consider for a Commission Change, regarding the allocation of New Supply Points under the POLR process.	