

32nd Technical Panel Meeting, 13 December 2012
Approved Minute

Present

James Bream (JB) - Business Stream
Jessie McLeman (JMcl) – Scottish Water
Kevin Ensell (KE) – Osprey
Derek Ellery (DE) – DWF Biggart Baillie (TP Chair)
Amanda Hancock (AH) – CMA (TP Secretary)
David Walters (DW) – Commission
Jeremy Hobbis (JH) – Severn Trent
Ian Whatton (IW) - United Utilities
Julie Desrousseaux (JD) - Veolia

In attendance

Duncan Innes (DI) – Business Stream Observer

AH advised the group that the Chairman, Brian Saunders had taken ill, and that Derek Ellery from DWF Biggart Baillie (CMA Company Secretary) would stand in. The group asked that AH pass on their best wishes to the Chairman and wish him a speedy recovery.

1. Minute

The minute of the meeting of 18th October 2012 was approved. AH noted that there had been a few comments, all of which had been incorporated into the minute.

2. Actions and Administrative Update

AH provided an update on the action log:

Action points AP211, 224, 239, 240, 245, 247, 248, 249, 250, 251 and 252 have been closed off.

Action Points AP220, AP226, AP229, AP232, AP236, AP241, AP242, AP243, AP244, AP246 and AP253 are all ongoing.

AH noted that no Change Proposals had been withdrawn, agreed or implemented since the last Technical Panel Meeting. AH also noted that there were no Commission Changes implemented or new Commission Changes introduced since the last Technical Panel Meeting.

AH noted that no new Bulletins or Guidance Notes issued since last Technical Panel Meeting.

AH noted that there were no new TP dates proposed.

3. Change Proposals in Progress

MCCP095 – Trade Effluent Volume and Charging Calculations

AH confirmed that an updated MCCP and User Requirements were circulated, along with supporting legal drafting. JMCL apologised for the delay in the circulation of the legal drafting, but confirmed that considerable time and effort had been undertaken to get the drafting to its current position. JMCL then thanked the CMA for its support and assistance in getting the drafting complete.

KE noted that the cost benefit analysis that had been provided by SW was also useful, and that moving forward this type of analysis would assist the Technical Panel in making decisions and prioritising changes.

AH highlighted that the updated URs would need to be signed off at this meeting to ensure the current Release stayed on track. DW asked if March was still the proposed implementation date. AH confirmed that this was what the team was working towards. AH also advised that there would be a minor change in one of the calculations to ensure that during periods vacancy and temporary disconnection the relevant discounts would not be taken account of.

DE asked if the group were happy to approve the MCCP in its current form. The TP unanimously approved MCCP095.

MCCP103 – Retrospective Amendment of Transactions

AH noted that no decision had been made by the Commission at this stage, and therefore this proposal could not progress at this time.

MCCP104 – Changing Ownership of Meter X/Y Data and Meter Location Notes

AH noted that this proposal had not progressed since the last TP meeting, and that Business Stream were looking to provide supporting legal drafting. JB confirmed that the CMA had provided Business Stream with some useful information to allow them to progress the drafting. AH re-iterated that in order to be included with the September 2013 Release, the TP would be required to approve this proposal at the next meeting in February.

MCCP105 – Changing Ownership of Drainage Data and SEES Data

AH noted that this proposal had not progressed since the last TP meeting, and that Business Stream were looking to provide supporting legal drafting. JB confirmed that the CMA had provided Business Stream with some useful information to allow them to progress the drafting. AH re-iterated that in order to be included with the September 2013 Release, the TP would be required to approve this proposal at the next meeting in February.

MCCP107 – Moving Ownership of the Meter Dial Data

JB walked through the proposal and explained the reason for the proposal. He further noted that on reviewing instances of this activity, they looked to be for legacy meters (pre dating Market opening) and the numbers were declining. On that basis Business Stream would look to withdraw this proposal as the costs outweigh any potential benefit.

AP254 AH to note Business Stream’s withdrawal of MCCP107

MCCP109 Meter Read Distribution Fix

AH advised that this proposal had been approved by the TP at the last meeting in October, but that at the time of sending out documentation, the Commission had yet to approve. AH noted that Commission approval had been received for this proposal on 12th December.

MCCP111 – Change in Notification to the CMA by Scottish Water

JMcL provided an overview of this proposal for the benefit of new members, and confirmed that the proposal had been updated to reflect previous discussions.

AH highlighted that there was a one specific measure where LPs had a reciprocal obligation that had not been extended. JMCL commented that Scottish Water had only looked at its obligations. KE commented that there should be parity across the board and would therefore like to see the corresponding LPs obligation extended to match that of SW.

AH then asked if it was Scottish Water’s intention to include pseudo meter obligations as part of the increase in timescales. JMCL commented that the intention had only been to update physical obligations, and would therefore review the paper with a view to updating with the relevant changes.

DE asked if the proposal would be presented at the next TP meeting for approval. JMCL asked whether the proposal could be approved off line in advance of the next meeting. AH confirmed that this was feasible and would circulate the updated proposal to Participants once the changes were forwarded.

AP255 SW to update MCCP111 following discussions at the TP and forward to the CMA for circulation to the TP

AP256 CMA to circulate updated MCCP111 to the TP for approval.

MCCP112 Change in Effective Date Setting on T006.3 Transaction.

AH asked if SW had assessed the magnitude of SPIDs affected by the issue relating to this change. SW advised that there were about 200 SPIDs stuck in NAPs, but that they did not know what the BAU run rate of SPIDs affected was likely to be.

On that basis, CMA would look at a work around until the proposal is implemented in the September 2013 Release. A proposal would be presented to the next TP in February.

AP257 CMA to propose a workaround for MCCP112 until its implementation in September 2013.

MCCP113 –Change to facilitate the introduction of Accredited Entities

AH advised that this proposal had been approved by the TP at the last meeting in October, but that at the time of sending out documentation, the Commission had yet to approve. AH noted that Commission approval had been received for this proposal on 12th December.

OCCP040 Making Registration Customer Friendly

AH advised that this proposal had been approved by the TP at the last meeting in October, but that at the time of sending out documentation, the Commission had yet to approve. AH noted that Commission approval had been received for this proposal on 12th December.

MCCP116 Changes to LP Nominations Process

AH advised that this proposal had been approved by the TP at the last meeting in October, but that at the time of sending out documentation, the Commission had yet to approve. AH noted that Commission approval had been received for this proposal on 12th December.

4. New Change Proposals

MCCP118 – Allowable Values for Property & Roads Drainage

JB took the TP through this proposal, highlighting that whilst this data item should only accept a 0 or 1 to reflect the presence or not of Property and Roads Drainage, this is no validation in place to stop higher values being entered, and creating duplicate charging for Participants. AH clarified that the CS does validate to ensure that only a 0 or a 1 can be submitted, however it does not validate against users creating duplicate entries via ERRA applications, which results in the duplicate charging.

JMcL queried what the system was doing and AH used an example of a SPID where an LP submits a T012.1 to enter a 1 signifying Property & Roads Drainage for the SPID. The LP then submits a retrospective amendment for that SPID adding Property and Roads Drainage. Once this has been processed, the SPID would effectively have two data entries showing 1 (i.e. positive for P&R Drainage) which would trigger the charge twice.

JB noted the CMAs recommendation to include this change with MCCP105 as the change proposed did not include any Market Code changes and thus was not an MCCP, however Business Stream wanted to keep the two separate as he did not want the change to be dependent on another proposal. AH suggested that the other proposed option was to allow the CMA to create a CMACP for this proposal and take it forward as such. JB confirmed that Business Stream were happy with this proposal.

AP258 CMA to create a CMACP to pick up this proposal from Business Stream.

AP259 On the basis of AP258 above, CMA to note Business Stream's withdrawal of MCCP118.

5. Forward Plans

AH Presented the Item 5 papers, with nothing of significance to note. At the last meeting, the TP had requested a session with the CMA to walk through the Issues List in more detail. AH suggested that this would be arranged for the 21st February following the TP / MPF Meeting.

AP260 CMA to arrange a session with Participants to walk them through the Issues List.

6. Performance Statistics

AH presented the CMA Business Indicators, Performance Statistics and Vacant Admin Scheme reports for the quarter, with nothing of significance to note.

KE asked for the categories to be covered again as he was still a little unclear on what the report was telling the group. JMCL then asked if it was possible to have a session with Participants to walk them through the report and the relevant categories.

AP261 CMA to arrange a session with Participants to walk them through the Vacant Admin Scheme Report.

7. Review of Market Performance Measures

AH advised that whilst no papers had been received from Participants at the time the papers were issued, Business Stream had sent in a paper which was circulated to the TP on Monday the 10th December for discussion.

JB talked through the measures in turn and highlighted a few areas where Business Stream felt the measures were no longer driving the right behaviour. JB further noted that there were a number of measures where considerable improvement had been made, and that any further improvement was unlikely i.e. completeness of customer reads was ~99% with only about 1% failure month on month. JB asked about the merits of possibly introducing a threshold of acceptance i.e. without fine for these failures. KE suggested that dealing with unreadable meters (i.e. internal meters) could potentially be a policy issue around how the solution is paid for. In an integrated business, the work would be undertaken. KE further stated that the way the Market is structured in Scotland, the incentives are wrong in terms of the cost of AMR and from an industry perspective; it's unclear who would pay for these.

DW stated that he did not believe SW would have the funds to install AMR, and therefore not something the Commission would consider.

JH added Wholesalers in England were fitting AMRs for customers where it was demonstrable that they were required in order to ensure accurate meter reading.

DW asked what percentage of the unread meters were the same properties month on month. JB confirmed that in Business Stream's case, about one third of the unread meters, both monthly and biannual were the same properties that were continually unread. KE suggested again that this may be something the Commission wish to consider as it could be beneficial to the Market as a whole.

DW stated that as SW did not have funds for this work, it was not something it would consider. Further, he clarified that Participants should make representations to the Commission at the next Price Review to include funds to undertake this work.

IW asked if the current targets were appropriate (read every 8 months) given that in electricity and gas, a physical read is required every two years. JB confirmed that he did believe the metrics are right, and have been useful in getting to the position the Market is in today. JMCL further added that any extension could potentially lead to less accurate settlement.

KE added that the existing frequency allowed for the capturing of any potential leakage, which ultimately would benefit the customer in the long run.

JB also discussed inappropriate RVs and asked whether work could be undertaken by the Market Auditor to validate ORVs to pick up any inappropriate use of the process. LPs could incur penalties for inaccurate data, but where the auditor found that this information was accurate or where the LP had attempted to undertake work (i.e. site visit for meter reads where access was not available). AH stated that it was not the purpose of the Market Audit to validate this type of activity in the Market, but that it was to validate the data held in the Central Systems, and Participant systems for accuracy.

JB and JMcl stated that they did believe this activity should fall under the Market Audit. KE clarified that whilst this was not the case currently, it was something the CMA Board could look at if there was a requirement for it.

DE asked the group how they wished to take this matter forward given the discussions ongoing.

JMcl offered to send out a paper from SW in relation to Performance Standards to assist future discussions.

AP262 SW to circulate its paper on Performance Standards.

AH noted that given the lack of evidence being presented at this stage, it would be inappropriate to change measures at this time. It may be more appropriate to set up a working group to review the measures individually. AH confirmed that the CMA would be happy to facilitate this, but that any proposals need to be driven by Participants.

JMcl asked that sufficient time be allowed for Participants to gather data for discussion at the group. AH asked if late January was sufficient time. All agreed that it was.

AP263 CMA to schedule a working group meeting on Performance Standards

AP264 Participants to prepare internal data to support any proposed changes to existing measures.

AH stated that the purpose of the measures is to drive correct behaviour in the Market, not to penalise Participants, and that if the group decided changes were required to drive that correct behaviour, they would need to demonstrate where any changes were required.

DW stated that this was the right way forward, and that the Commission would show due consideration to any recommendations made by the Group.

JB stated that it may be that no proposed changes came out of the Group, but that potentially increased Audit activity could be incorporated into the process. AH again re-iterated that this was not currently the remit of the Market Audit. JMcl stated that the Audit does look at completeness of data and would therefore form part of the Audit. KE added that the completeness element that the Auditor looks at is for accuracy of data and effectiveness of settlement, not in relation to Performance Penalties.

In closing the discussion, AH confirmed that a meeting would be set up in late January to discuss the measures in detail.

8. Any Other Business

CMA Christmas Closure

AH confirmed that the CMA office will close on Monday 24th December, and re-open on Thursday the 3rd January. A bulletin will be issued with confirmation of opening and closing times, along with any emergency contacts.

RF Data Deadline

AH advised that any data changes guaranteed for including in the upcoming RF Report for financial year 11_12 should be with the CMA by close of business on Friday 25th January 2013.

Assessors Project

AH provided an update to the Group on the Assessors Project. Key highlights were:

- Methodology broadly as specified in the Data Working Group
- CS database compared with Scottish Assessors database creating opportunities to clean up address data and align RV data.
- Trial carried out in Clackmannanshire suggesting there is considerable scope of improving accuracy of data within CS.
- Trial used software matching, desk work and site visits.
- CMA will provide SW with list of potential gap sites to validate and where appropriate, enter them into the gap site process.
- CMA Board has approved software matching for Scotland at a cost of £150k

- CMA Board has also approved desk work and site visits for two “blocks” at a cost of £150k (£75k each). If results are encouraging there are a further 19 which can be carried out in a rolling program.
- CMA will request support from Market Participants, in particular the provision of information. The more information that is provided, the more effective the software matching will be, with the potential to reduce costs thereafter.

JMcL asked if the CMA was intending to have a kick off meeting with Participants. AH advised that the project was already well underway, and it was not the CMAs intention to have a kick off meeting, however the CMA fully intended to meet with Participants individually to discuss what support and or information they would require from them as part of the project.

Finally, AH took the opportunity to thanks James Bream on behalf of the group for his input and contribution over the past few years.

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

Action	Subject	Update
<i>From the minute of the 29th. meeting (14th June 2012)</i>		
AP220 SW	Draft an OCCP to set out a process for progressing changes to Meter Dial Data	Ongoing
<i>From the minute of the 30th. meeting (16th August 2012)</i>		
AP226 BS	Business Stream to work on providing more detailed benefits to be considered when MCCP103 is next considered by the TP	Ongoing
AP229 SW / BS	SW and BS to provide data on the number of instances the issue of wrong dial digit occurs in order to give the TP comfort that this is a legacy issue.	Superseded as proposal withdrawn
AP232 CMA	CMA to progress MCCP111 to Impact Assessment	Complete
AP236 SW	SW to provide Market Code and CSD drafting for MCCP112 at next TP Meeting in October	Ongoing
<i>From the minute of the 31st meeting (18th October 2012)</i>		
AP241 BS	Business Stream to provide Legal Drafting to support MCCP104	
AP242 BS / SW	Business Stream and Scottish Water to provide Legal Drafting and net benefits to support MCCP105	
AP243 BS / SW	Business Stream and Scottish Water to profile instances of inaccurate meter dial data in the Market to determine whether the problem is historic	Superseded as proposal withdrawn
AP244 BS	Business Stream to provide Legal Drafting in support of MCCP107	Superseded as proposal withdrawn
AP246 SW	Scottish Water to provide feedback on the scale of the current problem relating to MCCP112	Complete
AP253 CMA	CMA to set up a session to review the Issues List with Participants	Ongoing Scheduled for 21 st Feb following TP
<i>From the minute of the 32nd Meeting (13th December 2012)</i>		
AP254	AH to note Business Stream's withdrawal of MCCP107	
AP255	SW to update MCCP111 following discussions at the TP and forward to the CMA for circulation to the TP	
AP256	CMA to circulate updated MCCP111 to the TP for approval.	
AP257	CMA to propose a workaround for MCCP112	

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AP263	CMA to schedule a working group meeting on Performance Standards	
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