

**75th Technical Panel Meeting
Approved Minute**

Present

David Sigsworth (DS)– CMA – (TP Chair)
Amanda Hancock (AH) – CMA (TP Secretary)
Jeremy Atkinson (JA) - CMA
Fraser Gourlay (FG) – Earls Gate Water
David Innes (DI) - Commission
Fiona Matheson – Business Stream
Tony March (TM) – Wave
Robin Donald (RD) – Castle
Alastair Ross (AR) – Commercial Water Solutions
Ian Grundy (IG) – Pure Utilities
Richard Lavery (RL) – Scottish Water
Sarah Scott (SS) – Veolia
Mike Brindle (MB) – Water Plus Ltd
Michelle Burns (MBu) – Water Plus Ltd
Ewan Hardy (EH) – Lettermay
Andrew Waghorn (AW) – Deloitte (Part)

Apologies

Belinda Oldfield (BO) – Scottish Water
Andrea Mancini (AM) – Water Commission
Tom May (TMV) – Veolia
Rich Rankin (RR) - Brightwater

1. Introductions and Minute

DS welcomed new members to the TP. MB advised that MBu would take over the TP role at some point and felt it would be beneficial to do a joint meeting prior to the transition taking place.

AH advised that no comments had been received on the minute, and as such the meeting confirmed the Minute from 12th December 2019 was approved by the meeting.

2. Actions and Administrative Update

DS asked about an update to AP459 and noted that it had been outstanding for some time. RL commented that it should be addressed in the Commission's Final Determination. All other actions were complete.

AH noted that no proposals had been withdrawn or rejected since the last meeting. AH noted that four proposals had been agreed. M CCP247 which will be implemented with the March Release, and three OCCP's 063, 065 and 066 which are likely to be published prior to 1st April 2020. RL added that the hope is SW will

include the OCCP being presented today (if approved) and all would be published prior to 1st April.

AH noted that there were no Commission Changes implemented or introduced since the last TP Meeting. Two bulletins have been published since the last meeting. BU131 was issued in December and sets out the CMA and Central Systems availability over the Christmas period, and BU132 which was issued in January, reminding Participants about the forthcoming RF run and that any data rectifications for the year should be input prior to this run to ensure settlement is as accurate as possible. No Guidance notes have been issued since the last meeting.

No new TP dates have been proposed since the last meeting.

3. Change Proposals in Progress

No change proposals in progress at this time.

4. New Change Proposals

OCCP067 Operational Code KPI Changes

RL introduced this paper and confirmed that as a result of ongoing discussions with the Customer Forum, SWW is looking to improve some of their KPI's to reduce timescales for 15 Operational Code Processes. RL confirmed there would be some system changes internally but did not foresee an issue hitting the 1st April target for these changes.

IG asked whether SWW was already in a position to hit these KPIs, or will it put undue pressure on SWW initially. RL confirmed that SWW felt these targets were achievable and that they were in a position to meet these targets when the changes are implemented.

FM asked whether there had been any engagement with customers to confirm whether they felt these KPIs were reasonable. RL confirmed no engagement on specifics, however these had been developed in conjunction with the Customer Forum which implies these will benefit the customer.

On this basis the TP approved this proposal.

AP493

CMA to prepare Final Report and forward OCCP067 and supporting documentation to WIC for consultation.

MCCP246 March 2020 CSD Drafting

AH introduced this proposal and confirmed that this was the consolidated drafting for the forthcoming Release for all approved changes. In addition to this, any

additional changes that will be highlighted in the CP relate to either typographical errors or drafting omissions from previously approved changes. AH highlighted the change in ownership of SS connection date. As a result of this the R4 Performance Measure will run at the start of March for February stats, and then will not run in April for March stats. The R5 measure will not be run in April for the March stats but will then be run in May with the switched ownership from LP to Scottish Water.

No comments were received in the meeting, the TP approved the proposal.

AP494 CMA to prepare Final Report and forward MCCP246 and supporting documentation to WIC for consultation.

5. Forward Planning Report

AH noted that there are two new change proposals, CMAPx192 and 194. CMAPx192 is a sweep up CP that the CMA is collating for the September Release where issues are identified either internally or via Market Participants. Whilst there are no documentation updates as a result of these changes, the CMA feel that participants should be aware of them. An example of this would be the format of some reports on the LVI. The CMA has been advised that some participants feel the current format makes analysis of the data more difficult, so we will look to address this in September. We would welcome any feedback on this. RL asked whether this would affect the MDS. AH advised it would not as the MDS is set out in a CSD so any changes would need to be Market Code Change Proposals. FM asked when feedback would be required by. AH confirmed that any feedback should be received by the end of March.

AP495 Market Participants to provide any feedback on the layout of reports on the LVI or other LVI issues to the CMA by the 27th March 2020.

CMAPx194 is another internal CP as the CMA is currently undertaking a refresh of the CMA's website. No functional changes will be taking place, the CMA is just looking to ensure it refreshed.

Q3 performance changes have now been invoiced to the value of £152k which are due for payment at the end of this week. These funds have been added to the income, and expenditure costs for Phase 1 and 2 of the Meter Read Compliance project have also been included. Lastly, there have been no changes to the late payment notification table.

6. CMA Draft Budget 2020_21

AH introduced the draft budget which had been approved by the CMA Board in January and was now brought forward to the TP for comments in advance of the Board ratifying the budget at their Board meeting in March. AH highlighted a few key points:

- At £2.39m the headline figure is the same as the 2019-20 budget.
- Last year we presented the lowest budget in our history, so this becomes the joint lowest budget. In real terms we are below the 2019-20 budget and we have absorbed more than a decade's worth of inflation.
- The big driver of this headline figure is that we have managed to cement the cost saving from internalising the participant element of the Market Audit.
- There have been some additional costs from doing the audit work – for example, the analyst team is now slightly bigger than before – but the contractor savings far outweigh these.
- The budget has a familiar overall shape, and the costs in each category are broadly the same as last year's budget, which is unsurprising given that the business is quite stable.
- For the most part the activities underlying the costs are the same as last year i.e. 2 Scheduled Releases and a Hot Fix Release.
- However, the experience of carrying out the Market Audit has also helped us build technical know-how. As a result, the budget assumes we will carry out more data analysis than in previous years, without an increase in cost.

AH pointed out that within the Scheduled Releases, the CMA would address any immediate software or hardware redundancy. The proposed Technology Refresh is a separate piece of work, and scoping has commenced to assess and quantify the benefits of a fundamental refresh. When more details are available, the CMA will present these results to the TP.

AH noted the CMAs approach to contingency. The values against each risk are quite modest. However, we believe that the total is enough because it is highly unlikely that every risk will materialise. AH then advised participants that comments were welcome both today, and in writing up to the 12th March 2020.

DS added that the Board's view of the Budget in terms of the detail included and overall result in maintaining cost is remarkable, especially in light of the change bringing the audit in house and the new benefits that brings.

No comments were received in the meeting.

7. Market Review of Performance Measures

AH advised that this section will be split into two parts. The CMA has invited Deloitte along to do a presentation on the proposed Meter Read Compliance Project, and then the CMA has produced a discussion paper on Performance generally for the second part of the discussion.

Deloitte will present on the Meter Read Compliance scope and would appreciate feedback on the hypothesis and methodology that they intend to use, and also on the information they will require from Participants as part of this project.

At this point Andrew Waghorn from Deloitte joined the meeting.

Meter Read Compliance

AW confirmed that today's presentation would take the Technical Panel through the context and approach of the project including the methodology for determining compliance, the various hypothesis that would be utilised, defined terms, timescales and data requirements from Participants. AW would welcome feedback throughout the presentation. A copy of the slides would be appended to the minutes for information. A few key area's of discussion included:

- When discussing the classifications, the meeting asked for clarity between late and missing meter reads, and whether there was a requirement for both. AH clarified that the project would not only look at getting additional reads into the system from long unread meters, but it was also looking to address the disparity across the market on meter read compliance. JA added that the disparity was more prevalent on the late read meters than the missing.
- There was a discussion around whether the project could liaise directly with Meter Reading Contractors to obtain information. The consensus was that this should be directed through the LP in the first instance.
- On timescales, a few Participants had expressed concern at timescales for data requests as March was a very busy time for some participants as it was year end, and also clashed with Market Audit data collation. Participants took this away for further consideration. There was a question on whether the data request was mandatory. JA noted that given discussions at the TP in support of the project this wasn't something the CMA had considered. However, it would endeavour to confirm whether it had the appropriate authority and if not, would engage with the appropriate body.

In summary, AW thanked the TP for their time and asked that any feedback on the presentation should be filtered through the CMA in the first instance.

Performance Review

AH introduced the Performance Review paper which covered off a summary of performance to date, a comparison with work ongoing in England, feedback from one Participant (SWW) and next steps.

DS added that the Board had been considering wider publication of this data and the Board is looking to become more transparent and will likely publish this data later in the year. FM confirmed that most participants operating in England are used to the transparency. JA added that the Market Update would be the first step in this process, as the next Update would be published on the CMA's website once it has been issued to Participants.

EH asked whether the information currently distributed by the CMA could be published by LPs. JA confirmed that currently this was restricted information for members only and only information in the public domain can be more widely distributed.

FM noted that it may be premature to look at changing measures when the Meter Read Compliance work is ongoing, and that it may be beneficial to wait until the output of this project was available.

AH noted that it would still be beneficial to get feedback from Participants on the paper in parallel, with the view that feedback can be collated and any changes that could be made in isolation could be taken forward. AH asked Participants to provide feedback to the CMA by Friday 20th March.

AP496 Market Participants to provide any feedback on the Performance Measure Review to the CMA by the 20th March 2020.

8. Any Other Business

New Entrant Activity

AH advised that Waterscan were now active participants in the Market.

WICS Consultation Update

DI advised that work was ongoing and three papers would be produced in the coming weeks, including Gap Sites, Self Supply and Pre Payments. The Commission was working towards the final determination, which would likely be published in April. Participants asked if the Commission could provide some communication to participants in relation to their position in relation to pre payments and contracts currently being negotiated. DI agreed to send out an email this week with further detail on communication and timescales for implementation as much as possible.

AP497 WICs to provide communication to LPs in relation to timescales for aspects of the Determination in relation to Pre payment.

OCCP063 – New Connections

RL advised that that this CP has highlighted a few references had been missed in the updated documentation and SW would like to update this CP. AH confirmed that this could be done offline if SW send to the CMA it can be issued for approval.

AP498 SW to forward updated OCCP063 to CMA for offline approval and then submission to WICs for consultation.

Market Audit

AH advised Participants that the Market Audit Data Request would be issued next week. The request would be similar to last years request, with a few minor tweaks taking account of Participant feedback and experience from last year. Timescales and key dates were set out in the document. Any questions on the document should be directed to Andrew Morris in the first instance. AH reminded Participants that compliance with the Market Audit was a Market Code obligation and therefore not optional.

There being no further business, DS closed the meeting.

Action Summary

Action	Subject	Update
<i>From the minute of the 64th Meeting (26th April 2018)</i>		
AP459	WIC / SW looking at legal issues associated with the terminology.	Ongoing
<i>From the minute of the 75th Meeting (20 February 2020)</i>		
AP493	CMA to prepare Final Report and forward OCCP067 and supporting documentation to WIC for consultation.	
AP494	CMA to prepare Final Report and forward MCCP246 and supporting documentation to WIC for consultation.	
AP495	Market Participants to provide any feedback on the layout of reports on the LVI or other LVI issues to the CMA by the 27 th March 2020.	
AP496	Market Participants to provide any feedback on the Performance Measure Review to the CMA by the 20th March 2020.	
AP497	WICs to provide communication to LPs in relation to timescales for aspects of the Determination in relation to Pre payment.	
AP498	SW to forward updated OCCP063 to CMA for offline approval and then submission to WICs for consultation.	