

**107th Technical Panel Meeting
Approved Minute**

Present (via conference call)

Bob Downes (BD) – CMA (Chair)
Amanda Hancock (AH) – CMA (TP Secretary)
Jeremy Atkinson (JA) – CMA
Shane Taylor (ST) – Consumer Scotland
Richard Lavery (RL) – Scottish Water
David Innes (DI) – WICS
Mark Whittall (MW) - WPL
Patricia Dunne (PD) - SWBS
Camilla Fortuna (CF) – W2B
Damian Sharp (DS) – CMA
Alastair Ross (AR) – Commercial Water Solutions
Ben Kershaw (BK) – Wave
Calum McLeod (CMcL) - Castle
Nicola Balfour (NB) – Veolia
Cosmin Diaconita (CD) – WICS
Thomas McDade (TMcD) – IBW
Letoia Mann (LM) - CBW

Apologies

Matthew Glover (MG) – Wave
Gail Walker (GW) – Consumer Scotland
Jonathon Astley (JAS) – Pure Utilities
Stephen McIntosh (SMcI) – Scottish Water
Fiona Matheson (FM) – SWBS

1. Minute

AH advised that no comments had been received, and none were raised in the meeting. The Minute of 17 April 2025 was approved by the meeting.

2. Actions and Administrative Update

AH noted that all actions were now complete. There were no Change Proposals withdrawn, rejected or implemented since the last meeting. CD asked if M CCP312 with CURs could be sent across as soon as possible for consultation as the timescales were tight.

AH noted no new Commission Changes had been approved or introduced. No new Guidance Notes had been issued since the last meeting, and no new bulletins issued since the last meeting.

AH noted that new proposed dates for 2026-27 had now been scheduled. The next in person meeting would be the October meeting at the CMA offices in Stirling.

3. Change Proposals in Progress

AH noted there were no Change Proposals in progress at this time.

4. Potential Change Proposals brought forward from MPF

AH noted that there were no Change Proposals brought forward from the MPF.

5. Forward Planning Report

AH noted that CMAPx281 which would remove the ability to undertake double wildcard searches was now approved and scheduled for delivery in September. CMAPx285 was an additional service and this has also been approved and implemented. CMAPx286 is new and currently being scoped. AH noted that this CP will unwind an erroneous transfer, as it had been almost 2 years since the original transfer. The CMA is looking at whether the Market should introduce a time limit on these. The CMA will bring forward a discussion paper once it has given due consideration.

The available performance charge cash now stands at just under £2.2m. JA noted that SWBS is currently running a pilot which, if successful, may be rolled out more widely, but no other projects have been forthcoming. AH noted that Castle is currently scoping a project that may seek to utilise the performance funds, but it is in the early stages.

RL asked if it was worth reminding Participants what the criteria was for eligibility. JA noted that it would be something that benefits the whole Market; and that wouldn't otherwise get done, or could be delivered earlier using the performance funds.

TMCD asked if there was any update on the SWBS project. AH advised that the business case was approved by the CMA Board and SWBS is currently working with a third party on the pilot.

BD asked whether it was worth setting up a small group to draft up an RFP to the Market. JA advised that the CMA could look into this and come back to the next meeting with some proposals.

AP581 CMA to look into the prospect of setting up a small working group to try and generate interest in establishing projects to benefit the Market utilising the performance funds.

AH also noted that there was a new table created to track compliance with the quarterly performance and audit remediation plans.

6. Performance Measure Review Discussion

AH introduced this discussion document and confirmed that this has been drafted collating all issues raised through the Performance Measure Working Group. We are seeking views today on whether these issues should remain in scope for this review, where we will look to develop a draft change proposal to bring forward to the August meeting, or approval and implementation as part of the March 2026 Release.

R1A – Potential introduction of R8 measure to compensate LPs where SWW deregister a new SPID retroactively to the connection date.

AH noted that this issue was raised by LPs where they are incurring penalties for new SPIDs that are then subsequently removed from the Market as they appear to have been created incorrectly. AH confirmed that the numbers were very low, and only a few

hundred had been identified in the last year. RL further clarified that on investigation, the majority appear to be as a result of information provided by the SAA. As a result of this, the Market is looking to develop a proposal to disapply or retrospectively credit Licensed Providers in these instances. The meeting agreed to progress this issue further and bring a proposal back to the next meeting. DS noted that its likely to be done retrospectively and potentially a manual intervention. Given the numbers involved, this was unlikely to cause the CMA any concern.

R9B – Increase the timescales for submission of Customer Meter Reads

Some members of the working group were keen to extend the timescales for all LP read types, however following lengthy discussion, it was agreed that the full meeting was in agreement that the focus should be on extending the timescales for submission of customer reads as these can often take some time to reach the LPs and as a result can be impossible for LPs to meet the current timescales. The meeting agreed to progress this issue further and bring a proposal back to the next meeting.

R9D – Current obligation to take a transfer read within +/- 2BDs

AH noted that the CMA is looking to update the drafting in the Market Code to clarify that there are two obligations associated with transfer reads. The first relates to when the read is taken, and the second is when the read is submitted to the Central Systems. The meeting agreed to progress this issue further and bring a proposal back to the next meeting.

R9D – Current Performance Standards logic does not always allow 2BDS to submit a read after it is taken

AH confirmed that the currently logic in the system does not always distinguish between the two obligations above, thus allowing at least 2BDs to submit a read. The group has proposed increasing this to 5BDs to ensure an LP has at least 2BDs from taking the read to submit. AH noted that there are two ways to deliver this, and the working group has recommended the more simplistic view of changing the configurable timescale in the validation rather than amending the code, which would be considerably more expensive with minimal impact. CD was keen to understand why the proposal was 5BDs rather than 4BDs. AH confirmed this had been suggested as it aligned with other obligations, but 4BDs would meet the requirements of the Market.

DS noted that the CMA would look at both options, however WICS was content to progress with the proposed option, provided the BDs was changed from 5 to 4.

R9D – Introduction of customer transfer read in addition to Transfer or estimated read

AH noted that the working group were not in full agreement on this proposal, some were keen to introduce validated customer reads, some believed it could lead to a deterioration of data in the Market. The one principle the Market were in full agreement on was that the obligation to try and obtain a physical transfer read should remain, and that it would only be where this was not feasible that the LP could look to submit a validated customer read in its absence.

TMcD was supportive of its introduction as a customer read would be better than no read if the LP is not able to obtain a Transfer Read.

CMcL noted that Castle was not in favour of this as they believe it would lead to a deterioration in Market Data and drive the wrong behaviour. The market data in England shows that over 75% of transfer reads are estimated. DI added that the primary obligation of LPs should always be to try and take a physical read. DS noted that this

change would be relatively straight forward to draft, and the CMA could bring this back to August for consideration with minimal impact. CD noted that WICS was keen to ensure the data improves, and if this introduced a risk to that principle, it would not be supportive of it. AR noted that not progressing with this could lead to a decrease in competition, particularly in more remote areas.

R9D – Clarify current scope of estimated read with the potential to increase its use in agreed instances

The working group identified that the current criteria for using estimated reads is open to and indeed being interpreted differently. The review should either look to clarify these in the Codes and potentially go one step further and extend the scope of use for estimated reads.

NB noted that Veolia was supportive of retaining the requirement to take physical transfer, but agreed that an estimated read was better than not having any reads. The two areas for increasing scope to include lack of access to the site for any reason, or in the event of a bulk transfer. That latter should always be via exception and LPs would be required to seek approval from WICS.

The meeting agreed to look at potential scenarios, but mindful of WICS previous comment in relation to maintaining the integrity of the data.

Smart Metering

The working group did not believe there would be significant impact on this review, however DS advised that there may be an impact if smart transfer reads were permitted. The CMA in conjunction with the working group would pick up any issues that require to be captured in this review.

Bilaterals Hub / LP Portal

AH advised that the CMA has held discussions with SWW and also with MOSL to understand how their Bilaterals Hub operates in relation to their performance regime. We will continue to work with SWW to identify how we can integrate data from the LP Portal into the Central Systems to link to the performance regime.

Exemptions for internal meters at a vacant site

The working group was in agreement that the obligation to take reads at vacant sites should remain, however where the premise is vacant and has an internal meter, a new Level 0 charge could be introduced so as not to further penalise LPs.

CD noted that this had been raised previously as part of discussions on M CCP308, and any change would require detailed information and evidence to support a change. CMcL noted that Castle spend a considerable amount of time, effort and cost to obtain these reads, or provide confirmation that the site is still vacant. Despite all efforts to obtain this information, we are then further charged as part of the performance regime. There was a concern that it could drive the wrong behaviour if there are no changes. AR noted that this has been an issue in the Market for many years and LPs continue to attempt to obtain these reads at cost and despite their efforts are further penalised for being unable to take these reads. TMcD asked what information WICS would require to support the progression of this issue.

AP582 WICS to confirm what evidence they would require to support a change to the penalty level being applied to meter read failures at vacant sites with internal meters.

Thresholds

There were a few LPs who were keen to see the introduction of thresholds similar to those currently being introduced in England. In Scotland, we have just made changes through the introduction of MCCP308 and it may be premature to look at the introduction of thresholds at this time.

The proposal was to monitor the data over the coming 12 months, and pick this up at the next review of performance. This was accepted by the meeting.

7. Water Commission Update

CD noted WICS has now published the Draft Terms of Reference for the Market Health Check on its website. If anyone has any comments or questions, please get in touch. WICS will be in touch with LPs in due course to confirm key contact points and also provide details on how data will be shared with and received by Participants.

DI noted that there are some structural changes to the team which would be shared with the Market in due course.

8. Any Other Business

AH noted that no AOB had been raised in advance, and none was raised in the meeting.

There being no further business, BD closed the meeting.

Action Summary

Action	Subject	Update
<i>From the minute of the 106th Meeting (17 April 2025)</i>		
AP579	CMA to prepare Final Report and submit MCCP312 to WICS for consultation.	Complete
AP580	CMA to prepare Final Report and submit MCCP313 to WICS for consultation.	Complete
<i>From the minute of the 107th Meeting (19 June 2025)</i>		
AP581	CMA to look into the prospect of setting up a small working group to try and generate interest in establishing projects to benefit the Market utilising the performance funds.	
AP582	WICS to confirm what evidence they would require to support a change to the penalty level being applied to meter read failures at vacant sites with internal meters.	