
Technical Panel Meeting, 18th February 2010

Approved Minute

Attendees

Brian Saunders (BS) - CMA (Chair)
David Nicol (DN) - CMA
James Bream (JB) - Business Stream
Jessie McLeman (JMCL) - Scottish Water
Amanda Hancock (AH) – CMA (TP Secretary)
Edgar Speak (ES) – Satec
Kevin Ensell (KE) – Osprey
Nick Mitchell (NM) - Wessex
Richard Khaldi (RK) - Commission

Apologies

1. Minute

The minute of the meeting of 10th December 2009 was approved.

2. Actions and Administrative Update

AH provided an update on the action log.

Action 086 to firm up TP meeting dates was approved by all members. AH will update the calendar and close.

Actions 082, 088, 090 and 091 are ongoing, but will be addressed through the meeting agenda.

AH advised that MCCP042 – changes to meter Reading for Complex Networks and OCCP027 – Disconnections had been withdrawn since the last TP meeting.

AH confirmed that no new Commission Changes had been introduced or implemented since the last TP meeting.

AH confirmed that MCCP039 had been approved since the last meeting, and would be implemented when changes in relation to RF are implemented.

AH confirmed that there had been two bulletins, namely BU061 and BU062, issued by the CMA since the last TP Meeting. There had been no new Guidance Notes issued since the last TP meeting.

There were two proposed TP meeting dates in addition to those noted at the last meeting. TP approved the dates proposed.

3. Draft Documentation in relation to RF

DN confirmed that the first draft of the documentation in relation to RF had been issued, and confirmed that work is ongoing. A further update is likely to be sent out w/c 22nd February.

DN highlighted that the bulk of the changes involve the creation of a new CSD for RF, and that the algorithms contained in the documents are those which were agreed with Market Participants previously. DN further clarified that the style of the text is not in line with the standard CSD style, however this is unavoidable as the text is written in LaTeX.

The one page overview sets out the changes by document for guidance to the Participants. Some definitions still require to be added to the Market Code as a result of the changes. Feedback on the draft documentation is welcomed from all members. The final point to note was that lack of feedback from Participants will be taken as approval in relation to this documentation.

It was also noted that MCCP039, relating to the inclusion of fire allowances and burst allowances has now been approved by the Commission. This will be incorporated into the updated documentation.

The Chairman thanked DN for his work to date on this, and asked Participants to ensure they provided timely feedback in order for this work to progress.

JMcL requested an indication of the proposed timetable for RF in order to arrange resource to support both the feedback on documentation and current RF activity. In particular she requested details about when the cut off for submission of allowances would be, and when a dummy RF run would be available.

DN confirmed that the proposal of a dummy RF run would only occur, time permitting, and was not something that was guaranteed. DN confirmed that the CMA could share text of the format of a dummy run, but not the calculated data.

BS recognised the pressure to complete the project this financial year, however queried when Participants would know when they can expect a dummy run. DN confirmed that it is unlikely, given current timescales that a dummy run will be provided to Participants.

JMcL confirmed that the purpose is to understand the run and to ask any questions of clarification. DN agreed that the formatting would be helpful to Participants, and took an action to relay this to Participants as soon as possible following the run. BS clarified that the formatting is the crucial element Participants should review, and that any values would not be relevant.

AP092 DN to circulate RF format to Participants.

JMcL asked whether comments on the documentation should be discussed at the meeting or taken off line. BS confirmed that any cosmetic changes should be taken offline; however any significant comments should be discussed at the meeting.

JMcL requested whether the term “year” in the documentation should be defined as fiscal rather than calendar to ensure clarity around the period of settlement. DN confirmed that Year is defined in the Market Code as 1st April to 31st March and therefore he did not want to either introduce new terms or re-define terms already in existence.

BS emphasised to Participants that the work needed to be minimised so as not to re-create anything already in place and therefore all documentation should be considered as part of any review of this documentation.

ES asked if all known issues within RF have been resolved. DN advised that there may still be some small matters unresolved; however anything of significance in terms of value will be resolved before RF is run.

DN outlined the process currently being undertaken for testing to give assurances that issues are being resolved. This should provide Participants with a greater level of assurance. There is a new testing framework which involves an automated test harness. Currently over 500 distinct tests have been created. KE confirmed that this additional process gives a greater level of assurance, as does the knowledge that the Market Auditors are involved.

JMcL asked CMA to provide a cut off date when data required for the 08_09 settlement year had to be in the Central Systems. DN confirmed this as 26th February 2009. ES asked AH to send an email today confirming that data will be submitted by Friday 26th February.

AP093 AH to send email to Participants confirming cut off date for data entry.

Participants then asked for an estimated date for the RF run in order that they could plan work accordingly. CMA took an action to provide a date to Participants, bearing in mind that this will need to be flexible, depending on testing.

AP094 CMA to issue a provisional RF publication date.

JB stated that to date, feedback had been positive on testing and queried whether test data would be available to Participants. DN confirmed that the data is not in a format that could be easily distributed.

JMcL asked whether additional clarity was required in CSD0201 around the running timing of RF. Currently it states that it will be before the end of the financial year following the settlement year. It was understood why this was the case in the current climate, but asked whether it could be defined better for future years. DN stated that the CMA had no preference on when future RF runs would take place, but did not want to restrict Market Participants by specifying an exact date. The current wording allows for flexibility as the date of the run would be determined by the general requirement “before the end of the Year” and published in the settlement calendar. DN further suggested that wording could take into account the undertaking of the Settlement Calendar every year as a means of approval. Market Participants were invited to include any comments on this within their documentation comments generally.

AP095 Market Participants to comment on current draft documentation in relation to RF.

4. Change Proposals in Progress

AH introduced the papers on Change Proposals in Progress. Individual sponsors then spoke on each Change Proposal.

MCCP040 – Transfer Cancellations by Outgoing LP

KE spoke on behalf of Osprey and clarified that this proposal is to assist in the transfer of customers between LPs and would include the issue of bad debt. KE advised that Business Stream, Satec and Osprey had discussed the proposal in an attempt to flesh out any outstanding issues such as the length of time given in relation to bad debt provision (90 days). Osprey clarified this timescale was in place in order to capture all potential T&Cs in the Market. The objective was to ensure that any bad debt pattern was indeed bad debt and not just an issue of an outstanding bill.

JB confirmed that Business Stream were not in agreement with the 90 day time period for bad debt, but that overall the process was supported as it was an improvement on the current process.

BS asked the TP to confirm whether this proposal could be approved and forwarded to the Commission for consultation and approval.

JMcL asked whether there would be a data flow change as part of this proposal. KE clarified that there would not, however DN confirmed that the current proposal suggested data flow changes to T10 and T11. ES clarified that this was a long term solution, and that in the interim, no data flow changes were required.

On that basis, BS asked the TP to endorse this proposal. The TP unanimously approved on this basis.

AP096 AH to submit MCCP040 to the Commission for approval.

MCCP043 – Change to Customer Read Submission Timescales

JB advised that this re-submission was taking into account feedback received at the previous TP meeting and highlighted the key benefits to the Market and indeed the customer as a result of the changes.

ES clarified that the reason the timescales were different was to ensure that Scottish Water had data to perform accurate settlement. Given the way the Market was currently working, ES stated that flexibility should be there as it also drives the right behaviour.

JMcL asked for clarification on whether this proposal was making any changes to the fundamental principles of the measures. JB confirmed that it was solely changes to the timing of submission of reads. RK confirmed that the original proposal was 2 days for every read type, however a request was made to push Cyclic reads out to 4 days. RK further clarified that in principle the Commission does not have a major concern if this timing is pushed out, provided it is reasonable and still ensures the data entry to allow for accurate settlement.

DN confirmed that there would need to be a review of performance measures generally, but that the current proposal would involve only minor changes to the reporting tools.

KE confirmed that Osprey support this proposal, however queried whether it went far enough. JB confirmed that whilst it was not ideal, it was a step forward. KE confirmed that Osprey's view was that 5 days rather than 4 would give Participants adequate time to submit data. This was supported by the TP, and JB agreed to incorporate this timescale into the revised proposal.

RK confirmed that some further work would be required on the proposal to include reference to the relevant CSD changes required, and some typographical changes. Also, Customer and Cyclic reads would move out to 5 days. JB took an action to revise the proposal and send to RK for confirmation on accuracy before issuing to the TP for approval via email.

AP097 JB to re-draft MCCP043 and submit to CMA for circulation and approval by TP.

OCCP026 –Burst Allowance Process and Allowance Request Form

At the TP meeting in December '09, Scottish Waters proposal had stated that it was not appropriate for Customer Reads to be accepted as part of this process; This was queried by Business Stream. JMcl clarified why these read types would not be appropriate, but proposed that where two read types were required, Scottish Water would take one read from the LP, and that it would take the second read. JMcl sought comments from members on this option, and agreed to re-issue with updated comments for approval.

RK queried whether the 20 business days were excessive in relation to the process. The meeting generally agreed that the 20 days took in all activity end to end and was therefore an improvement on the current timescales. JMcl agreed to take the point off line and consider as part of the work to re-issue.

AP098 JMcl to update OCCP026 and re-issue for approval by the TP.

MCCP037 – Automated Meter Reads

BS advised that this MCPP should be discussed in line with MCPP044 from New Change Proposals given the subject matter.

JB confirmed that this proposal was re- submitted having reflected the views of other Participants. JB confirmed that LPs were investing heavily in this new technology in order to reduce costs, and improve the Market. JB stated that in time, automated meter reads should be given the appropriate weighting, however Business Stream recognise that this would not happen immediately. The proposal therefore suggested that these reads should be allowed, and if Scottish Water were to have concerns around the accuracy of a meter; they could undertake an audit read. JB finally confirmed that this proposal was in relation to meter reads only, and that all other reads would remain as is due to their functionality.

MCCP044 –Remote Meter Reads

JMcl set out her proposal in conjunction with MCPP037 where it sought to enhance it due to Scottish Waters' concerns around putting the appropriate safeguards in place. JMcl recognised Business Streams' revised proposal to utilise Customer rather than Cyclic read

types would add to the safeguard of data integrity, however advised that there were still areas of concern. JMCL stated that the risk was reduced by the requirement to submit 2 physical reads per annum for monthly reads and 1 for bi-annual.

BS highlighted the requirement in electricity, and how it differs in that the meters are more advanced and effectively form one system, therefore minimising the risk of variance between the meter and automated logger. The physical visit therefore was more from a safety purpose rather than accuracy of settlement.

JB set out Business Streams' proposals in terms of what would be undertaken by Scottish Water, however JMCL confirmed that Scottish Water are not currently set up to send meter reads. RK added that this was not a good way forward.

RK failed to see what incentive an LP would have to allow a data logger to run separately from the meter. JB advised that there would be no advantage as there would be less billable revenue if it ran too slow and potential loss of customer if the bills were too high.

KE stated that their experience down South had shown that the variance identified between meters and loggers was minimal. KE advised that Osprey fully support Business Streams' proposal, and the principle of driving down the cost to the market.

NM stated that the experience of Wessex had shown that the errors were more likely to be down to failure of the loggers rather than errors in terms of drift, and that these would be picked up very soon after they occurred. NM stated that a pilot of the system may be beneficial with a view to re-visiting the issue once some data was produced.

JMCL raised the concern about the lack of standards in place for any equipment, and wanted the requirement for physical reads to remain in order to ensure accuracy.

KE confirmed the equipment has to be tested to a rigorous standard and therefore whilst there are no standards in place, the incentive is on the LP to get the data correct for customer accuracy and billing. Also with an increase in internal meters getting fitted, the lack of these AMRs will only increase the amount of non reads due to inability to access them.

DN stated that the CMA would be keen to keep responsibility for reads with the LP to ensure processes were maintained. RK stated that the Commission were drawn to electricity practice where physical reads are taken once every two years. RK stated that this could be reviewed after a period of implementation to understand the benefits of the change to the Market.

In summary, JB asked to revise MCCP037 to keep the physical reads with the LP and not change to Scottish Water, and to make the visit every two years a requirement rather than a request. DN sought clarification on when the clock would re-set once a visit was undertaken i.e. if a meter was broken and was replaced, the read following this activity would be a physical read and would drive the clock to be re-set. The TP were in agreement that a visit to the meter for whatever reason would effectively re-set the clock.

AP099 JB to update proposal based on discussions and circulate to TP for approval.

On that basis, MCCP044 was withdrawn.

5. New Change Proposals

AH introduced the paper on New Change Proposals. Individual sponsors then spoke on each new Change Proposal.

OCCP028 –Changes to Form K

JB advised that this proposal was to make Form K consistent with Form F which had recently been changed in line with OCCP018.

JMcL advised that this would need to be formatted in line with standard Scottish Water forms. JB advised that he would be happy to do this, however would require a word copy of the form. JMcL agreed to take the form away and standardise it. Once this is complete, it should be forwarded to the CMA in order to update records. On the basis that this is carried out, the TP approved OCCP028, and could therefore be forwarded to the Commission for consultation and approval.

AP100 JMcL to standardise the Form K attachment and forward to CMA.

AP101 CMA to then forward OCCP028 to the Commission for consultation and approval.

6. Forward Plans

AH presented the Issues list with supporting document for TP information. It was highlighted that there was an update section in the supporting word document which would detail changes from previous documents at each TP meeting.

Issues List

AH confirmed that a note of all new issues added to the issues list was contained in the supporting document. JMcL commented that some issues may be replicated with previous issues and asked whether any sanitation of the issues list had been done. DN confirmed that some had taken place, but given time constraints a full review had not been undertaken. The meeting asked the CMA to review the issues list in full with a view to providing a fully sanitised issues list for the next TP in April.

AP102 CMA to sanitise issues list.

Release Calendar

AH highlighted the releases currently under way and advised that there were no issues scheduled in future releases beyond current activity, however the September release had a list of potential issues for resolution.

Workplan

AH noted that the CMA workplan for the next three years had been updated for information.

With all of the above documents, if any Participant wanted to go through them in more detail, please contact the CMA to arrange a suitable time.

7. Participant Performance

AH confirmed that the Performance Statistics were produced quarterly, and that Quarter 3 stats were included for information. AH also advised that quarterly invoices for performance measure penalties had been issued in early February.

8. 2010 – 11 Budget

BS introduced the proposed 2010 / 11 CMA budget paper and advised that the budget had been reviewed in great detail by the CMA Board.

As set out in the Market Code, the process was to bring the proposal forward to the TP for consideration and comment, which the CMA Board would give due consideration to.

BS advised that any comments would be welcomed in advance of Thursday 11th March in order that it can be signed off by the CMA Board at its next meeting on Thursday 18th March.

AP103 TP members to provide any comments to CMA on 2010 / 11 budget by 11th March

9. Any Other Business

Rollover – Scottish Water

JMcL advised that this item was no longer required and should be removed.

Service Transition

DN advised Participants that the transition following termination of its Service Provider had gone smoothly, however as a result, the passwords for all Trading Parties FTP sites had to be changed, and that a letter with new details would be issued to them.

Actions

Action	Subject	Update
<i>From the minute of the meeting of 22nd October 2009</i>		
Action 082 Osprey	KE to develop M CCP040 further with a view to flushing out the proposal and implications further.	Complete
<i>From the minute of the meeting of 10th December 2009</i>		
Action 086 ALL	TP members were asked to consider the proposed additional meeting dates for 2010 and confirm acceptance at the next TP meeting.	Complete
Action 088 Business Stream / Scottish Water / CMA	Develop M CCP037 further with a view to providing additional detail at next TP meeting. Business Stream / CMA to drive process work on how this could be managed, and Scottish Water to produce some parameters to take account of the risk / minimise the risk of allowing AMRs to be accepted.	Complete
AP090 Scottish	JMcL to clarify whether Customer Reads are excluded from OCCP026, and if yes, provide	Complete

Action	Subject	Update
Water	clarification on why this is the case.	
AP091 ALL	OCCP027 Business Stream to drive off line meeting with Market Participants to further develop this OCCP with a view to providing more detailed paper at the next TP meeting.	Complete
<i>From the minute of the meeting of 18th February 2010</i>		
AP092 CMA	DN to circulate format for RF run to Participants as soon as possible following the dummy run.	
AP093 CMA	AH to send confirmation to all Participants of the deadline for data submission to ensure it was included in 08/09 RF run.	
AP094 CMA	DN to issue provisional RF publication date, which may be subject to change depending on current testing under way.	
AP095 ALL	Market Participants to comment on current draft documentation in relation to RF.	
AP096 CMA	AH to submit MCCP040 to Commission for consultation and approval.	
AP097 Business Stream	JB to re-draft MCCP043 and submit to CMA for circulation and approval by TP.	
AP098 Scottish Water	JMcL to update OCCP026 following agreement reached at the 15 th TP meeting and re-issue for approval by the TP.	
AP099 Business Stream	JB to update MCCP037 following discussions at the 15 th TP meeting and circulate for TP approval.	
AP100 Scottish Water	JMcL to standardise the proposed Form K for OCCP028 and forward to CMA.	
AP101 CMA	Once OCCP028 is updated, CMA to forward to Commission for consultation and approval.	
AP102 CMA	CMA to sanitise Issues List in advance of next TP meeting in April.	
AP103 ALL	TP members to provide any comments on proposed CMA Budget to CMA by 11 th March.	