

**37th Technical Panel Meeting
Minute for Approval**

Present

Brian Saunders (BS) – CMA (TP Chair)
Jessie McLeman (JMCL) – Scottish Water
Kevin Ensell (KE) – Anglian Water
Amanda Hancock (AH) – CMA (TP Secretary)
David Walters (DW) – Commission
Jeremy Hobbs (JH) – Severn Trent (via conference call)
Mike Brindle (MB) - United Utilities
Emma Norris (EN) – Thames Water
Scott MacLeod (SM) – Cobalt Water
Andrew Sharp (AS) – Business Stream
Matt Bower (MBo) – Drinking Water Quality Regulator (Part)
Gary Craig (GC) – CMA (Part)

Apologies

Paul Allen (PA) – Aimeria
Hazel Baxter (HB) – Business Stream
Tom May, (TM) – Veolia

1. Minute

There were no comments and the minute of 15 August 2013 was approved.

2. Actions and Administrative Update

AH provided an update on the action log:

Action points AP264, 275, 284, 287, 291, 292, 294, 295, 296 and 297 have been closed off.

Action Point 283 remains ongoing and will be addressed at the December TP.

Action Point 285 is ongoing and SW looking to produce URs for the Working Group meeting on the 29th October.

Action Point 288 is ongoing, and would be on the agenda for the next Metering Working Group.

All other open actions would be picked up in the meeting.

AH noted that no Change Proposals had been withdrawn since the last TP in August.

AH noted that there were a number of Change Proposals implemented since the last meeting as a result of the September Release, namely

- MCCP104 X, Y and Location Note Data,
- MCCP105 Changing Ownership of Drainage and SEES Data,
- MCCP112 Change in Effective Date setting on T006.2 and T006.3,
- MCCP123 Removal of TI Flag from T029 transaction,
- MCCP125 Minor HVI Enhancements,
- MCCP126 Additional Wholesaler LVI Access and
- MCCP122 September Release CSD Drafting.

Two Change Proposals had been approved since the last meeting, namely MCCP131 Provision of Information to Scottish Water and OCCP043 Trade Effluent Meter Processes.

AH noted that there had been one Commission Change implemented since the last TP, OCCP042-CC Water Quality Incident Notification Protocol on 12th September 2013.

AH noted that there was one Bulletin, BU096 September Release, and no new Guidance Notes. There were no new proposed TP dates.

3. Change Proposals in Progress

MCCP127 – Linking Supply Points with a 3rd Party Reference(s)

This MCCP was put forward by Scottish Water at the June 2013 TP Meeting. Scottish Water is currently drafting User Requirements (URs) to be circulated in advance of the next Working Group, which is scheduled for 29th October. JMcl asked if the Commission would be attending the meeting. DW confirmed that he was available to attend.

AP298 CMA to forward invite to 3rd Party Reference Meeting to the Commission

BS asked whether the URs would capture what the Market wanted to achieve from any additional reference, given this would drive the best methodology moving forward. JMcl confirmed that this could be picked up in the working group.

MCCP128 – Meter Network Management

This MCCP was put forward by Scottish Water and looks to introduce a method whereby relationships between meters as part of a “complex site” can be maintained via transaction flows in the CS.

AH advised that the CMA had drafted User Requirements for this proposal, and that they had been sent to SW for approval. This was approved and the MCCP was now with the Service Provider for Impact Assessment.

JMcl asked whether there was merit in discussing the output of the IA at the Metering Group given it would be required to meet for other matters. AH advised

that there was no harm in discussing any issues that come out of the Impact Assessment where required. Once the IA is produced, AH will advise if there are any matters requiring clarity / discussion for the Group.

AH advised that next step was for Scottish Water to provide legal drafting for the next meeting to allow the TP to formally approve the proposal if it deems it appropriate.

AP299 SW to provide legal drafting in support of MCCP128 at December TP to allow the TP to approve the proposal.

MCCP129 –Trade Effluent Central System Changes

This proposal was put forward by SW and sets out additional changes proposed to the Central Systems as a result of the implementation of MCCP095. The proposals take into account the views of the Trade Effluent Working Group, so includes some changes requested by Licensed Providers. AH confirmed that the CMA had drafted User Requirements for this proposal, which had been approved by Scottish Water, and the MCCP was now with the Service Provider for Impact Assessment.

JMcL asked whether there was merit in discussing the output of the IA at the Trade Effluent Working Group. AH advised that there were no other issues to discuss at the TE Working Group so the group was effectively closed. If the TP felt it appropriate to convene a meeting based on the outcome of the Impact Assessment, then the CMA would set this up.

AH advised that next step was for Scottish Water to provide legal drafting for the next meeting to allow the TP to formally approve the proposal if it deems it appropriate.

AP300 SW to provide legal drafting in support of MCCP129 at December TP.

MCCP130 –Trade Effluent Documentation Changes

This proposal set out a requirement for some additional documentation and process changes to the Market Code and CSDs in support of MCCP095.

AH advised that this proposal has been resubmitted by Scottish Water due to a typographical error with the previous submission. This has now been clarified by Scottish Water in Version A.2.

JMcL confirmed that SW had requested an additional 7 days on top of the existing timescales for submission of Private Water and Private Effluent meters as noted in Performance Measures R7A and R7B. DW asked whether this extended timeframe would cause LPs any concern or have any knock on impact on their measures. LPs confirmed that they did not believe there would be any knock on impact. DW confirmed on that basis that the Commission would have no issues with the change,

although noted that the Commission is not minded to extend timeframes under normal circumstances, but took on board that these are privately owned meters and can therefore prove difficult to access at times. DW further stated that the approval of this change would not set a precedent for any future requests.

BS asked the TP to confirm its approval or otherwise of this proposal, the group unanimously approved.

AH advised that were the change to be implemented as part of the March 2014 Software Release, then there would be no additional cost to the Market, however if the group were inclined to introduce the change sooner, there would be a cost of ~£2k. The TP confirmed it was happy to wait until March for implementation.

AP301 CMA to forward MCCP130 to the Commission for consultation and approval.

4. New Change Proposals

MCCP133 – Gap Site Allocation Data

This MCCP was put forward by the CMA and looks to introduce a new data item to notify Scottish Water of any Gap Site allocations through the CS, as this is currently being done manually.

AH clarified that come March, SW will have visibility of the LP for a SPID, and it seemed a sensible time to introduce the automation of the Gap Site Allocation process to notify Scottish Water of the LP allocated to a SPID under the Gap Site Allocation Process, along with the method of allocation (rotation, associated SPID, N/A).

There were no questions so BS asked that the group approve or reject the proposal, the TP confirmed its approval.

AP302 CMA to forward MCCP133 to the Commission for consultation and approval.

MCCP136 – Disaggregated Trade Effluent Settlement Report

This MCCP was put forward by Business Stream. AS introduced the proposal and confirmed that Business Stream had introduced this proposal as a result of MCCP095 and stated that a disaggregated Trade Effluent report would enhance data quality, and allow for more efficient reconciliation. JH questioned what benefits it provided to the Market given the LP should have their own internal analysis of TE charging.

JMcL stated that there was merit in this proposal however; it required further specification to set down exactly what would be required. DW stated that his initial

reaction was that LPs should already have this information, and therefore the proposal seemed unnecessary. KE stated that whilst he agreed that LPs should have this information already, he believed that making this level of information available could only benefit the Market, and provide additional transparency.

After some debate, BS summarised that in principle the majority of Trading Parties felt there was merit in scoping this proposal further. AS agreed to further develop the proposal with a view to seeking views from interested parties, and providing a more detailed proposal to the next TP in December.

AP303 SWBS to provide a more detailed specification to support the MCCP setting out full requirements, along with perceived benefits to the Market.

JH asked that if the proposal was to include this information in the current Disaggregated Report that a wider review of the report be opened up. BS stated that normally he would be wary of widening a CP to capture other issues, but that if the TP felt there was merit in this, then it could be done.

OCCP044 – Enhancement to Form E – Application for a Development Impact Assessment

This OCCP was put forward by Scottish Water, and looked to refine Form E to improve the methodology for carrying out Development Impact Assessments (DIA).

JMcL introduced the proposal and confirmed that the need to this refinement had come from customer feedback that SW was not always capturing all required information at the start of the process, which sometimes extended timescales. JMCL further stated that the proposal and amendments were straightforward, and welcomed any feedback from the group.

MB asked if it was SW's view that the developer would have the additional information that SW was seeking on the amended forms. JMCL stated that there was a high probability they would, but in any event, it was always good to open discussions early to avoid delay further down the line.

DW asked if the revised form would be trialled for a period before full implementation, and suggested a phased transition would be beneficial to understand the impact to the Market. SW stated that the new form was already being trialled, and was being received well.

BS then asked the group to approve, reject or otherwise take forward the proposal. The TP unanimously approved the proposal.

AP304 CMA to forward OCCP044 to the Commission for consultation and approval.

5. Forward Plans

AH Presented the Item 5 papers, noting that three new issues had been added to the Issues List, and that five had been removed as they were delivered as part of the September 2013 Software Release.

AH added that a number of CMAPx's had also been closed off following delivery of the September Release.

AH noted that provisional costs had now been included for the March Release. KE noted that this enhancement to include these costs was extremely helpful and thanked the CMA for this additional visibility.

DW raised the issue of the additional of the Exemption Scheme Changes and noted that it was unlikely at this stage that any system developments would be required based on the current draft. AH confirmed that the subject was simply a placeholder at this stage, so did not create any additional work. DW also stated for the benefits of LPs that the eligibility criteria was likely to change, so there would likely be existing customers moving out of the scheme, and potentially new ones moving into the scheme, and that they should be aware of these.

JMcL then asked about Database Optimisation currently scheduled for September 2014. AH advised that this was a proposed project to deal with the data structure within the CS, and that there was nothing to suggest that priorities within the Release Schedule couldn't be changed at the request of the TP. JMCL then asked whether this should take priority over M CCP127. AH advised that this schedule, with the exception of the March 14 Release was in draft, and there was nothing to prevent M CCP127 taking the place of the Database Optimisation Project, provided it was ready to go into a release. If both happened to be ready, then the TP would take a view based on costs and benefits of each project and schedule accordingly.

6. Performance Statistics

AH presented the CMA Business Indicators, Performance Statistics and Vacant Admin Scheme reports for the quarter. AH noted that an issue had been identified with Performance Measure R10A whereby the system was allocating a penalty to the current LP rather than the LP that owned the SPID at the time the failure was incurred. AH confirmed that this had now been rectified, and that the CMA had identified 11 instances of this error occurring. When reviewing the fines, CMA determined that all LPs involved in this error would still have met their respective caps without these failures, and thus there was no financial impact to Participants.

AH also noted that SW would be providing an update on the Vacancy Admin Scheme at the December TP.

7. Any Other Business

Drinking Water Quality Regulator (DWQR) Discussion

Matt Bower from DWQR joined the meeting at this point. MBo thanked the group for welcoming him along, stating that he was keen to provide an overview to participants on who the DWQR were, and what their capacity was within the Market.

MBo provided an overview and set up of the team, stating that their primary concern was public health, dealing with consumer issues, regulatory policy on water quality and investigations. He provided examples of areas where they would routinely get involved in issues, primarily when a wider area of the water network was affected, rather than an isolated incident contained to one property. MBo confirmed that the majority of their interface into the Scottish market was through Scottish Water and carrying out routine inspections at treatment works, as well as attending incidents of water contamination. The recent OCCP-CC from the Commission was intended to set out the process LPs should follow, and that this update session was to provide them with guidance on when the DWQR should be contacted. BS asked if there were any instances where customers were contaminating water. JMcl confirmed that there were, and indeed SW was working on one at present. KE asked whether SW would contact LPs directly for smaller instances, or had they lost some visibility of the LP with the Market opening in 2008. JMcl confirmed that they had, but that the introduction of the visibility of the LP on the Central Systems from March next year would be of great assistance.

No other questions were raised, and BS thanked Matt Bower for joining the meeting and providing the group with an insight into the DWQR.

MCCP Process Issues (GC)

GC thanked the meeting for their time and advised the group that the purpose of this agenda item was to cover of the current change proposal process, and look to introduce some enhancements to make the process better. GC confirmed that since Market Opening, the CMA had primarily been focussing on system bugs, but that this has shifted over the past few years to looking at changes and enhancements to the Market and systems.

Based on current experience, GC highlighted a few areas of inefficiency that would benefit from review:

- CMA support required at late stage in the process which can create resource constraints;
- Precise analysis of proposal against Market Code Principles are not always present, which can lead to follow up discussions, with knock on delays on the projects;
- Supporting documentation not always complete at the time the TP are required to sign off a proposal, whether it is legal drafting or indicative user requirements.

GC noted that as a consequence, additional delays and costs can be incurred by the Release Project to deliver these changes. GC advised that he would like to set up a working group to review the current process, both in terms of how it is set out in the documentation, and how it is working in practice. BS noted that if the TP was not delivering on its responsibilities then this was something that needed urgent review. JMcl stated that the principle and direction under which the TP was working had merits, but recognised that there was room for improvements to be made.

KE noted that the TP required guidance from the CMA on what constituted correct procedure, and that in order to improve the process, he would find it beneficial for the CMA to set out what is the current process, and where it believes the improvements are required.

DW noted that the Commission would support the working group approach to ensure the Market, and indeed the group was operating efficiently.

GC took an action to set up a working group in November, with a view to reporting back to the TP in December with the outcome of that group. He also confirmed that in advance of the meeting, the CMA would provide the TP with some documentation for discussion.

AP305 CMA to set up a working group to look at the change proposal process, and report back to the TP in December with its findings.

SAA Update (AH)

AH provided the group with an update on the current SAA project. Key highlights included:

- Results for DD to be published in early October, with matches sitting around 70% and the Gap Site candidates around 18%;
- Work on ML and KA proceeding, results due to be published in first half of November and December respectively;
- Software matching completed for IV and first half of AB, second half of AB currently under way;
- Software matching for remaining AB, G and FK has been agreed with suppliers, but work not yet commenced;
- Meetings held with the Commission to agree on publication method for the results, but nothing finalised to date;

Retrospective Amendment Process (JMcl)

JMcl requested that an agenda item be added to the December MPF meeting to discuss the retrospective amendment process, and what falls into the Additional Services Schedule. JMcl also noted that the CMA had been asked to provide some documentation setting out how crystallisation works within the CS currently.

AP306 CMA to add an agenda item to the December MPF to capture the RA Process.

Non Potable Water Tariffs (JH)

JH questioned why non potable water tariffs were dealt with using Schedule 3, and had this discussion been had previously in this forum, as it was Severn Trent's view that these were not being applied correctly.

JMcL advised that at the time of introduction, it was cost prohibitive to bring these tariffs onto the Central Systems, and as all customers at the time were Schedule 3 customers, it was deemed the most suitable way to manage the tariffs. AH commented that she believed it was a timing rather than a cost factor. At the point the tariff was introduced into the draft, there would not have been sufficient time to make changes to CS to accommodate them.

JH noted that if this was the background, should there not be transparency to ascertain how the discounts were being calculated. JMCL agreed that it was possibly not as transparent as it could be. DW asked Scottish Water if they could provide some documentation on the process and how the calculations are derived.

AP307 SW to provide some documentation to the group setting out the process for calculating Non Potable Water Tariffs.

Vacant Site Incentive Scheme (AH)

AH noted that currently, the CMA's involvement with the process is simply to pass any requests to the owner of the SPID as neither the requesting party or Scottish Water can see this data. With the changes of visibility of Customer Name and LP, both Scottish Water and LPs will have sight of LPs at any given SPID either through CS or through the Market Dataset.

From the introduction of this change, the CMA should be removed from this process as it would no longer provide any value add, and would potentially complicate, and elongate the process.

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

Action	Subject	Update
<i>From the minute of the 32nd Meeting (13th December 2012)</i>		
AP264 ALL	Participants to prepare internal data to support any proposed changes to existing measures.	Closed, not data provided.
<i>From the minute of the 35th Meeting (20th June 2013)</i>		
AP283 SW	Scottish Water to provide an update on Vacancy Admin Scheme at December TP	Ongoing
<i>From the minute of the 36th Meeting (15th August 2013)</i>		

Action	Subject	Update
AP285 SW	SW to draft User Requirements for MCCP127	Ongoing
AP286 CMA	CMA to set up a Working Group Meeting to review and input into User Requirements for MCCP127.	Complete, meeting on 29/10/13
AP288 SW	SW to add operational processes and the possibility of AMR's on "child" meters on the next Metering Working Group Agenda.	Ongoing
AP289 CMA	CMA to undertake an Impact Assessment onMCCP128	Ongoing
AP290 CMA	CMA to undertake an Impact Assessment onMCCP129	Ongoing
<i>From the minute of the 37th Meeting (17th October 2013)</i>		
AP298 CMA	CMA to forward invite to 3 rd Party Reference Meeting to the Commission	
AP299 SW	SW to provide legal drafting in support of MCCP128 at December TP to allow the TP.	
AP300 SW	SW to provide legal drafting in support of MCCP129 at December TP.	
AP301 CMA	CMA to forward MCCP130 to the Commission for consultation and approval.	
AP302 CMA	CMA to forward MCCP133 to the Commission for consultation and approval.	
AP303 SWBS	SWBS to provide a more detailed specification to support MCCP136 setting out full requirements, along with perceived benefits to the Market.	
AP304 CMA	CMA to forward OCCP044 to the Commission for consultation and approval.	
AP305 CMA	CMA to set up a working group to look at the change proposal process, and report back to the TP in December with its findings.	
AP306 CMA	CMA to add an agenda item to the December MPF to capture the RA Process.	
AP307 SW	SW to provide some documentation to the group setting out the process for calculating Non Potable Water Tariffs.	