

**51st Technical Panel Meeting
Approved Minute**

Present

Brian Saunders (BS) – CMA (TP Chair)
Amanda Hancock (AH) – CMA (TP Secretary)
Tony March (TM) – AWBN
Duncan Innes (DI) – Business Stream
Charles Yates (CY) – Commission (via Conference)
Tom Sharples (TS) - Commission
Belinda Oldfield (BO) – Scottish Water
Stuart Baldwin (SB) – Aimeria
Stewart Yardley (SY) – Clear Business Water
Stephanie Hurrell (SH) – Thames Water
Iain Clark (IC) – Commercial Water Solutions
Peter Strain (PS) – Castle
Mike Brindle (MB) – United Utilities
Scott MacLeod (SM) – Cobalt
Josh Gill (JG) – Everflow
Steve Pywell (SP) – Severn Trent

Apologies

Sarah Harrison (SH) - NWG
Tom May (TMV) – Veolia

1. Minute

AH noted that an updated version of the minutes had been circulated following receipt of comments from Scottish Water. BO sought further clarification on whether additional LPs had supported MCCC192 in principle as this had not been recorded. BS then asked the group whether it could be minuted for the purpose of this meeting that this proposal had been generally supported by LPs. LPs agreed it could. On that basis, the minute of 10th December 2015 was approved with the noted changes.

2. Actions and Administrative Update

AH provided an update on the action log, noting that all actions were now complete.

AH noted that no change proposals had been withdrawn or rejected since the last meeting. MCCC190 had been agreed, and would be delivered in September. MCCC191 and MCCC193 had now been implemented.

AH noted there were no Commission Changes implemented since the last meeting, and one introduced since the last meeting, MCCC-CC188 Scottish Landlord Portal. There were three CMA Bulletins issued since the last meeting, BU110 RF 2014/15,

BU111 CMA Office and CS Availability and BU112 T012 Update Chargeable SPID Data. There were no changes to TP meeting dates.

3. Change Proposals in Progress

MCCP192 –Effective Date of POLR Process

AH confirmed that following Impact Assessment, there had been some minor changes to MCCP192, which were reflected in the documentation. The main change related to the capture of transfer reads once POLR was triggered. It is proposed that a new S reason code is developed to cover the process, which will allow the incoming LP sufficient time to capture the transfer read, especially if there is retrospection applied to the implementation of POLR.

AH further stated that SW had requested this change be implemented as a standalone change in order that it could be delivered as soon as possible. AH advised that the CMA had provided costs to deliver the project in May 2016. MB asked what, if any, additional costs would be incurred. AH confirmed that it was roughly £12k more expensive to deliver the change as a standalone, which was primarily down to testing, however project administration costs were also included.

DI noted that Business Stream had some concerns with the proposed May delivery due to some internal system testing it was undertaking, but agreed that it would work around these timescales if the Market supported the early implementation.

BS then asked the group for approval of the proposal, which was unanimously approved. BS then asked the group for approval of the proposed delivery as a standalone project in May 2016. This was also approved by the group.

AP389: CMA to prepare Final Report and forward MCCP192 to the Commission for consultation and approval.

4. New Change Proposals

MCCP185 Update SPID Disconnection / Deregistration

AH introduced this proposal and confirmed that it was a CMA proposal that had been drafted for Scottish Water in July last year in order to address an issue they were having with retrospective deregistration, but that it had subsequently been withdrawn. It was being submitted again, but on behalf of Business Stream.

DI then provided some background on the issues LPs are experiencing when SW need to back date deregistration. LPs are often asked to remove meter reads from and active meters before the deregistration can be completed, which can cause increased time, effort and associated costs.

DI confirmed that this proposal would give SWW the ability to delete LP reads by introducing a new transaction which would override LP data and remove it from the system. DI further commented that this had been set up as a new and separate

transaction in order to help reduce the risk of errors leading to the deregistration of the wrong SPID.

BO recognised this resolves some of the issues currently being experienced in this process, but that it did not resolve the majority of SWW's issues. With the introduction of the follow up work on SAA – specifically for the Splits / Mergers project, there would be increased volume and SWW would prefer to see an enduring end to end solution that resolved most, if not all, issues for all parties.

DI confirmed that he was happy to work with SWW to come to a resolution; however Business Stream were keen to see something go into the September Release. AH confirmed that the September Release would be kicking off in March, and it was unlikely any changes not approved at the February TP could go into the release and it may need to be March 2017 release. BO and DI confirmed that they would like a call in the coming week with the CMA and any other interested party, and work towards getting a revised paper out to participants for approval in March.

AP390: CMA to arrange a conference call with SWW / SWBS / CBW and Castle Water to discuss how to progress MCCP185.

MCCP187 –March 2016 CSD Drafting

AH introduced this proposal and confirmed that this was the standard release MCCP to capture refinements to the Market the Market Code and Code Subsidiary Documents (CSDs), required as a consequence of the development of the March 2016 Release which have not already been captured in the Approved Changes that form the scope of that Release. The MCCP also picks up some inconsistencies and or gaps identified from previously Approved changes. There were no comments received. BS asked for the group's approval, and the TP unanimously approved this proposal.

AP391: CMA to prepare Final Report and forward MCCP187 to the Commission for consultation and approval.

MCCP188-CC Scottish Landlord Portal

AH introduced this proposal and confirmed that this Commission Change introduced the required obligations in the Market Documentation to establish and provide for the enduring operation of the Portal. CY confirmed that this had been introduced as a result of the Water Resources (Scotland) Act 2013, and his understanding was that participants had been involved in a number of workshops in relation to the Portal, but that the Commission would welcome any comments on the Change. No comments were received.

MCCP195 –Additional Report on Vacancy and Rateable Value

BO introduced this paper and confirmed that SW is seeking a new standing monthly report which captures a full history on changes to Vacancy and Rateable Value. AH confirmed that the CMA had done an initial assessment on this proposal and come

to the conclusion that this was likely to be an additional service under the Additional Services Schedule. AH asked whether this report was something that other LPs may be interested in. BO noted that this report would provide a useful history for participants and there could be a number of benefits for LPs of receiving this report. MB asked for an example of the likely benefits to LPs, BO agreed to confirm back to participants.

AH then raised an issue with the CMA's high level IA which covered the requirement to provide the date of the transaction or RA that created the change. It was likely that provision of this information would require a change to the structure of the CMA CS database and would likely be prohibitively costly, and therefore the CMA had recommended this be removed. BO noted that SW was keen to see this included, and would like the CMA to undertake a full IA to ascertain impact and costs.

AP392: CMA to undertake full Impact Assessment on MCCP195 and report back findings to the TP in April.

MCCP196 –Naming Convention for T010 and T011

AH introduced this proposal and confirmed that as a result of some recent training sessions for new entrants, a number of them had expressed confusion as to which transaction they should use for cancelling transfers.

As a result of this, the CMA is proposing to change the naming convention for the T010 and T011 data transactions to clarify which apply to incoming LP cancellation and outgoing LP cancellations.

BS asked for the group's approval, and the TP unanimously approved this proposal.

AP393: CMA to prepare Final Report and forward MCCP196 to the Commission for consultation and approval.

MCCP197 –LP Connection Reference

DI introduced this proposal and confirmed that when SWBS requests a new SPID, it would find it beneficial to have its own reference to help identify the SPIDs being set up against those requested. To that end, SWBS would like to introduce a new data item into the Central Systems for new connections which caters for an LP reference, similar to the current reference for SWW. This data item would be optional. There were no comments received.

BS asked for the group's approval, and the TP unanimously approved this proposal.

AP394: CMA to prepare Final Report and forward MCCP197 to the Commission for consultation and approval.

5. Forward Planning Report

AH presented the report and confirmed that there were three new CMAP's introduced, CMAPx159, x160 and x161. CMAPx160 was on hold pending the outcome of discussion on MCCP195, however the other two were additional service requests from Participants. AH provided an overview of them all and asked if other participants would benefit from these reports. There was no interest expressed by other LPs and as such, AH would relay this back to the requesting party and the proposals would progress as additional services.

AH confirmed the introduction of new, stand alone CPs on the Release Calendar, along with a new May Release for the POLR changes. AH also noted additional CPs had now been added to the September 16 and March 17 Release.

6. CMA Draft Budget

BS introduced the draft budget and confirmed that it was in line with this year's budget with a headline figure of ~£2.3m. BS stated that the CMA had made a conscious effort to keep costs down, and it was able to do this due to an improved level of automation in the production of reports and delivery of processes.

BS confirmed that the budget had an allowance for work associated with the English Market and also a re-procurement exercise in 2016. BS also confirmed that the CMA recognised the increased activity in the Market and an increasing number of Members looking for support in carrying out their obligations. It was proposed that the CMA would strengthen its management team to deal with this.

BO made an observation that there had been an impact on SW due to increased participation in the Market, and queried whether the current proposed budget was sufficient to deal with the impact. BS took this point on board and agreed to take it back to the Board meeting in March to ascertain whether any changes were required as a result of this.

AP395: BS to take feedback to the CMA Board meeting in March in relation to whether the budget has adequately catered for the increase in participation and activity in the Market.

CY noted that the Commission had received a number of applications and enquiries, and believed that there was still scope for additional participants to join the Market, but that it may subsequently tail off in the coming years.

7. SA Split / Merger Project

AH provided an overview of the above pilot undertaken by the CMA in December / January. The team had looked at a sample of SPIDs in the splits and merges category (205 merges and 109 splits) and had established that a large proportion of these could be resolved through desk work alone. As a result of the pilot AH advised that the CMA was currently in the process of planning a full scale project to carry out the desk work. The project would build in control points so that if the results were not as anticipated, there was an opportunity to pause.

MB noted that the results looked promising and queried the average cost of the project per SPID. It was noted at ~£45 per SPID which the group felt was reasonable.

AH further noted that the project would also build in briefings to participants to ensure market-wide understanding of the results. Whilst the study utilised SWBS SPIDs, LPs would be given an opportunity to opt in to the project, recognising that some LPs may wish to carry out their own projects in house.

MB and BO asked what the output would look like, and whether there were example outputs that could be shared with the group. AH confirmed that this was not finalised at this stage, and that this could be developed as part of the project and in conjunction with participants.

BO asked if the CMA could share the initial slides from the pilot with the group which may be of benefit, and whether the methodology would be available to all participants, specifically if they were looking to do the project themselves. AH took an action to confirm this, and circulate if appropriate.

AP396: CMA to confirm whether SAA pilot slides could be circulated to the group, and also whether the methodology used by the CMA could be circulated.

BS noted that the Board would be keen to gauge the level of support within the Market for this project in order that it can be factored into its decision process. SP stated that it seemed like a logical follow on from the previous activity, and that there could be benefits in managing this centrally. There was broad agreement from the group in support of this work.

8. AOB

Commission Update

CY thanked LPs for their patience while the Commission resolved the problems it was having with Scotland on Tap. He further confirmed that this was now hosted in a more stable platform and that participants should see benefits as a result.

CY noted that the Commission would shortly be issuing a further consultation in relation to its Open Letter on reform. The Commission's plan is to move forward on all 5 proposals and encouraged participants to lead on the Industry Code of Practice, with support from the Commission. TM asked when the consultation was due out, CY confirmed it would hopefully be out sometime in March.

CY then confirmed that it was moving ahead with one stream ahead of the others and this was in relation to the Commission's Market Audit, which would look at things like customer handling and charging. He confirmed that the OJEU notice was due out in the next few days, with a view that a contract would be signed in April, with commencement of the initial audit in May / June 2016.

Market Audit

AH provided a hand out to the group on the upcoming Market Audit, and confirmed that it was in line with previous audits, and that all participants at a minimum would be asked to provide a data extract from their internal systems, in order that the Auditor can undertake specific testing of the quality and consistency of data.

Correction to Monthly Settlement Reports

AH confirmed that an error had been introduced into the system at the September 2015 Release, and as a result the monthly settlement calculation had been affected. The nature of this error is such that charges are missing from certain meters which have been involved in a meter swap.

BS confirmed that the CMA would like to apologise for this error, and confirmed that a fix had already been deployed into the Central System on 25th January 2016.

AH further noted that following the fix, the impact will wash out in full through scheduled reconciliation, and indeed the process had already commenced for some runs. However, there were 4 settlement periods where the reconciliation would happen outside the current financial year. As a result of this, the CMA will publish replacement runs as an additional service, at no cost to participants, in line with current practice when serious and material data issues are identified. These will then provide the correct basis for settlement.

AH confirmed that participants would receive new Aggregate, Disaggregate, and differential files for each of the four runs. The differential file would show, at a SPID level, the published charge, the new corrected charge, and the difference between the two charges.

Finally, AH confirmed that if you had not already been contacted, then the undercharge amounted to ~£5k or less for your company over the four settlement periods.

There being no further business, BS closed the meeting.

Action Summary

Action	Subject	Update
<i>From the minute of the 50th Meeting (10th December 2015)</i>		
AP385 CMA	CMA to prepare Final Report and forward MCCP190 to the Commission for consultation and approval.	Complete
AP386 CMA	CMA to updated MCCP191 referencing CSD0104, prepare Final Report and forward MCCP191 to the Commission for consultation and approval.	Complete
AP387 CMA	CMA to prepare Final Report and forward MCCP193 to the Commission for consultation and approval.	Complete
AP388 SW / CMA	SW to draft user requirements and forward to CMA in order that they could arrange for an impact assessment to be completed.	Complete
<i>From the minute of the 51st Meeting (18th February 2016)</i>		
AP389 CMA	CMA to prepare Final Report and forward MCCP192 to the Commission for consultation and approval	
AP390 CMA	CMA to arrange a conference call with SWW / SWBS / CBW and Castle Water to discuss how to progress MCCP185.	
AP391 CMA	CMA to prepare Final Report and forward MCCP187 to the Commission for consultation and approval.	
AP392 CMA	CMA to undertake full IA on MCCP195 and report back findings to the TP in April.	
AP393 CMA	CMA to prepare Final Report and forward MCCP196 to the Commission for consultation and approval.	
AP394 CMA	CMA to prepare Final Report and forward MCCP197 to the Commission for consultation and approval.	
AP395 CMA	BS to take feedback to the CMA Board meeting in March in relation to whether the budget has adequately catered for the increase in participation and activity in the Market.	
AP396 CMA	CMA to confirm whether SAA pilot slides could be circulated to the group, and also whether the methodology could be circulated.	