
Wholesale Retail Code Change Proposal – Ref CPW027

Modification proposal	Wholesale Retail Code Change Proposal CPW027 - Proposal to separate the error codes generated under the QC Error Code
Decision	Ofwat has decided to approve this change proposal
Publication date	26 February 2018
Implementation date	18 May 2018

Background

Trading Parties submit Data Transactions to the Central Market Operating System (CMOS) by submitting a T105. Following receipt of a T105, CMOS will return an accept or reject transaction. Where the transaction is rejected, the Error Code field (D4004) is populated with an Error Code (Error Codes are listed in Code Subsidiary Document (CSD) 0301). For rejected meter reads that have failed the threshold for volume validation, the Error Code field will show the 'QC' Error Code, which is made up of nine volume validation tests. At present, as the 'QC' Error Code is returned for failure of any one of the nine volume validation tests. It is not currently evident from the 'QC' code which of the nine validation rules have been triggered.

The change proposal to which this decision relates was raised by NWG Business on 14 November 2017. The proposal seeks to separate the 'QC' Error Codes into nine individual error codes; one for each of the nine volume validation tests.

The issue

CSD 0301 currently provides a list of all valid Data Item Error Codes that can be returned in the Error Code field. The Error Code that is returned in the Error Code field for meter reads that failed volume validation is 'QC' (Meter read failed the threshold for volume validation). This 'QC' code does not assist Trading Parties in identifying which of the nine validation rules has been triggered. Due to the high

volume of rejected meter reads, the rejected items are too high to investigate each one in depth. In addition, the costs of investigating each failed meter read can be significant.

It has been highlighted that there is a high risk of meter reads which have passed the internal validation system being resubmitted with no validation through the re-read system. It has been suggested that this will impact on the quality of meter reads held in CMOS.

The modification proposal¹

It is proposed that the current single error code 'QC' on page 179 of CSD 0301 is deleted and nine new error codes are added. This will mean that the Error Code pertaining to meter reads will be specific and Trading Parties will be able to understand why specific transactions have been rejected.

The new Error Codes are:

Code	Description
QC1	Meter read failed volume validation: SPID is occupied, previous volume <=0 and current volume =0
QC2	Meter read failed volume validation: SPID is occupied, previous volume <=0 and current volume <0
QC3	Meter read failed volume validation: SPID is occupied, previous volume <=0 and current volume reduced by >300%
QC4	Meter read failed volume validation: SPID is occupied, previous volume <=0 and current volume reduced by >300%
QC5	Meter read failed volume validation: SPID is occupied, previous volume >0 and current volume =0
QC6	Meter read failed volume validation: SPID is occupied, previous volume >0 and current volume is negative
QC7	Meter read failed volume validation: SPID is occupied, previous volume >0 and current volume reduced by >300%
QC8	Meter read failed volume validation: SPID is occupied, previous volume >0 and current volume has increased by a small amount (<20%)
QC9	Meter read failed volume validation: SPID is occupied, previous volume >0 and current volume has increased by >200%

The new error codes will map to the CGI Validation Rules set out in the Error Codes spreadsheet v3.0.1.1 as follows:

¹ The proposal and accompanying documentation is available on the MOSL website at <https://www.mosl.co.uk/market-codes/change#scroll-track-a-change>

New Error Code	Current Validation Rule	Validation Addressed
QC1	VR.053	The meter read is invalid if: • PEDV <= 0 and • CDV = 0 and • SPID Occupancy Status is not vacant and • the Meter Read Type is not Initial Read and • the meter Re-Read flag is not a Re-Read (0)
QC2	VR.054	The meter read is invalid if: • PEDV <= 0 and • CDV > -3 and • CDV < 0 and • the Meter Read Type is not Initial Read and • the meter Re-Read flag is not a Re-Read (0)
QC3	VR.055	The meter read is invalid if: • PEDV <= 0 and • CDV <= -3 and • the Meter Read Type is not Initial Read and • the meter Re-Read flag is not a Re-Read (0)
QC4	VR.056	The meter read is invalid if: • PEDV <= 0 and • CDV > 0 and
QC5	VR.057	The Meter Read Type is not Initial Read and • the meter Re-Read flag is not a Re-Read (0)
QC6	VR.058	The meter read is invalid if: • PEDV > 0 and • CDV = 0 and • SPID Occupancy Status is not vacant and • the Meter Read Type is not Initial Read and • the meter Re-Read flag is not a Re-Read (0)
QC7	VR.059	The meter read is invalid if: • PEDV > 0 and • CDV > -3 and • CDV < 0 and • the Meter Read Type is not Initial Read and • the meter Re-Read flag is not a Re-Read (0)
QC8	VR.060	The meter read is invalid if: • PEDV > 0 and • CDV <= -3 and • the Meter Read Type is not Initial Read and • the meter Re-Read flag is not a Re-Read (0)
QC9	VR.061	The meter read is invalid if: • PEDV > 0 and • CDV < 0.2 * PEDV and • the Meter Read Type is not Initial Read and • the meter Re-Read flag is not a Re-Read (0)

It is recommended that these modifications come into effect on 18 May 2018.

Industry consultation and assessment

This change proposal was considered by the User Forum on 9 November 2017. Following feedback from the User Forum, views provided by members included:

- The proposed change would provide visibility to the Trading Parties and help to mitigate potential errors which will improve the accuracy of the settlement process.
- That separating the error codes may not be beneficial as CMOS is only set up to display one validation test failure and would not be able to display additional errors, for example in a situation where there was more than one validation test failure.

- That although the proposal was beneficial to the market, the implementation date of March 2018 was considered to be too soon.
- That the change should be considered to be urgent as it will help trading parties better manage resources to investigate errors and reach settlement.
- That the change would allow trading parties to focus resources on validations failures that have a bigger impact on settlement. It was not considered that this change will address the issue of why there are a large amount of failed meter reads.

A Request for information (RfI) was issued to Trading Parties on 10 November 2017, with the deadline for responses of 23 November 2017. Responses were received from 11 trading parties, including seven wholesalers and four retailers.

Below is a summary of the responses received to each of the six RfI questions:

Q1. Do you agree with the proposed changes in CPW027?

All Trading Parties agreed with the proposed changes in CPW027, with the majority of responses highlighting that this change will give Trading Parties a better understanding as to why the read was CPW027 rejected, allowing Trading Parties to deal with more impactful rejected reads in a more effective manner.

Q2. Do you agree that the proposed changes would allow Retailers to better target their resources on investigating rejected meter reads that have a bigger impact on settlement?

All Trading Parties agreed that the proposed changes would allow Retailers to better target their resources, with the majority of responses suggesting that clearer descriptions would allow Retailers to target rejected readings that have the biggest impact.

Q3. The Change Proposal asks for an implementation date of March 2018. When do you believe this change should be introduced? Please explain your answer

Eight Trading Parties (five Wholesalers, three Retailers) agreed with an implementation date of March 2018 and suggested that this date will allow Trading Parties to make any relevant system changes.

Three Trading Parties (two Wholesalers and one Retailers) did not have a preference in regards to the implementation date.

Q4. Please explain how you will be impacted (both negative and positive) by the proposed changes.

Nine Trading Parties (six Wholesalers and three Retailers) believed CPW027 would have a positive impact to the industry, with Trading Parties suggesting that data quality will be improved and this change will help Trading Parties to better focus their resources on the most impactful Rejected reads.

Two (one Wholesaler and one Retailer) believed this change would have a low negative impact, and suggested that this is due to possible amendments to their internal systems.

Q5. Please let us know how much work you would need to do to implement this change in your systems.

The majority of Trading Parties suggested that this change will have minimal impact on their internal systems. It was noted that a few Trading Parties believed that it was necessary to conduct testing to ensure that integration and configuration of the new amendments from CPW027 worked well.

Q6. Do you agree that the proposed changes better facilitate the Objectives and Principles of the WRC?

All Trading Parties agreed that the proposed change better facilitated the Objectives and Principles of the Wholesale Retail Code (WRC). Some respondents suggested that this proposed change would help provide more information to Retailers to better identify key issues with meter readings and would also help improve Retailer resources as there would be more information on the nature of the error.

Panel recommendation

On its meeting on 28 November 2017, the Panel recommended the approval of this change proposal on the basis of improving the Principles of Efficiency, Proportionality and Transparency.

Our decision

We have carefully considered the issues raised by the modification proposal and the supporting documentation provided in the Panel's recommendation report. We have concluded that the implementation of CPW027 will better facilitate the principles and objectives of the WRC detailed in Schedule 1 Part 1 Objectives, Principles and Definitions and is consistent with our statutory duties. It is agreed that the changes will have a positive impact on the Objectives and Principles of Transparency and Operational Terms and Objectives.

Reasons for our decision

We set out below our views on which of the applicable Code principles are better facilitated by the modification proposal.

Efficiency

We agree with the Panel that this change would help the market to be more efficient as it will assist Trading Parties to better manage their resources as they can target investigations into errors which will have a bigger impact on settlement.

Proportionality

We do not believe that the changes required to implement the modification are extensive. In addition, we think that the projected cost to implement the change is proportionate when taking into account the longer-term benefits to Trading Parties and that these benefits, on balance, outweigh the costs of making the change.

Transparency

We agree with the Panel that the modification will assist Trading Parties to more easily identify the reason for meter reads failing the threshold for volume validation.

Decision notice

In accordance with paragraph 7.2.8 of the Market Arrangements Code, Ofwat approves this change proposal.

Emma Kelso

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