
Wholesale Retail Code Change Proposal – Ref CPW042

Modification proposal	Wholesale Retail Code Change Proposal – CPW042 – Provision of adding Re-read flag into the MDS Meter Reads file
Decision	The Authority has decided to approve this change proposal
Publication date	29 October 2018
Implementation date	17 May 2019

Background

The Market Dataset (MDS) Meter Reads Report is sent out to Trading Parties by the Market Operator (MOSL). It is one of a number of reports issued by MOSL which provides information about supply points (SPIDs) and associated data. The MDS report is issued primarily for the purpose of providing daily information on meter readings submitted by Trading Parties. The MDS report currently consists of the following information:

- Meter manufacturer;
- Manufacturer meter serial number;
- Meter read value and date;
- Meter read type and method;
- Rollover flag;
- SPID

The report is sent to every water wholesaler, and it covers meter readings for its area only. Sewerage wholesalers also receive the report as it relates to water SPIDs paired to their sewerage SPIDs. The MDS report is utilised by Trading Parties for a variety of reasons, for example, the report can aid the development of a consumption report, assist in identifying large consumers, and help Trading Parties with anticipating settlements/volume calculations and leakage analysis. The MDS report can also be used to foresee meters which may later appear in the Long Unread Meters report¹. In turn, this allows Trading Parties to effectively manage allocation of their resources in investigating data quality issues.

¹ The Long Unread Meters Report provides information about meters which have not been read for a period beyond the normal read frequency for the meter.

The issue

Wholesalers are obligated under the Codes to maintain accurate and complete data. To enable them to do this, they will frequently analyse the MDS reports received from the Central Market Operating System (CMOS). The MDS report gives visibility to Trading Parties by providing information that is critical in allowing them to review and identify errors with reads. However, the MDS report fails to provide a re-read flag. A re-read is defined as a meter reading submitted to MOSL which has failed a specific validation, and subsequently has been re-submitted by the relevant wholesaler or retailer.

The re-submitted read can often be incorrect, resulting in Trading Parties dedicating additional resources in identifying reads that have been forced into CMOS. Trading Parties often carry out these checks prior to the execution of Settlement Runs, as incorrect meter readings have an impact on settlement reports by creating negative consumption and charges. Once identified, the respective retailer would be requested to correct the error, however this delay still results in SPIDs being charged incorrectly until the correct settlement files have been produced.

The modification proposal²

In order to aid Trading Parties to better understand possible incorrect meter readings that have been put into CMOS, it is proposed that Code Subsidiary Document (CSD) 0302 is amended to:

- Include the introduction of a re-read flag into the content of the MDS Report.

Industry consultation and assessment

A Request for Information was issued by the Panel on 16 August 2018 and closed on 31 August 2018. There were a total of 13 respondents, eight wholesalers and five retailers.

12 respondents agreed with the proposed solution, stating the necessity for including the re-read flag within the MDS report. A Wholesaler queried whether the changes could be extended to incorporate the reason why the re-read initially failed, while another asked for the Yearly Volume Estimate field to be added at the same time. A

²The proposal and accompanying documentation is available on the MOSL website at <https://www.mosl.co.uk/market-codes/change#scroll-track-a-change>

retailer also stated the current format of the report made it difficult to evaluate information, and believes the introduction of a Retailer ID and Wholesaler ID filter would help cut the file to a more manageable size. One wholesaler did disagree with the solution, however it explained that it only did so as it believes the change proposal should be widened to capture other essential requirements/additions for the MDS report. It understands that another Trading Party is considering a change request to the MDS report, therefore it would like to ensure any changes to the report are co-ordinated.

All respondents agreed with the proposed red line changes to Section 2.6.6 of CSD 0302, one retailer stated the proposed amendments would aid the implementation of the change, while another retailer voiced similar views and stated the absence of this would render the proposal redundant.

All respondents agreed that the benefits of the change outweighed the implementation and operational costs it would incur. One wholesaler believes the potential benefits outweigh the associated cost as its implementation cost is minimal, furthermore it was unsure of the number of reads being submitted as re-reads which lead to the request for corrective Settlement Runs and thus suggests this should be an area of scrutiny.

The majority of respondents (five wholesalers and five retailers) agreed with the proposed implementation date of 17 May 2019. From those who agreed, a wholesaler stated the change would have no impact on its systems, therefore did not need a specific period to comply with the change, and would even agree with an earlier implementation date. A retailer echoed these views and expressed that although this seemed like a long time to implement such a change, and it would support an earlier introduction, it can see the benefits of implementing grouped changes together to enable it to fully cost the implications of all charges.

Three wholesalers disagreed with the proposed implementation date, all sharing a similar view in that the change is a relatively simple one, and that an earlier implementation date should be targeted so the change can provide the benefits to the market sooner. Although the Final Report does not provide the Panel's reply to the request by some Trading Parties that the implementation should be earlier, we note that the Panel has recommended the implementation date should be 17 May 2019.

Panel recommendation

The Panel considered this change proposal at its meeting on 25 September 2018. It recommended, that the Authority approve this proposal on the basis of improving the

principles of efficiency, transparency, simplicity, cost-effectiveness and security and non-discrimination. The recommended date of implementation is 17 May 2019.

Our decision

We have considered the issues raised by the modification proposal and the supporting documentation provided in the Panel's Final Report. We have concluded that the implementation of CPW042 will better facilitate the principles and objectives of the Wholesale Retail Code detailed in Schedule 1 Part 1 Objectives, Principles and Definitions and is consistent with our statutory duties.

We note that implementation of this proposal is dictated to a large extent by the scheduled full releases of CMOS. We would urge Trading Parties, MOSL and the Panel to consider ways to allow code modifications to be implemented sooner where there is clear benefit to the market.

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

This Change Proposal furthers the principle of efficiency by removing the necessity for manual checking of re-reads in CMOS. This will reduce the amount of resource required by Trading Parties to investigate potential incorrect meter readings, which in turn will help improve the accuracy of the settlements, which is beneficial to all Trading Parties.

Transparency

The inclusion of the re-read flag will further the principle of transparency, as data that has been re-submitted by Wholesalers and Retailers will appear with a re-read flag for all Trading Parties to see.

Simplicity, cost-effectiveness and security

The solution for this change is a relatively straightforward addition of a re-read data item into the report. Evidence provided to us by the Panel suggests that this will have a limited impact on CMOS and Trading Party's systems.

Non-discrimination

This additional column will be available in all meter reads reports which are made available for all Trading Parties.

Decision notice

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

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