
-Wholesale Retail Code Change Proposal – Ref CPW050

Modification proposal	Wholesale Retail Code Change Proposal – CPW050 – Changes to the long unread meters report
Decision	The Authority has decided to approve this change proposal
Publication date	28 February 2019
Implementation date	By 26 July 2019

Background

One of the reports provided by the Market Operator (MOSL) to Trading Parties is the long unread meters report. It is provided on a monthly basis and provides information about meters which have not been read for a period beyond what would usually be considered to be the normal cycle for reading the meter.

Currently, the market codes specify that the long unread meters report only reports meters where the latest meter reading date is:

- Greater than 14 months, in the case of bi-annually read meters
- Greater than 3 months, in the case of monthly read meters

Trading Parties are heavily reliant on meter readings being submitted in a way that allows for the maintenance of accurate consumption reporting. Those meters that have not been read for a long time are less likely to be as accurate as those read within the normal cycle for meter reading. Long unread meters carry an increased risk of inaccurate consumption information to be included within the central systems, and therefore potential settlement issues, which would potentially lead to customer complaints. Data cleansing activity based on accurate meter readings will lead to a reduction in customer complaints, and improve the customer experience.

Using the length of time that a meter has been unread as a way of prioritising data cleanse work helps to mitigate the risk that a customer's bill will be based on inaccurate consumption information, leading to potential complaints. The longer a meter has been unread, the greater the potential risk.

The issue

There are no exclusions built into the long unread meters report for estimated reads, including both those submitted by Trading Parties and also those automatically generated by the central system in circumstances where there has been no reading submitted within the previous 16 months (known as 'G Reads'). This means that if an estimated read has been submitted for a meter within the parameters of the long unread meters report, then that meter will not appear within the report.

It has been recognised by Trading Parties that there is a benefit to receiving a report where all estimated readings are excluded from the report. The presence of estimated reads restricts the usefulness of the report for those who wish to identify those meters which have not had an actual or "true" reading (i.e. not an estimated reading) in a long time.

The issue is that, if Trading Parties were able to have the additional ability to review reports which excluded estimated reads, they would be in a better position to understand, identify and prioritise those meters which have been without a true reading for the longest time.

The modification proposal¹

The modification proposal is to enable the long unread meters report to be able to produce information on those meters which have not had an actual or true meter reading for the longest time.

The logic that the proposal builds into the expanded report is that, when the long unread meters report is produced, any meters which have not had a non-estimated read submitted against them for the last 3 months (for monthly read meters) or 14 months (for bi-annually read meters) will be reported on.

The proposal is to supplement the current long unread meters report with further columns that perform the same calculations, but excludes the use of estimated reads.

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>

Industry consultation and assessment

A Request for Information was issued on 9 November 2018 and closed on 30 November 2018. 15 Trading Parties responded, of which 8 were wholesalers, 6 were retailers and 1 was the Consumer Council for Water (CCWater).

All respondents agreed with the proposed changes. Trading Parties agreed that the proposed changes to the long unread meters report will assist them in identifying and prioritising long unread meters, and improve data rectification processes. It was recognised that there was the potential to reduce customer complaints if data cleansing activities were implemented as a consequence of the change.

The only issue that Trading Parties had different views on was the date of implementation. 8 respondents wished for the initially proposed implementation date of 8 November 2019, primarily because it was considered to be the next available date for the proposed CMOS release, and alternative dates delayed the proposed change unnecessarily. MOSL has since ascertained that the proposal can only be implemented with the release currently scheduled for 26 July 2019. All respondents have now agreed with this date.

Panel recommendation

The Panel considered this Change Proposal at its meeting on 18 December 2018. It recommended, by a unanimous decision, that the Authority approve this proposal on the basis of improving the principles of efficiency, transparency, simplicity, cost-effectiveness and security. The recommended date of implementation is 26 July 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 CPW050 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.

The responses to the consultation indicated that many Trading Parties think that the changes should be implemented at the earliest opportunity, recognising that the

proposed date of implementation reflected the next scheduled release of CMOS. We recognise that the proposed implementation date has been brought forward following feedback from Trading Parties. However, Ofwat would encourage MOSL and the Panel to consider whether an earlier implementation date could be possible, given the benefit to customers and the wider market of this change.

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

Approving the proposal and allowing the revised report to be produced will allow Trading Parties to prioritise data cleanse on meters which have not had an actual read for a long time, which we recognise is a market-wide priority. This will ultimately be of benefit to customers, as the identification and correction of data anomalies through live reads will allow for quicker resolution of errors and more accurate bills. This will lead to efficiencies through not having to handle complaints based on inaccurate billing.

Transparency

Retaining the estimated readings in part of the report whilst also supplementing it with data excluding estimated readings allows participants to identify any potential problems arising out of billing on the basis of estimated reads only whilst providing information and confidence around the production of Final Settlement Reports.

Simplicity, cost-effectiveness and security

Enhancing the use of an existing report which is already available is the simplest and most cost-effective way of improving the data cleansing activity which will lead to more accurate data in the market. This can be achieved without increasing security risk, as whilst new logic will be needed to extract data for other fields, the calculation method for this field will not change.

Decision notice

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

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