
Wholesale Retail Code Change Proposal – Ref CPW067

Modification proposal	CPW067 – Bulk Submissions of Service Requests by MS Excel
Decision	The Authority has determined that it cannot properly form an opinion on the approval of the Change Proposal and requests that the Panel revise and resubmit the Final Report
Publication date	18 October 2019
Implementation date	N/A

Background

The Operational Terms of the Wholesale Retail Code (WRC) sets out obligations for Retailers to use Microsoft Word formatted forms to issue operational service requests to Wholesalers. The current drafting of the Operational Terms of the WRC do not permit Retailers to submit bulk service requests in a Microsoft Excel format to Wholesalers, but it is permitted for Wholesalers to submit bulk information to Retailers in this way.

A Change Proposal has been raised by Castle Water (“**the Proposer**”) to amend the Operational Terms of the WRC to enable Retailers to use Excel versions of forms for the bulk submission of service requests.

The issue

The Proposer believes that using a Microsoft Word form that allows only a single service request at a time to be submitted to Wholesalers is inefficient and unnecessarily increases costs by requiring individual forms for requests that could be issued as bulk requests in an Excel format. It is also highlighted that customers may be adversely impacted due to the delays in individual forms needing to be processed by Retailers.

The modification proposal¹

A Change Proposal has been designed to improve the Wholesaler-Retailer interactions when issuing bulk operational service requests. The proposed solution is to extend the provisions of the existing code in Part J of the Operational Terms, to allow Retailers to use Excel versions of the forms. The drafting change will modify the second paragraph of Part J to allow the Retailer to use Excel versions of the forms for 'operational reasons' and additionally may use other suitable formats.

Industry consultation and assessment

A Request for Information on CPW067 was published on 4 July 2019 and closed on 19 July 2019. There were a total of 21 responses received, 14 from Wholesalers and seven from Retailers.

Views on whether Excel formatted operational forms should be permitted for Retailers

The majority (12 of 21 respondents) disagreed with the proposed solution to enable Retailers to submit bulk service requests to Wholesalers using an Excel format. All of those who disagreed were Wholesalers, with the main reasons cited being due to delays and inefficiencies associated with Retailers storing up multiple requests and the incompatibility issues when bilateral requests are uploaded to a Wholesaler specific portal.

A Wholesaler who did not support the solution stated that bulk submissions should not be allowed unless there is prior agreement between the Wholesaler and Retailer involved, which should be included in the legal drafting associated with the Change Proposal. It continued that there would be issues with resource planning and service-level agreement (SLA) performance, as well as process inefficiencies which would be passed on to the Wholesaler. It also stated that the Change Proposal would mean each form would need to be raised manually, to ensure the SLAs are tracked and logged onto its portal, and recorded for the purposes of Wholesalers reporting against the Operational Performance Standards (OPS).

A Wholesaler who also did not agree with the proposed solution highlighted that there were merits in a clearly defined Excel template for submission to improve customer experience, however no standard format has been proposed. It further noted that the legal drafting included no specific details on what would be an

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>

acceptable volume of bulk submissions, and if too many tasks were held back by Retailers then these large volumes could impact on Wholesalers' ability to action and complete tasks on time, in turn impacting the Retailer and end customers. Another Wholesaler who shared this view also stated that multiple site requests for one customer may cover different work areas and this could require different measures of investigation.

A Wholesaler that disagreed with the Change Proposal stated that the speed of task completion would decrease if Retailers were to build up requests and that if a Retailer did not use a bulk submission to address a back log, this should be allowable by agreement but a processing rate should be agreed with the Wholesaler in advance. Another Wholesaler stated that despite the process being more efficient for the Retailer, it suggested that volume limits on bulk submissions or a different form of SLA for bulk submission could allow the process to be more efficient.

Multiple Wholesalers stated that the Change Proposal would incur costs to current Wholesaler systems and consideration should be given on how this functionality could sit within the proposed development of any central bilateral solution, in order to minimise unnecessary interim spend.

A Wholesaler who was not in support of the Change Proposal argued that the proposed change would negatively impact the customer experience and efficiency of resolving the issues at play, facilitating non-compliance with the WRC. It stated that the aim of bilateral transactions is to resolve customer issues, with Retailers having an obligation to raise service requests "as soon as reasonably practical", however a bulk submission process would cause a delay that is contrary to the WRC requirements.

All seven Retailers agreed with the proposed solution, with a general consensus that CPW067 would help Retailers to provide a better service for customers. A Retailer agreed with the Change Proposal and stated that it would address any incorrect assumptions that are impacting customers' journeys. It also noted that it was aware Wholesalers may be concerned with demand spikes of volumes of forms and would aim to work with Wholesalers to ensure efficiency and allow them to meet their SLAs.

Another Retailer stated that the proposed change would be beneficial for large sites where there are a large number of SPIDs. However, the Retailer highlighted that there was a lack of detail in the legal drafting in terms of a standard format for the Excel documents, and there may be a risk that Trading Parties may develop separate Excel formats of the forms and that an industry centralised solution was key. They also noted that this change would not speed up processes for customers

because Wholesalers will struggle to process a large number of forms due to resourcing issues.

Views on the redline drafting

The majority (12 of 21 respondents) did not agree that the red line changes in CPW067 were fit for purpose. The main rationale provided by those who did not support the red line changes was because they did not support the solution as proposed. A Wholesaler who did not agree stated that in its current form it is misleading and gives the impression that the change is a simple one, however mandating the acceptance of bulk requests does not address any knock-on impacts to the service levels set out throughout the WRC.

In total, eight respondents agreed with the proposed red line changes in CPW067. The majority of Retailers agreed as they supported the solution. A Retailer that did not agree with the solution as proposed but agreed with the principle of the change, suggested the legal drafting could be improved to encompass a standard format Excel form.

Views on specific scenarios or forms a bulk transfer solution

In total, 17 respondents agreed that there were specific scenarios or forms where the bulk transfer solution would be useful, and four respondents disagreed. The majority of Wholesalers shared the view that if a Retailer wishes to submit a form in bulk, this could be achieved through a specific, pre-arranged agreement with the Wholesaler. A Wholesaler who shared this view stated that this agreement would have to consider volumes over a time period to forecast resources and allocate such resources to tasks efficiently to maintain SLA adherence.

One Wholesaler stated that the proposal would be useful for pre-agreed data corrections in large volumes and that this could accelerate certain target areas of the Market Performance Operating Plan. A Retailer stated that this solution would be useful for dealing with multi-site customers that make a number of requests in one go. A further Retailer stated that this solution would be useful when a Retailer has received a request to deregister a vast number of individual SPIDs, which is currently undertaken using single requests that take time and increase costs.

Implementation and ongoing operational costs

The majority of Wholesalers stated that existing systems and business processes would need to be significantly amended following implementation of CPW067. The costs provided ranged from £30k - £700k to implement the change. In contrast,

Retailers had the view that existing systems and business processes would need minimal amendments.

In relation to ongoing operational costs of CPW067, the majority of Wholesalers stated that these would also be high, with costs ranging from £22k to £100k per annum. The rationale provided by one Wholesaler was that there may be ongoing manual processing costs if the bulk submissions received from Retailers were inconsistent. All Retailers stated that ongoing operational costs would be minimal or none.

Views provided on whether the proposed benefits of CPW067 outweigh the costs

The majority (12 of 21 respondents) disagreed that the proposed benefits outweigh the costs of the change, and seven respondents agreed.

A Wholesaler who did not agree that the proposed benefits of CPW067 outweighed the costs of the change stated that further work is required to assess the benefits case, including a review of the impact on SLAs for bulk submissions. It stated that once the benefits are assessed, thought could be given to decide whether this change could be included within the central bilaterals solution to save cost.

A Wholesaler that also did not agree highlighted that the customer experience would not be improved and current SLAs for bulk submissions would not be easily met due to the resource issues if a Retailer issued a large volume of requests. It also continued to state that mistakes in data submission could lead to issues with the time taken to enter the data into its portal, which would further impact the customer experience.

A Retailer that did not agree stated that an industry centralised solution would be a more suitable direction to go in.

Views on the proposed implementation date

Nine respondents agreed with the proposed implementation date of 8 November 2019 and 12 disagreed. A Wholesaler stated that the implementation date was far too soon given the likely changes to systems and business processes that would be required. This view was shared with two Wholesalers who stated the change should not be implemented before April 2020, due to the significant additional resources needed to be able to cope with demand, which would need budget approval.

Proposer view

We note the Proposer provided a detailed response to the feedback received from the Request for Information, as set out in Appendix 1 of the Panel's Final Report.

When commenting on the concerns of the red line drafting, the Proposer commented that the red line changes were simple, easy to implement and were understandable. In relation to the concerns raised, it did not comment on a number of the issues raised. But where concerns were raised on the red line drafting it stated that these comments were insubstantial, and that any argument against the red line drafting would also apply to the existing drafting in Part J of the Operational Terms which provides the rights to Wholesalers to use Excel versions of forms.

Panel recommendation

The Panel considered this Change Proposal at its meeting on 27 August 2019. It recommended that the Authority approve this proposal. The vote comprised of 6 Panel Members voting in favour and four Panel Members abstaining. This recommendation has been made on the basis of improving the principle(s) of efficiency, proportionality, simplicity, cost-effectiveness and security and non-discrimination. The recommended date of implementation is 8 November 2019.

Despite voting to recommend the change for approval, the Panel were concerned that submitting forms in bulk via Excel might only move a problem from the Retailer to the Wholesaler. They were concerned that this would not lead to an overall efficiency gain or subsequent benefit to the customer. These Panel Members felt that the change could have been improved if limitations had been placed on the extent of batching and bulk submissions that could be made by Retailers. The Panel observed that Retailers should take all reasonable steps to submit batched requests on a regular and timely basis to facilitate efficient wholesaler processes. The lack of standardisation in Excel format proposed in CPW067 was also noted as an efficiency limitation.

Our decision

We have considered the issues raised by the Change Proposal and the supporting documentation provided in the Panel's Final Report. Whilst we understand the principle CPW067 is aiming to achieve, we cannot properly form an opinion based on the information provided in the Final Report.

Reasons for our decision

When reviewing the responses to the Request for Information, we note a number of concerns were raised by both Retailers and Wholesalers on the proposed solution. A number of respondents who did not support the solution provided suggestions on how the legal drafting could be further developed to address their concerns. We believe these concerns have either not been sufficiently taken into account by the Proposer and the Panel, or have not been included in the Panel's Final Report.

Whilst we note the Panel had concerns on the solution proposed, as detailed in the Final Report, the Panel did not send this Change Proposal back for further assessment to address these concerns via, for example, a revised solution. Instead, the Panel voted to recommend CPW067 for approval. Therefore, we expect the Panel to consider its priorities and determine an appropriate time for it to review and address the full extent of concerns raised and reconsider the legal drafting in light of this.

Specifically, subject to priorities we recommend the Panel establish a working group of both Retailer and Wholesaler members to consider the following aspects of the Change Proposal:

1. A standard template for Excel operational forms to prevent Retailers from developing different approaches.
2. Whether the legal drafting should be expanded to include:
 - a. Requirements for Wholesalers and Retailers to work collaboratively and pre-agree bulk submission requests.
 - b. Timescales for Retailers to submit bulk requests in order to provide guidelines on the rate and frequency of submissions.
 - c. Limits on the volume of bulk submissions that Retailers can issue to Wholesalers at any one time, and/or new SLAs for the processing of bulk submissions.
3. The impacts CPW067 has on OPS reporting and identify the amendments required to the OPS guidance to take into account bulk service requests from Retailers. We expect the Panel to make this aspect clearer in the resubmission of the Final Report.
4. The customer benefits of the solution, as we note there was mixed feedback from respondents to the Request for Information in terms of whether the solution as currently proposed, was simply moving the issue of processing time from Retailers to Wholesalers.
5. In addition to the above, how the proposed solution can be developed and improved so that the benefits are maximised relative to the likely implementation and ongoing operational costs.

Going forward, we expect views of Panel Members are clearly provided in the Final Report and Panel minutes. Specifically, the views and rationale of Panel Members agreeing or disagreeing with a Change Proposal, as well as those abstaining from a vote should be recorded and included in the Final Report.

Decision notice

In accordance with paragraph 6.3.8 of the Market Arrangements Code, the Authority is returning this Change Proposal to the Panel and requests that it revise and resubmits a Final Report.

Emma Kelso

Senior Director, Markets and Enforcement