

PW Board circulation only

Portsmouth Water

Wholesale Service Desk (Q3 18/19 Report)

28th February 2019

Delivering excellence for our customers, our people and our environment



Monthly Performance Report

Wholesale Service Desk (Q3 18/19 Report)



Executive Summary

This report provides a Q3 2018/19 update on our Wholesale Service Desk activities.

Since the non-household retail market opened in April 2017, [REDACTED] of our supply points have switched retailer. This is above the national average of 7.9%. The reasons for customers switching is unknown, but our rate maybe higher due to national chains switching having a bigger impact on our area, due to the lower number of supply points we have compared to other Wholesalers.

Our Data Improvement Plan was submitted to MDSL in October 2018. We have made good progress in a number of areas: including reducing unpaired, new and partial supply points. We have also completed work in populating empty meter location fields in the market system.

We still have a significant amount of work to do by March 2020; including checking accuracy of yearly volume estimates, reducing long unread meters and reducing the number of vacant premises.

MDSL have raised no concerns with the progress of our Data Improvement Plan.

We continue to perform well, on an industry level, with regard to the Market (MPS) and Operational (DPS) Performance Standards.

We are likely to just miss our internal target of 80% for MPS, after recovering from a drop in performance in September 2018, the issues of which have now been addressed.

MDSL have raised no concerns with our MPS or DPS performance.

We have put measures in place to prevent corrective settlement runs. These measures have already picked up a number of data inaccuracies, which has enabled us to alert the retailer to take remedial action.

2

Monthly Performance Report

Wholesale Service Desk (Q3 18/19 Report)



excellence | respect | integrity

Market Update

Switching

Of our [redacted] supply points we have in the non-household retail market, [redacted] have switched retailers, [redacted].

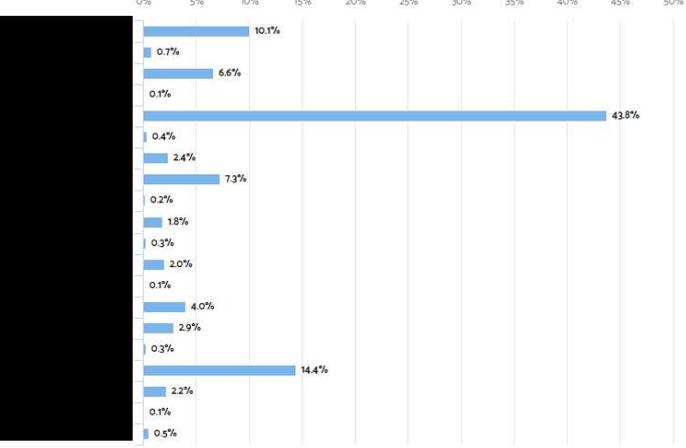
This figure compares to a 7.9% switching rate nationally.

The reasons for customers switching is unknown. Our switching rate being higher than the national average may be due to national chains switching having a bigger impact on our area, due to the lower number of supply points we have compared to other Wholesalers.

We now have twenty active retailers in our area of supply, an increase of two since Q2. We now have Aquaflo and Wave.

The table to the right shows the percentage of switched supply points gained by these 20 retailers in our area of supply.

[redacted] have gained the largest percentage of switched supply points, and are the sewerage retailer for the majority of supply points in our area of supply.



Retailer	Switching Rate
[redacted]	43.8%
[redacted]	14.4%
[redacted]	10.1%
[redacted]	7.3%
[redacted]	6.6%
[redacted]	4.0%
[redacted]	2.9%
[redacted]	2.4%
[redacted]	2.2%
[redacted]	2.0%
[redacted]	1.8%
[redacted]	1.4%
[redacted]	1.1%
[redacted]	0.7%
[redacted]	0.5%
[redacted]	0.4%
[redacted]	0.3%
[redacted]	0.3%
[redacted]	0.2%
[redacted]	0.1%
[redacted]	0.1%
[redacted]	0.1%

3

Monthly Performance Report

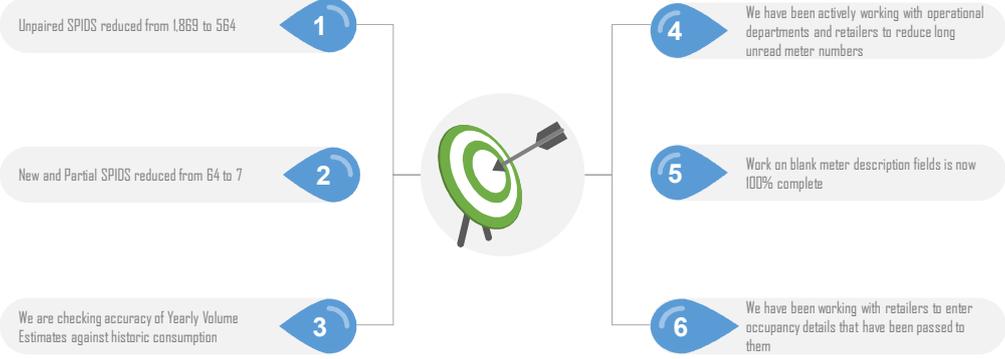
Wholesale Service Desk (Q3 18/19 Report)



excellence | respect | integrity

Market Update

Data Improvement Plan



- 1 Unpaired SPIDS reduced from 1,869 to 564
- 2 New and Partial SPIDS reduced from 64 to 7
- 3 We are checking accuracy of Yearly Volume Estimates against historic consumption
- 4 We have been actively working with operational departments and retailers to reduce long unread meter numbers
- 5 Work on blank meter description fields is now 100% complete
- 6 We have been working with retailers to enter occupancy details that have been passed to them

MOSL have recognised that there are some industry wide issues with regard to market data. Along with all other Trading parties we submitted a data improvement plan to MOSL, which they monitor on a monthly basis. The diagram above shows progress to date on our data improvement plan. We are progressing well and MOSL have raised no concerns with our progress.

4

Monthly Performance Report
Wholesale Service Desk (Q3 18/19 Report)

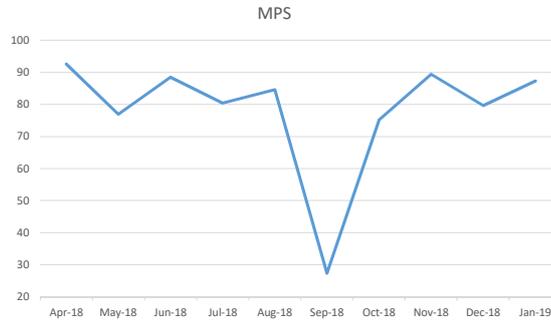


Performance Update

Market Performance Standards (MPS)

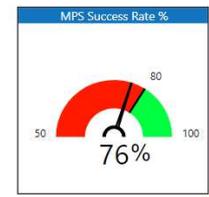
The MPS metric measures whether trading parties complete market transactions in the Central Market Operating System, (CMOS), in accordance with the SLA's set out in the Wholesale Retail Code. Any failures against the MPS report attract a financial penalty.

We have seen significant improvement through Q3 after a high level of failures in September 2018. These failures were primarily associated with new service connections. The Wholesale Service Desk (WSD) have delivered refresher training to the Developer Services team regarding new connections and market timescales as well as additional mitigation methods being implemented.



The failures in September will result in us falling a little short of our internal KPI of a 80% success rate.

We have explained to MOSL the reasons for our poor performance in September. They were happy with the actions taken, and have no concerns with our MPS performance.



Monthly Performance Report
Wholesale Service Desk (Q3 18/19 Report)



Performance Update

Operational Performance Standards (OPS)

The OPS metric measures whether we complete operational works in accordance with the SLA's set out in the Wholesale Retail Code. Currently, there are no financial penalties attached to missed OPS SLA's, but MOSL intend to introduce a charge of £40 per failure from April 2019. This proposal is currently awaiting approval from Dfwat.

Our performance has remained above 90% since June. This is due to the Wholesale Desk taking a more proactive approach in chasing departments to get work completed within SLA timeframes.

Our current failure rate is averaging 6 no. per month.



We are on target to meet our internal KPI of a 95% success rate. Our current year to date success rate is 95%

In our monthly performance meetings, MOSL have raised no concerns with our OPS performance.



Monthly Performance Report

Wholesale Service Desk (Q3 18/19 Report)



Settlement Update

There was a need to request a number of corrective settlement runs in Q2. Following this we put mitigation measures in place, by way of daily reports, to check market data before settlement runs take place.

These measures have proved successful, whereby we have found further data errors, and have been able to alert the relevant retailer to correct the data, before the settlement run.

Bilaterals Update

Wholesalers and Retailers primarily communicate market activities through bilateral interactions via web portals. There is no common portal, with a number of solutions in place. This is creating inefficiencies in the market and having a direct impact on the customer experience.

MOSL are considering a common industry wide bilateral portal. They have sought understanding from trading parties of how they view the issue, and the challenges, opportunities and benefits from an industry wide solution.

MOSL are currently undertaking an analysis of the information gathered; and options for how to best move forward. They shall shortly be writing to trading parties to report on their discussion, and the next steps.

7

Monthly Performance Report

Wholesale Service Desk (Q3 18/19 Report)



Conclusions

1

■ of supply points in our area of supply have switched retailers, against a national average of 7.9%. No clear indication of why we're higher than national average.

2

We're making good progress with our data improvement plan submitted to MOSL in October 2018. MOSL have no concerns with our progress.

3

Our MPS performance has improved and is continuing to improve with additional mitigation methods being implemented and further training provided where required across the business.

4

Our DPS performance has been fairly consistent throughout Q3. We're aiming to improve this throughout Q4.

5

It is likely MOSL will introduce charges for missed DPS SLAs from April 2019. The change is currently awaiting Ofwat approval.

8