

Severn Trent Plc Disclosure Committee

14 February 2019

MOSL IRIP Plan & MOSL Long unread communication

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Executive Summary

The purpose of this is to give an overview of the MOSL IPRP and the recent communication published by MOSL. The two points of interest to note, MOSL have issued the instruction to STW that we are to be placed on an IPRP for the measure associated to meter exchanges and Non market meters. Due to our representation on the MPC we have an understanding that there are 13 other trading parties on an IPRP. This is not publicly published information. In addition to this MOSL have issued a press statement from their CEO regarding the lack of progress with long unread meter activity.

IPRP – Initial Performance Rectification Plan.

We have been put on a MOSL IPRP. The criteria for the plan is as outlined below, for MPS 7,8,9 (these are meter exchanges and link to all of the data that we have shared during our DC meetings) and MPS 12 (Non Market meters)

The MOSL improvement plan is issued in line with the below criteria

- Three months performance below the peer average, for standards where the peer average is below the peer median or
- Three months declining performance in a standard, where all three month were below the peer median

We have to submit our rectification plan by the 26 February, for MPS 7, 8 ,9 this will mirror the plans that we have previously shared with DC with a target resolution date of the end of March. The MPS 12 SLA is slightly different as this is already a focus of one of MOSLs other performance initiatives namely the MPOP (market performance operating plan) however the reason that we are on plan for this metric is due to 0% return in December. The reason for this is that as part of the MPOP we are correcting our data as well as undertaking a full audit of these SPIDS to understand if they are correctly identified as Non-market meters in CMOS. Our expectation is that this will be completed by the end of next week, with the data correction completed mid-March returning to a position of average peer performance by the end of April.

The below table shows the average performance that MOSL use to judge which Trading parties need to be placed on a plan. The two highlighted lines are those areas where we have failed to achieve these required average performance standards.

MPS	IPRP Involvement	Mean						Median					
		July 18	Aug 18	Sept 18	Oct 18	Nov 18	Dec 18	July 18	Aug 18	Sept 18	Oct 18	Nov 18	Dec 18
Initial & final meter read submission (MPS 7,8,9)	Yes	78%	67%	74%	70%	72%	76%	84%	76%	83%	81%	79%	78%
Disconnection & reconnection meter read submission (MPS 10,11)	No	81%	85%	84%	89%	69%	64%	88%	97%	100%	96%	93%	88%
Cyclic non-market meter read submission (MPS 12)	Yes	82%	88%	80%	69%	87%	81%	94%	91%	93%	70%	95%	100%
Missed biannual cyclic non-market meter read (MPS 13)	No	72%	74%	78%	75%	86%	49%	90%	76%	84%	81%	95%	48%
Cyclic non-market meter read (MPS 14)	No	65%	46%	51%	53%	55%	49%	83%	33%	35%	56%	40%	75%
New connection notification (MPS 3,4)	Yes	59%	60%	67%	70%	70%	71%	60%	71%	88%	83%	88%	77%
Gap site / Change of Use notification (MPS 5)	No	88%	99%	97%	99%	96%	96%	100%	100%	100%	100%	100%	100%
Disconnection & reconnection (MPS 6)	No	87%	82%	86%	86%	84%	82%	98%	98%	100%	88%	97%	91%

Our performance is shown below. MPS 7 is our most significant area of failures, as raised at previous disclosure meetings. This relates in the main to the meter exchange process issues linked to the Gallagher contract. Whilst the plan quotes all meter exchange SLA's our main area of focus is MPS 7 due to the high number of transactions.

Success by standard	MPS 3	MPS 4	MPS 5	MPS 6	MPS 7	MPS 8	MPS 9	MPS 10	MPS 11	MPS 12	MPS 13	MPS 14
Oct	27%	73%	100%	81%	33%		4%	82%		25%	94%	0%
Nov	84%	71%	100%	33%	51%		25%	25%		82%	100%	0%
Dec	83%	0%	100%	50%	51%		0%	50%		n/a	3%	0%

The below shows the transactional numbers associated to each SLA

MPS #	Period	No. Tasks Completed	No. Tasks Attracted Performance Charge
MPS 3	2018-12	138	24
MPS 4	2018-12	3	3
MPS 5	2018-12	137	0
MPS 6	2018-12	4	2
MPS 7	2018-12	453	221
MPS 9	2018-12	4	4
MPS 10	2018-12	4	2
MPS 13	2018-12	35	34

MPS 12 is also on our IPRP and relates only to NMM. These are domestic meters that link into a NHH meter network, therefore our responsibility to read. This activity was already on our MPOP (Market performance improvement

plan) this involved auditing the data and data links from target – SAP and to the market. The audit is now completed and over 200 meter reading have been added to the market. This will impact our performance for February and March but with the interventions made we will be back in line with market expectations from April onwards. We are required to submit our plan by 26th February which will need to include projected monthly performance metrics for the next 6 reporting periods; from February to July 2019, for percentage of tasks completed on time against each relevant MPS.

MOSL CEO Statement regarding long unread meter performance.

The MOSL CEO issued a press statement on 7 February regarding the lack of progress in the area of long unread as it is believed that the poor accuracy in this area impacts both the settlement and customer billing processes. Whilst the majority of the meter reading activities sit with retailers there is some legacy data that sits with the wholesalers to resolve regarding meters that haven't been read for more than two years. This issue was also on the MPOP and as a result of this we agreed to undertake circa 4.6k meter visits to see if reads could be gathered and/or data updates obtained. We completed the first cycle of these visits a week ago. The details of our findings are below; circa 1k of these meter reading were sent to the retailer at the end of December 2018. In addition to this the second batch of visits is about to commence. Prior to preparing this paper we ran another report which showed an increase of 200 meters that fell into this category. I have raised a query with MOSL to understand the baseline for this data, otherwise we be continually revisiting this activity.

Team	Work complete	Actual reads	No Access
Birmingham	652	181	296
Derby	208	60	47
Gloucester	300	150	52
HD	39	27	0
Leicester	419	130	98
Mansfield	228	143	39
Nottingham	185	80	38
Shropshire	158	108	21
Staffordshire	323	117	74
Warwickshire	233	63	45
Worcester	226	113	45

Total	2971	1172	755
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Recommendation

The Severn Trent Plc Disclosure Committee is invited to:

- Comment on the plan if required.