

Wholesale Retail Code Change Proposal – Ref CPW141a

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| Modification proposal | Wholesale Retail Code Change Proposal – Ref CPW141a – Clarification of read definitions |
| Decision | The Authority has decided to approve this Change Proposal |
| Publication date | 5 July 2023 |
| Implementation date | 25 August 2023 |

We are approving this Change Proposal.

CPW141a seeks to clarify definitions of 'visual' and 'remote' meter reads in the market codes to ensure that outputs from smart meters and add-on devices can be used in the market. This change will help provide customers with more accurate and timely bills based on actual meter reads rather than estimated usage.

Ofwat has consistently highlighted that poor quality customer, consumption and asset data can significantly undermine the customer experience and is one of the three main 'market frictions' that are preventing the market from working effectively and delivering better outcomes for customers. We therefore consider that this proposal will help improve quality and accuracy of data in the market, which will benefit the customer experience.

Background and issue

Under current definitions within the market codes, meter reads taken using a photograph cannot be used in the market and be classed as a visual or remote read. This poses a barrier to the use of add-on smart meters in the market, such as the [Limpet Reader](#), which work by taking a photo of the meter register and convert this into remotely accessible data.

Verbal evidence provided from Metering Committee conversations have confirmed that such reads are either not being submitted or are being registered incorrectly in CMOS. The Metering Committee has also received verbal evidence that some meter suppliers

have received queries from Retailers as to where a photograph of the meter fits within existing code definitions and therefore will not use their equipment.

The Change Proposal¹

CPW141a proposes to update the market code definitions to make it clear that a 'visual read' can be obtained from a clear photograph of the meter register and that a meter read (not just consumption data) from a smart meter can be accepted as a 'remote read'.

Views of the Customer Representative

The Consumer Council for Water ('**CCW**') agreed with the proposal to extend the current definition of 'visual' reads to include the use of clear photographs of a meter dial. CCW stated that if photographs of actual reads are not being used due to the current wording of the definition, this could be unnecessarily increasing the use of estimated billing. In addition, if the reads are being entered as something else (such as an estimated read), this is not a true representation of how a customer is being charged and could lead to needless complaints being raised. Inaccurate billing, and the use of estimation, remain significant drivers of billing and charges complaints from business customers to CCW, so it is sensible to make a change that will enable trading parties to submit more actual reads into CMOS, which may in turn improve the overall quality of customer billing.

CCW also supports expanding the definition of 'remote' read to refer to the meter read itself, and not just the consumption data. They believe this change aligns with CCW's recommendation that water companies should increase smart metering for business customers, as it should encourage the adoption of more smart meter reading technology, due to trading parties being clearer on what meter reading methods are acceptable. It should also facilitate smarter reads being entered into the market as a result of the clarification.

Code Change Committee recommendation

The Code Change Committee considered this Change Proposal at its meeting on 7 June 2023. It recommended, by unanimous decision, that the Authority approve this

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>

proposal. This recommendation has been made on the basis of contributing to the following principles and objectives:

- **Primary Principle:** CPW141a will see increased visual reads entered into CMOS which will provide customers with more accurate and timely reads and bills which are not based on estimate usage;
- **Continued development and sustainment of an effective market, a Seamless Non-Household Customer experience, and Efficiency:** CPW141a will see an increase in the use of smarter metering technologies and a reduction in Long Unread Meters. It will also see an increase in timely and accurate meter reads.

The recommended date of implementation is 25 August 2023.

Our decision and reasons for our decision

We have considered the issues raised by the Change Proposal and the supporting documentation provided in the [Code Change Committee's \(CCC's\) Final Recommendation Report](#) and have decided to approve the proposal. We have concluded that the implementation of CPW141a 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.

As we outlined in our most recent [State of the market report](#), poor quality customer, consumption and asset data is a substantial cause of friction in the market. It can cause bills to be inaccurate or untimely, undermining the customer experience, and can impede innovation in relation to water efficiency. Therefore, as we have outlined in previous code change decisions, we welcome changes that can support improved quality of data in the market. We think CPW141a does this by allowing Trading Parties to submit more actual reads into CMOS and facilitating smarter reads being entered into the market.

We think this proposal will further the **Primary Principle** and a **Seamless Non-Household Customer experience**. This is because it will improve current and future customers' experience through increasing the number of visual reads being entered into CMOS. This will in turn provide customers with more accurate and timely bills, rather than bills based on estimate usage. We agree with the CCC that CPW141a will support the **Continued development and sustainment of an effective market** by supporting an increase in the use of smarter metering technologies and reducing the number of Long Unread Meters. The **Efficiency** principle is supported as an increase in smarter meter usage decreases the need for in-person reads.

Decision notice

In accordance with paragraph 6.3.7 of the Market Arrangements Code, the Authority approves this Change Proposal.

Dan Mason

Director, Business Retail Market