

The self-supply community is very much more interested in initiatives to unlock value in the water retail market than in getting the basics right.

So said Waterscan managing director Neil Pendle at the March Self-Supply Users Forum (SSUF). He was responding to a first glimpse of the priorities of the new Strategic Panel, which were shared at a very high level at the Forum by independent Strategic Panel member Paul Smith.

Smith reported the Strategic Panel's role is to "promote, challenge and lead the evolution of the market". He said that its priorities remained work in progress but were "not far off" and to that end shared that the Panel had in its sights two main strands: getting the basics right, and providing opportunities to "unlock some of the value".

He said among the questions it is grappling with are the following:

- How to ensure the market is creating value for consumers.
- How is the market providing opportunities for retailers to add value and can that lead to better service?
- How to help facilitate water efficiency and environmental performance.
- Are the incentives on trading parties right?

There are, Smith observed, "lots of opportunities to try to do better".

Pendle reflected that "clearly there's some things not going right in the market". He illustrated with the example that the latest company to join the self-supply community, just a few weeks before the Forum, had arrived with over 20% of its meters long unread, something that will be corrected "within three months and back to normal self-supply levels".

But Pendle went on to point out that the self-supply community was very much on top of the basics (see box), and therefore that its main interest was in unlocking more value and services from the market.

Adding value

The SSUF touched on a number of areas where value might be unlocked. There was dedicated focus on some of the possibilities that more enhanced metering could offer. MOSL's lead for its Strategic Metering Review Martin Hall explored the cost benefit proposition for wholesaler investment in AMI and AMR meters

for all non household customers, on the back of publication of a report it commissioned on this subject from Artesia Consulting (see p26).

Anglian Water's continuous improvement manager Michelle Thompson gave a presentation on Project AMIDST, a joint Anglian/MOSL pathfinder project to investigate the feasibility and benefits of Anglian sharing monthly meter reads from its AMI meter rollout direct to CMOS. This is in anticipation of future proliferation of AMI data across the market.

As well as trying out the technical connection, the project is considering the impact on, and possible changes required to, the Market Code that might result. Thompson gave the example of how settlement might be impacted, and whether there might be an opportunity to reduce settlement from the current 18 months.

Waterscan really welcomed the project. Pendle noted that 30% of the reads Waterscan submits are rejected by CMOS and have to be resubmitted, so smart reads supplied direct from the wholesaler would reduce that inefficiency. He noted too that Waterscan's preference is for 15 minute flow data, and that some smart meter data does not offer that degree of granularity. But Thompson said in Anglian's case, its smart meter programme used pulse linked smart radios for large meters, thereby preserving a logger facility.

BEYOND THE BASICS

Adding value took centre-stage at Waterscan's March Self-Supply Users Forum, given the community's high performance on market basics.

Other 'value adds' considered at the SSUF related to data quality (MOSL's Hall said a data strategy roadmap was imminent); water efficiency services (operations director Barry Millar provided an update on the work of the RWG Water Efficiency Sub Group, which he chairs); and sustainability services and disclosure (account director Rebecca Gale provided an overview of what organisations can achieve in this space).

Pendle also gave SSUF members the heads up that Waterscan will be launching a new self-supply community hub in autumn.

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BASICS IN THE BAG

The Waterscan team reported on another high performance quarter at the SSUF.

Commercial director Nick Hayes said the community was "well above 98%" in terms of Market Performance Standards and expected to maintain this market leadership once the new style of reporting comes in from MOSL. He added that bilaterals were trending in the right direction, with increased engagement from wholesalers and more processes to go through the bilaterals hub from April.

Operations director Barry Millar reported on long unread meters – that at 1.67%, the proportion of long unreads in the Waterscan portfolio was "a high peak for us," with around 1.2% a more typical proportion. He explained this was due to a new joiner in the self-supply community which had arrived with 28% of its meters long unread. Hayes commented that this was a "temporary blip" and said Waterscan was "pushing hard" to get the company's long unreads down to the level of the wider self-supply community.

There was also good news to report on a number of fronts.

Firstly, Thames Water's latest undertakings on access to smart meter data – which include compensation for demonstrably affected customers and the elimination of ongoing data charges – amounted to "a real win for the community," Millar said. Waterscan would of course "have preferred none of this to have happened" but the final arrangements are a "pretty good outcome for all concerned".

Secondly, head of market development Syndiso Bango-Dube reported that Waterscan's credit dispute with South West Water was now largely resolved. After many months of disagreement, Waterscan sought the advice of a competition law expert, which ultimately served to shift the wholesaler's position. It was a relief, Pendle observed, to have all but resolved this dispute, given it had "been a big problem for a long time". Bango-Dube said the community as a whole had now reduced the cash it lodges as credit by 90% from the peak, with credit arrangements now in place with all wholesalers – a real win for the self-supply community but also the market as a whole.