

MARKET CODE CHANGE PROPOSAL			Draft Form Version 1.2	
Market Code Change Proposal Ref (Assigned by CMA)		MCCP077	Version Number (Assigned by CMA)	1.0
Title of the change		New Connections- one month notice rule		
1. GENERAL DETAILS		Proposers are reminded that Change Proposals must be countersigned by the Proposer's Contract Manager or the person designated by the signatory to the Market Code Framework /Accession Agreement		
Company:	Business Stream	Org ID if assigned:		
Signature:	James Bream	Date:	2/10/10	
		Name:	James Bream	
Contact details for the Proposal - the contact should be able to deal with queries regarding this Market Code Change Proposal and need not be the same person who has countersigned the Change Proposal				
Name:		James Bream		
Email Address:		<a href="mailto:James.bream@business-stream.co.uk">James.bream@business-stream.co.uk</a>		
Telephone and or Mobile:		0131 338 3223		
Number of Associated Documents	00	Name or link to documents		
If the MCCP will also affect the Operational Code, an OCCP must also be raised				
Indicate if there is an associated OCCP		OCCP Ref:	CMA use only	
URGENT – IF PROPOSER HAS INDICATED THIS MCCP IS URGENT, STATE REASONS HERE The CMA Chief Executive will review this information and make a decision as to whether to take this MCCP forward as urgent as defined as under Market Code Part 8.7.1 (ii) (e)				
Not urgent				
2. MARKET CODE CHANGE PROPOSAL DETAILS				
A	ISSUE or DEFECT WHICH THIS MARKET CODE CHANGE PROPOSAL SEEKS TO ADDRESS required under Market Code Part 8.7.1 (ii) (b)			

As presented to the June Market Participant Forum this paper is written to address an issue highlighted in the 2009/10 CMA market audit. The audit highlighted an area where the market code actually:

- has a clause which discourages cooperation
- potentially encourages market participants not to work together for the benefits of customers, or
- creates a position where if they do work together it appears as a failing in performance measures

**Market Code - Existing text (Page 27)**

*New Connections and New Supply Points*

*All Code Parties agree to co-operate with each other in relation to the Registration of Supply Points for New Connections and New Supply Points including by carrying out the duties set out in this Section 5.4.*

*5.4.1 Create Record of New Connection and Partial Registration Application*

*(i) Not less than one (1) Month prior to the Connection Date for a New Connection, Scottish Water shall issue a request to the CMA for the creation of new Supply Point(s) related to that New Connection;*

**The Issue**

In a small number of cases Business Stream has worked with Scottish Water to enable a New Connection to be made within one month of being informed about the New Connection requirement.

This has meant that Scottish Water cannot meet the Market Code timescales to inform the CMA one month prior to the Connection Date for a New Connection.

The ability to progress this small number of New Connections in a speedy manner is testament to Scottish Water and Licensed Providers hard work. This also benefits the customer and should therefore not be punished or seen as a failure by the market.

<b>B</b>	DESCRIPTION OF NATURE AND PURPOSE OF THE CHANGE AND HOW IT MEETS THE MARKET CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS required under Market Code Part 8.7.1 (ii) (c)								
	<p>The Proposer should indicate which principles the change supports and whether there is any adverse effect on any principle(s).</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">a) Proportionality</td> <td style="width: 50%;">e) Barriers to entry</td> </tr> <tr> <td>b) Transparency</td> <td>f) Customer contact</td> </tr> <tr> <td>c) Simplicity, cost-effectiveness and security</td> <td>g) Non-discrimination</td> </tr> <tr> <td>d) Non-exclusivity</td> <td>h) Not detrimental to Scottish Water's core functions</td> </tr> </table>	a) Proportionality	e) Barriers to entry	b) Transparency	f) Customer contact	c) Simplicity, cost-effectiveness and security	g) Non-discrimination	d) Non-exclusivity	h) Not detrimental to Scottish Water's core functions
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	<p>The change is proportional as it will have low cost to implement and also reflects existing practices. The change is transparent to all parties and is non-exclusive for all Licensed Providers.</p> <p>It is not detrimental to Scottish Water as they can refuse to meet the request of a Licensed Provider. We also consider that the change does not discriminate against any party, indeed it is probably a fairer drafting for all market participants.</p>								
<b>C</b>	IMPACT – required under Market Code Part 8.7.1 (ii) (d), (f) and (g)								
	<p>The Proposer should indicate the sections of the Market Code affected, whether the Operational Code or CSDs, Wholesale Services Agreement or License is impacted and whether there are likely to be implications on:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">a) Central Systems</td> <td style="width: 50%;">c) CMA Interfaces/ Processes</td> </tr> <tr> <td>b) Trading Party's systems</td> <td>d) Trading Party's business processes</td> </tr> </table>	a) Central Systems	c) CMA Interfaces/ Processes	b) Trading Party's systems	d) Trading Party's business processes				
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	<p>a) Central Systems – none that we are aware of</p> <p>b) Trading Party’s systems – none, no change from existing processes</p> <p>c) CMA Interfaces/ Processes – none that we are aware of</p> <p>d) Trading Party’s business processes - – none, no change from existing processes</p>
D	DRAFT LEGAL TEXT – required under Market Code Part 8.7.1 (ii) (d)
<p>We recommend that the market code is changed to allow improved performance if both parties agree. The new text might read as:</p> <p><i>New Connections and New Supply Points</i></p> <p><i>All Code Parties agree to co-operate with each other in relation to the Registration of Supply Points for New Connections and New Supply Points including by carrying out the duties set out in this Section 5.4.</i></p> <p><i>5.4.1 Create Record of New Connection and Partial Registration Application</i></p> <p><i>(i) Not less than one (1) Month prior to the Connection Date for a New Connection, Scottish Water shall issue a request to the CMA for the creation of new Supply Point(s) related to that New Connection. The only exception to this is where Scottish Water has been asked by a Licensed Provider to progress a New Connection in less than one (1) Month and has agreed to this request.</i></p>	
3. IMPLEMENTATION DETAILS - PROPOSED IMPLEMENTATION DATE OR LEAD TIME	
<p>Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section C. Any quoted lead time should commence from date of approval.</p>	
<p>The Implementation Date will be the date of the next release of the Market Code following Approval by the Commission</p>	
4. ANY OTHER COMMENTS	

The full text of the objectives and principles for the Market Code are set out in The Water Services (Codes and Services) Directions 2007 which can be downloaded from the Commission’s website ([http://www.watercommissioner.co.uk/view\\_Directions.aspx](http://www.watercommissioner.co.uk/view_Directions.aspx))