

MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL

Form
version 2.2

Change Proposal reference
(To be completed by the TP Sec.)

MCCP150

Version No.

D.1

PART A — SUBMISSION

A.1. GENERAL DETAILS

A.1.a. TITLE SWLP Performance Charges

A.1.b. COMPANY CMA

Change Proposals must be authorised by the person designated by the signatory to the Market Code Framework / Accession Agreement

A.1.c. AUTHORISED
SIGNATURE

NAME

A.1.d. CONTACT NAME

Neil Cohen

CONTACT EMAIL;
TEL/MOB.

Neil.cohen@cmascotland.co.uk
0117 942 3272

A.1.e. ASSOCIATED
MCCP / OCCP

A.1.f. ASSOCIATED
DOCS.

A.1.g. PROPOSED
URGENCY

NON-URGENT

A.1.h. REASONS FOR
URGENCY

The CMA CEO will review this information and make a decision as to whether to take this MCCP / OCCP forward as urgent as defined under Market Code Part 8.9.1

A.2. MCCP / OCCP DETAILS

A.2.a. ISSUE OR DEFECT WHICH THIS MCCP / OCCP SEEKS TO ADDRESS
Required under Market Code Parts 8.7.1 (ii) (b) and 8.8.1 (ii) (b)

CSD0002 identifies two types of Performance Charge; CMA Charges are those charges that Trading Parties must pay to the CMA. SWLP Charges are charges payable by Scottish Water to LPs.

The SWLP Charges are settled by being payable to the CMA and then credited to the relevant LPs. The relevant LP is identified as being the LP responsible for the SPID or meter that has been subject to the Performance Charge. In the case of a meter that cannot be directly allocated to an LP, because it is a domestic meter, the responsible LP is taken to be the LP responsible for the Main Meter in a meter network, where the domestic meter is the Sub Meter in that network.

However, in a small number of cases, domestic meters are registered on the CS but are not allocated to a Meter Network; typically because a meter network association is pending, but has yet to be submitted, or possibly because a meter network has been de-activated, but the meter has yet to have a final read submitted. In other words, such circumstances are exceptional.

The current practice adopted on the CS is that, where a meter cannot be allocated to an LP, no SWLP Performance Charge is collected from SW, since no LP can be credited with the commensurate amount and as an SWLP Charge it would be inappropriate for such sums to be collected by the CMA and retained, since these are not CMA Performance Charges.

However, CSD0002 does not explicitly identify this logic, although it may be regarded as implicit in the definition of an SWLP Performance Charge.

A.2.b. DESCRIPTION OF THE NATURE AND PURPOSE OF THE MCCP / OCCP AND HOW IT MEETS THE MARKET CODE / OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS
Required under Market Code Parts 8.7.1 (ii) (c) and 8.8.1 (ii) (c)

General Description

This proposal seeks to make the approach currently adopted on the CMA CS explicit in CSD0002, by adding a clause that states that no SWLP Performance Charges will be calculated for SW, if no LP can be identified as being responsible for the SPID or meter against which such charges would be incurred and cannot, therefore, be credited with such charges.

Principles and Objectives affected
CMA Guidance Note GN009 may be referred to for assistance with this section

PRINCIPLE	AFFECTED (Y/N)	DESCRIPTION
Proportionality	Y	This is a purely administrative change to reflect current CS practice, so no cost is incurred.
Transparency	Y	The CSD will clarify the approach for SWLP Charges.

Simplicity, Cost-effectiveness, and Security	Y	No cost is incurred, so the proposal is cost-effective.
Non-exclusivity	N	
Barriers to Entry	N	
Customer Contact	N	
Non-discrimination	N	
Non-detrimental to SW Core Functions	N	
MC / OC OBJECTIVES	N	

A.2.c. IMPACT Required under Market Code Parts 8.7.1 (ii) (d), (f) and (g), and 8.8.1 (ii) (d) and (f)		
CONFIGURED ITEM	IMPACTED (Y/N)	DESCRIPTION
MC / OC	N	
CSDs	Y	See CSD0002 drafting
Wholesale Services Agreements	N	
Licenses	N	
CMA Central Systems	N	
CMA business processes	N	
Trading Party systems	N	
Trading party business processes	N	

A.2.d. DRAFT LEGAL TEXT
Required under Market Code Parts 8.7.1 (ii) (d) and 8.8.1 (ii) (d)

The following additional clause should be added to CSD0002:

3.6 SWLP Charges will only be calculated for a Supply Point or meter that can be associated to a particular LP. Such association will be that the LP is responsible for the Supply Point, or meter, as the case may be. If a meter is a domestic meter, the responsible LP will be the LP responsible for the Main Meter in a Meter Network for which the domestic meter is the Sub Meter. Where no such association can be made, no SWLP Charges will be calculated.

A.3. IMPLEMENTATION DETAILS

A.3.a. PROPOSED IMPLEMENTATION DATE OR LEAD TIME
Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section A.2.c. Any quoted lead time should commence from date of Approval.

July 2014

A.3.b. ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION

A.4. ANY OTHER COMMENTS

PART B — TP ASSESSMENT

B.1. ASSESSMENT PROCESS

B.1.a. ASSESSMENT START DATE	2014-04-22	ASSESSMENT END DATE	yyyy-mm-dd
B.1.b. IMPACT ASSESSMENT REQUIREMENT		IA NOT REQUIRED	
B.1.c. CONSULTATION REQUIREMENT		TP CONSULTATION NOT REQUIRED	
B.1.d. ASSOCIATED DOCUMENTS (to this Part B)			

B.2. ASSESSMENT DETAILS

B.2.a. CHANGE SPECIFICATION AND IMPACT (if different from that originally submitted)

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B.2.b. DRAFT LEGAL TEXT (if different from that originally submitted)

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B.2.c. TP ASSESSMENT
Taking into account complexity, importance and urgency, and having regard to whether or not such proposal is within the relevant Objectives and Principles as required under Market Code Parts 8.7.1 (v) and 8.8.1 (iv)

Impact on Principles and Objectives (if different from that originally submitted)	
Cost Estimate	No cost is incurred.
Benefit Estimate (L: < 10k, M: £10k to £100k, H: > £100k)	Avoids enquiries. Assume 3 m-ds/yr, giving a benefit of £11.25k; L.

B.3. TP DECISION TP APPROVED

B.4. FINAL TP VIEWS

B.5. PLANNED IMPLEMENTATION DATE July 2014

WITHDRAWN BY PROPOSER?	No
COMMENTS	
DATE OF WITHDRAWAL	

PART C — COMMISSION APPROVAL

C.1. DATE FINAL REPORT ISSUED TO COMMISSION	2014-06-20
C.2. APPROVAL STATUS	APPROVED CHANGE
C.3. DATE OF APPROVAL STATUS	2014-07-02
C.4. COMMISSION RESPONSE REFERENCE	

PART D — IMPLEMENTATION

D.1. IMPLEMENTATION DATE	2014-07-16
D.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	
CSD0002 v5	
CS v4.0.1	