

MARKET CODE CHANGE PROPOSAL		Draft Form Version 1.2	
Market Code Change Proposal Ref (Assigned by CMA)	MCCP051	Version Number (Assigned by CMA)	Version 2
Title of the change	Notification to Scottish Water of changes in vacancy status by transaction flow		
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:	Scottish Water	Org ID if assigned:	
Signature:		Date:	30 March 2011
		Name:	Jessie McLeman
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:		Jessie McLeman	
Email Address:		Jessie.McLeman@scottishwater.co.uk	
Telephone and or Mobile:		07875 872123	
Number of Associated Documents		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	No	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)			
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)		

In April 2010, the Commission concluded on its Gap Site and Vacant Properties Incentive Scheme, following its earlier consultation on the matter. The conclusions also contained in appendices the high level processes for claiming the respective incentive payments.

This Change Proposal sets out the information Scottish Water requires to allow it to administer the process for claiming the vacant properties incentive payments, and the frequency with which it is proposed that information is provided.

Information on changes to occupancy status is currently provided to Scottish Water through the disaggregated settlement reports. However, it is incomplete and not sufficiently frequent for the purposes of administering the new process and to satisfy audit and governance requirements.

This version (v2) of the M CCP paper deals with the proposal to address the issue via the creation of a new transaction flow. The previous version, presented to the August 2010 Technical Panel set out options for addressing the issue via either a new transaction flow or a standing report. This was the subject of the impact assessment presented to the February 2011 Technical Panel by the CMA.

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)

The Proposer should indicate which principles the change supports and whether there is any adverse effect on any principle(s).

- | | |
|--|---|
| 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 |

Incentive scheme application process

The eligibility criteria for the incentive payments are set out in the Commission's conclusions. These include the requirement that the relevant Supply Point must have been registered as being vacant in the Central Systems; and there must have been a previous occupant, which is not the same as the last known occupant.

With regard to the application process, after the Licensed Provider notifies the CMA of a change in occupancy status at a Supply Point, the Licensed Provider has three business days to submit the claim for the vacant premises incentive payment from Scottish Water. Scottish Water will reject applications for a number of reasons, including where the LP has not completed the registration process.

Scottish Water must confirm acceptance of the application no later than 20 business days after the hitherto vacant premises enters charge.

The market information currently provided to Scottish Water does not allow the exact date of the change of occupancy to be identified and is very often with delayed effect, and so is not suitable for the purpose of administering this process. Scottish Water considers it needs more frequent updates on the occupancy status of Supply Points and the effective date of changes in occupancy status.

Current information arrangements

Scottish Water receives information on the occupancy status at a Supply Point through the monthly disaggregated reports, either through the provisional reports or the reconciliation reports. The timing of these reports is such that they are not spread evenly over the month.

Additionally the information provided only shows the occupancy status at the end of the relevant month as contained in the disaggregated report. This means that Scottish Water does not receive information on the change of vacancy/occupancy as it happens, and does not receive at any point the exact effective date of the change. It can only surmise the month in which the change occurred after it has received all the relevant disaggregated reports, but that can take several months in cases where the change had retrospective effect. Some changes may also be effected through retrospective amendment undertaken by the CMA.

Proposed changes to the Market Code

In this Change Proposal, Scottish Water is proposing that

- it receives more regular updates to the change in occupancy status to allow it to deal with applications within the timescales set out in the Commission's conclusions;
- it receives the exact effective date of the change in status so it can see when a supply point has moved from vacancy to occupancy.

The information would be provided through a new transaction flow from the CMA.

The proposed changes support the principles of proportionality; transparency; simplicity, cost effectiveness and security; non-discrimination; and are in support of being non-detrimental to Scottish Water's core-functions.

C	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 data-bbox="255 1541 1276 1608"><tr><td>a) Central Systems</td><td>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
a) Central Systems	c) CMA Interfaces/ Processes				
b) Trading Party's systems	d) Trading Party's business processes				
<p>The proposed change is expected to impact the Central Systems and/or internal business processes at the CMA; and Scottish Water's systems. The systems and processes of Licensed Providers will not be affected.</p>					
D	DRAFT LEGAL TEXT – required under Market Code Part 8.7.1 (ii) (d)				

Changes will be required to CSD0104, Maintain SPID data. The changes would be to Section 7, sub section 7.3.3.1, step c. Step a provides for when the Licensed Provider becomes aware of vacancy or reoccupation; step c provides for the actions of the CMA. Additionally CSD 0301, the Data Transaction Catalogue would be amended to provide for the transmission of the data flow.

The textual changes would be as follows;

CSD 0104, Maintain SPID data

Step c: Process T012.1 [T009.0]

CMA will process the T012.1 and confirm acceptance or rejection using a T009.0 (Error/Notification). If the T012.1 is accepted, CMA will update the Central Systems accordingly and cease or reapply charges as relevant. The CMA will also confirm to Scottish Water within 1 Business Day that it has implemented the change in occupancy in the Central Systems using Data Transaction T012.2.

CSD 0301, Data Transaction Catalogue

Section 4.2 Alphabetic List of Data Transactions

Update SPID Data T012.2

Section 4.3, Catalogue; Transactions (numerical order)

New Transaction Number –

<u>Transaction Number</u>	<u>T012.2</u>	
<u>Transaction Name</u>	<u>Update Chargeable SPID Data</u>	
<u>From</u>	<u>CMA</u>	
<u>To</u>	<u>SW</u>	
<u>DI #</u>	<u>Name</u>	<u>FLAG</u>
<u>D2001</u>	<u>SPID</u>	<u>RQ</u>
<u>D4006</u>	<u>Effective From</u>	<u>RQ</u>
<u>D2018</u>	<u>Troughs & Drinking Bowls</u>	<u>OP</u>
<u>D2019</u>	<u>Services to Caravans (Water)</u>	<u>OP</u>
<u>D2021</u>	<u>Services to Caravans (Sewerage)</u>	<u>OP</u>
<u>D2020</u>	<u>Outside Taps</u>	<u>OP</u>
<u>D2016</u>	<u>Property Drainage</u>	<u>OP</u>
<u>D2017</u>	<u>Road Drainage</u>	<u>OP</u>
<u>D2014</u>	<u>Farm/Croft</u>	<u>OP</u>
<u>D2011</u>	<u>Rateable Value</u>	<u>OP</u>
<u>D2015</u>	<u>SPID Vacant</u>	<u>OP</u>
<u>D4003</u>	<u>Text Comment Field</u>	<u>RQ</u>
<u>Description</u>	<u>Notification from the CMA to Scottish Water of an update of specific SPID data by a Licensed Provider. This transaction may be used for both WS or SS SPIDs.</u>	

3. IMPLEMENTATION DETAILS - 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 C. Any quoted lead time should commence from date of approval.

The Implementation Date will be the date of the next release of the Market Code following Approval by the Commission

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)