

MARKET CODE CHANGE PROPOSAL				Draft Form Version 1.2	
Market Code Change Proposal Ref (Assigned by CMA)		MCCP052	Version Number (Assigned by CMA)	Version 1.0	
Title of the change		De-registration transaction flows			
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:	4 August 2010	
			Name:	Richard Lavery	
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:	Richard Lavery		
		Email Address:	richard.lavery@scottishwater.co.uk		
		Telephone and or Mobile:	07875 873845		
Number of Associated Documents	01	Name or link to documents	Annex 1 – MCCP052 CSD0104 Updates		
If the MCCP will also affect the Operational Code, an OCCP must also be raised					
Indicate if there is an associated OCCP		YES	OCCP Ref: CMA use only	OCCP030 De-registration	
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)				

The market documents allow for Supply Points to be physically disconnected on a permanent basis, to reflect disconnection of the water supply. There is no separate process for Supply Points to be withdrawn from the market without an accompanying physical disconnection.

Withdrawal of a property from the market without a corresponding physical disconnection ('De-registration') is required in a number of scenarios including business properties which have become dwellings, duplicates, or Supply Points created in error, for example following the gap site process and which do not exist in practice. Depending on the circumstances, the Supply Point may be tradeable or may have a status of 'new' or 'partial' in the Central Systems.

Current practice is that Permanent Disconnection transaction flows are used to effect de-registration of tradeable Supply Points. There are a number of issues with this approach:

- There is no record in the Central Systems of whether the existing transaction flows relate to a physical disconnection or a de-registration with the result that there are incomplete audit trails relating to de-registrations and no visibility of the volume of de-registrations in the market;
- Where the Supply Point to be removed is not yet 'tradeable', for example a gap site created in error, the current process is complex and time-consuming. All necessary transactions relating to creation of the Supply Point must be submitted first, including the acceptance of a Supply Point from a Licensed Provider (Data Transaction T003.0), changing the SPID status from 'new' to 'partial'. If an invalid Supply Point is not accepted by the Licensed Provider, the SPID becomes 'stuck' in Central Systems with Scottish Water unable to process or remove the Supply Point from the Central Systems or its own systems.
- The Performance Standard relating to the Permanent Disconnections process (A4) is not appropriate for de-registrations as they usually have historic effect and therefore cannot comply with the standard. De-registrations currently account for a significant proportion of performance failures on the Permanent Disconnection process.

Current volumes of De-registration requests are approximately 75 per week.

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>A new market process is proposed for De-registration of Supply Points along with corresponding transaction flows. These transactions could be either extended versions of existing transaction flows such as the T015 or entirely new transactions, depending on the outcome of impact assessment by the CMA. The change would enable De-registrations to be distinguished from Permanent Disconnections, providing a more robust audit trail and greater transparency.</p> <p>The transaction flows would enable the removal from the market of tradeable Supply Points as well as those with a status of 'new' or 'partial'. The transactions flows would enable De-registrations to be distinguished from Permanent or Temporary Disconnections. Performance Standard A4 for Permanent Disconnections would not apply to the new De-registrations process.</p> <p>The change supports the principles of:</p> <p>a) Proportionality - Deregistration is a significant requirement to support data cleansing and for the efficient processing of Gap Sites. It is expected to be an enduring requirement in the market. This change would provide a robust and transparent process to support such activity.</p> <p>b) Transparency – the change would provide clear visibility of the volume of De-registrations which cannot currently be distinguished from Permanent Disconnections.</p> <p>c) Simplicity, cost-effectiveness and security – the change will provide a more straightforward process for all market participants in the case of de-registering gap sites created in error.</p>								
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>	
<p>a) Central Systems</p>	<p>c) CMA Interfaces/ Processes</p>
<p>b) Trading Party's systems</p>	<p>d) Trading Party's business processes</p>
<p>The proposed change will require the addition of a new process, 'De-registration of a Supply Point' in CSD0104 Maintain SPID Data.</p> <p>A change is proposed to section 5.7.2 of the Market Code to cover de-registrations as well as disconnections. An addition is also required to definitions in Schedule 1 of the Market Code.</p> <p>Amendments will be required to CSD0301 Data Transaction Catalogue. The specific details will be dependent on the outcome of impact assessment by the CMA.</p> <p>The impact of the proposed change will be as follows:</p>	
<p>a) Central Systems – the change will require the creation of a new process in the Central Systems</p> <p>b) Trading Party's systems – the change will impact on the systems of those Trading Parties that use the High Volume Interface</p> <p>c) CMA Interfaces/Processes – the change will require the creation of new data transaction flows, available via both the High Volume and Low Volume Interfaces</p> <p>d) Trading Party's business processes – the change will impact on any existing business processes of Trading Parties relating to de-registration of Supply Points.</p>	
<p>D</p>	<p>DRAFT LEGAL TEXT – required under Market Code Part 8.7.1 (ii) (d)</p>

Market Code

5.7.2 Disconnections

In the event of the Disconnection of any Connection Point in accordance with the Disconnections Code **or De-registration of a Supply Point in accordance with CSD0104 (Maintain SPID data)**, Scottish Water shall notify the CMA of the date of the Disconnection **or De-registration** and identify the Supply Point(s) related to that Connection Point in accordance with CSD 0104 (Maintain SPID Data). The CMA shall record the Disconnection **or De-registration** in the Supply Point Register and confirm that this has been carried out in accordance with CSD 0104 (Maintain SPID Data). The CMA shall ensure that no future Registrations are Accepted for any disconnected **or de-registered** Supply Point(s) which has been the subject of a Permanent Disconnection **or De-registration**. Scottish Water shall notify the CMA of the date of the reconnection of any Connection Point which has been the subject of a Temporary Disconnection and the CMA shall record such reconnection in the Supply Point Register and confirm that this has been carried out in accordance with CSD 0104 (Maintain SPID Data).

Schedule 1: Definitions, Interpretation and Hierarchy

“De-registration” the removal from the Supply Point Register of a property which is not an Eligible Premises or which is not a unique registration of an Eligible Premises;

CSD0104 Maintain SPID Data

Draft legal text for CSD0104 Maintain SPID Data is included in Annex 1. Note that the transaction details are intended as a guide and will be revised following completion of an impact assessment by the CMA.

CSD0301 Data Transaction Catalogue

Amendments will be required to CSD0301 Data Transaction Catalogue. It is proposed that the specific details are agreed following completion of an impact assessment by the CMA to determine the most cost-effective solution which may involve the creation of new transactions or amendments to existing transactions.

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)