MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL			Form version 2.3	
Change Proposal reference (To be completed by the TP Sec.)	**MCCP259**		Version No.	**D.4**

SUBMISSION				
GENERAL DETAILS				
TITLE	SPID Transfers			
COMPANY	CMA			
Change Proposals must be authorised by the person designated by the signatory to the Market Code Framework / Accession Agreement				
AUTHORISED SIGNATURE			NAME	Amanda Hancock
CONTACT NAME	Amanda Hancock	CONTACT EMAIL; TEL/MOB.	Amanda.hancock@cmascotland.co.uk	
ASSOCIATED MCCP / OCCP				
ASSOCIATED DOCS.	MCCP259 Annex 1: Indicative URs			
PROPOSED URGENCY	NON-URGENT			
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				

MCCP / OCCP DETAILS

The Technical Panel established a Transfer Process Working Group (TPWG) which initially met on 2020-10-08. The TPWG sought to consider improvements to the SPID transfer process by assessing the following key areas:
- Process Review to identify where clarification may be required.
- Review of data from Central Systems on cancellations
- Feedback from LPs on operational processes
- Review of relevant information from Code of Practice Working Group

This proposal identifies those changes to the SPID transfer process that are within the vires of the Market Code that have been identified by the TPWG for review.

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

The proposed Market Code changes fall into 2 broad categories, both of which seek to better enable LPs to manage SPID transfers and cancellations more efficiently:
- Configuration based, being minor changes to the existing arrangements and
- Design based, being changes to the structure and content of transfer related transactions and other forms of formal messaging.

Configuration Based Changes

- **Additional Cancellation Codes.** Currently, the Market Code identifies a number of reasons against which a cancellation of a transfer may be valid and all but one of these is covered by a Cancellation Code which must be provided in a T010.0, or T010.1, as follows:

D4005	Cancellation Code	S	SPID error (Incoming Licensed Provider)
		N	No contract (Incoming Licensed Provider)
		D	Outstanding debt (Outgoing Licensed Provider)
		C	Contract in term (Outgoing Licensed Provider)
		F	Self Supplier (Outgoing or Incoming Licensed Provider)

However, CSDs do not provide a code to be included in the relevant transaction (T010.1, for an Outgoing LP) for one of the valid cancellation reasons: Disconnection Request Submitted. This change proposes an additional D4005 Cancellation Code for this:

	P	Disconnection requested (Outgoing Licensed Provider)

Additionally, this proposal includes a new reason for cancellation, being where the Outgoing LP wishes to cancel because the transfer is considered to be unauthorised (with sub-categories being; where the Customer did not request the transfer, or where the Customer withdrew their agreement to the transfer). This involves two further D4005 Cancellation Codes:

	UN	Unauthorised transfer – Customer did not agree to the transfer (Outgoing Licensed Provider)	
	UW	Unauthorised transfer – Customer withdrew their agreement to the transfer (Outgoing Licensed Provider)	

Furthermore, in anticipation of the adoption of Transfer Reason Codes for transfers (see below) and to avoid ambiguity and duplication, it is proposed that the S (SPID error) code and the N (No Contract) code are combined into a single new code:

	E	Erroneous transfer (Incoming Licensed Provider)	

However, it is currently the case that when a transfer is cancelled because the Incoming LP is subject to a POLR process, the code applied is N. As part of the rationalisation, this proposal includes a change to POLR such that a new code of PL is used, as follows:

	PL	POLR process cancels the transfer (Incoming Licensed Provider)	

All of the above changes, taken together, result in the following revised set of D4005 Cancellation Codes:

D4005	Cancellation Code		
		E	Erroneous transfer (Incoming Licensed Provider)
		D	Outstanding debt (Outgoing Licensed Provider)
		C	Contract in term (Outgoing Licensed Provider)
		P	Disconnection (perm) requested (Outgoing Licensed Provider)
		PL	POLR process cancels the transfer (Incoming Licensed Provider)
		UN	Unauthorised transfer – Customer did not agree to the transfer (Outgoing Licensed Provider)
		UW	Unauthorised transfer – Customer withdrew their agreement to the transfer (Outgoing Licensed Provider)
		F	Self-Supplier (Outgoing or Incoming Licensed Provider)

- **Additional Guidance/Definitions**. Currently, the D4003 Text Comment field is required for the T010.1 transaction, but there is no obligation on or guidance for an Outgoing LP as to what might be included in this field. This exacerbates a current issue of there being inadequate clarity regarding the reasons for cancellation. Such an issue is not considered to apply to an Incoming LP, particularly if the revised Cancellation Codes are adopted.

  This change proposes additional descriptions to be added to the T010.1 in CSD0301 and to CSD0103 to provide obligations to Outgoing LPs when completing these fields (hence, the completion of the D4003 is mandated, and the actual content becomes conditionally required), as follows:

  o P (Disconnection Request Submitted). The date for the submission should be provided in the Text Comment field.

- o D (Outstanding Debt). Confirmation that such debt is material, has pertained for more than 90 days following written demands and that no dispute with the Customer has been accepted should be added to the Text Comment field.

  - o UN and UW (Unauthorised). These codes are valid where the Customer has notified the Outgoing LP that they did not request the transfer, or that they have withdrawn their agreement to the transfer. This evidence must be retained by the Outgoing LP.

- **Additional Validation**. For both the T010.0 and the T010.1, a valid D4005 Cancellation Code is F (Self-Supplier). The proposed change here is to add a validation step to check that the Outgoing LP is indeed a Self-Supplier and only if this is validated would the cancellation transaction be accepted. Otherwise, the transaction would be rejected with a suitable error code.

Design Based Changes

- **Transfer Reason Codes.** Currently, no reason for a transfer needs to be provided. However, it has been recognised that an issue can arise where an Outgoing LP considers that a transfer should be cancelled, but without any understanding of the reason why the Incoming LP considers the transfer to be legitimate. In particular, an Incoming LP may be aware that a new customer will be identified for the relevant SPID(s), but this may not be known by the Outgoing LP. This proposal suggests a new Data Item for a T003.1 (Registration Application): A mandatory D4019 Transfer Reason Code, to be supplemented by an optional D4003 Free Text field. The following Transfer Reason Codes are proposed:

  - CR (Commercial Requirement). D4003 Text Comment field is recommended to be one of:
    - o New Written Contract
    - o New Tender Based Contract
    - o Agreement with Outgoing LP
  - NC (New Customer). D4003 Text Comment field recommended to identify the Customer Name.
  - RR (Regulatory Requirement). D4003 Text Comment field recommended to identify a reference for any Directive etc.

  It should be noted that the above Codes are hierarchical, in that any regulatory direction should imply use of the RR Code, even if a change of Customer and/or new commercial arrangements might also be involved. Similarly, any new Customer should imply the use of the NC Code and use of the CR Code should imply that the Customer at the premises is unchanged. Furthermore, existing D4005 Cancellation Codes remain valid and pertinent if the submitted Transfer Reason Code is considered to be incorrect, or inapplicable.

- **Procedural Enhancements**. A number of reasons for cancellation are not currently validated and will not be even after the abovementioned configuration-based changes are introduced, as additional information and transactions are required. The following identify these additional steps to the transfer process:
  - **Affirmation of a Cancellation**. Currently, there is no obligation on an Outgoing LP to have written to their Customer before seeking to cancel a transfer (it should be noted that for cancellations by an Incoming LP, there may not be any relationship with the Customer and therefore written confirmation would be inappropriate). In order to include such an affirmation, a mandatory additional Data Item in a T010.1 is proposed: A D2051 Customer Contact Identifier. This must be set to True, confirming that the Outgoing LP has written to the Customer.
    Otherwise, a cancellation request by the Outgoing LP will be rejected with a suitable error code.

- **Erroneous Transfers**. Currently, cancellations must be submitted within the Cancellation Window, to ensure that a transfer can either occur or be cancelled in an orderly fashion. However, no process exists for a transfer to be backed out retrospectively, if it is ultimately identified as being erroneous. This proposal includes the development of a Retrospective Amendment to deliver this facility, with appropriate validation to confirm the erroneous nature of the transfer and the agreement of both Incoming and Outgoing LPs.
    - **RA:** The RA proposed is as follows:
        - o **Data to be submitted:** Outgoing LP, Incoming LP, SPID, RSD, Transfer Reason Code, Cancellation Code and RA Customer Contact Identifier.
        - o **Validation:** The RSD must exist and must relate to the SPID and LPs identified, with the correct Transfer Reason Code included. A Cancellation Code must be provided that provides the reason for the cancellation and this must be valid. Additionally, the RA Customer Contact Identifier must be set to True, to confirm that the Customer has been contacted and that both LPs agree with the cancellation.
    - **Validation of a New Customer.** In addition to the Transfer Reason Codes identified above, it should be possible to validate whether, or not a D2027 Customer Name has changed, following a transfer, thereby either supporting or rejecting a cancellation. A number of features are required to give effect to this validation:
        - o A new Data Item: a D2049 Prospective Customer should be added to the T003.1 txn.as an Optional Data Item (allowing for this Data item to be conditionally required when the D4019 is submitted with a value of NC (New Customer). In such cases, the D4003 Text Comment field need no longer include the Customer Name.
        - o An additional new Data Item: a D2050 Prospective Customer Occupancy Date should also be added to the T003.1 txn as an Optional Data Item (allowing for it to be conditionally required when a D2049 is provided).
        - o An additional D4005 Cancellation Code should be created:

NN	No New Customer registered at the premises (Outgoing Licensed Provider)

        - o If an Erroneous Transfer RA is submitted with a D4005 Cancellation Code of NN, a validation check should be done to check whether a Customer Name update has been made that matches the Prospective Customer submitted via the T003.1.at the premises. If there is no such match, the cancellation should be upheld. Such an RA will need to be consistent with timing obligations for Customer Name updates (i.e. 2 BDs must be allowed for any such update to have been provided)
    - **Processing and Reporting:** If valid, the transfer will be cancelled.

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

PRINCIPLE	AFFECTED (Y/N)	DESCRIPTION
Proportionality	Y	Modest changes to transactions and the addition of a new RA will greatly strengthen the transfer and transfer cancellation processes, reducing bespoke remedial action and improving market arrangements.

Transparency	Y	Reasons for transfers and any basis for cancellations will be made more explicit and less ambiguous.
Simplicity, Cost-effectiveness, and Security	Y	Avoids ambiguities and reduces the need for remedial action for erroneous transfers.
Non-exclusivity	N	
Barriers to Entry	N	
Customer Contact	N	
Non-discrimination	Y	Ensures that the customer experience is improved, and that competition is enhanced.
Non-detrimental to SW Core Functions	N	
MC / OC OBJECTIVES	N	

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	CSD0102 Registration Transfers. Changes to transfer transaction content. CSD0103 Registration Cancellations. Changes to transaction content. CSD0301 Data Transaction Catalogue. As above.
Wholesale Services Agreements	N	
Licenses	N	
CMA Central Systems	Y	Changes to transfer and transfer cancellation transactions. See Indicative URs, below.
CMA business processes	N	
Trading Party systems	Y	Changes to transfer and transfer cancellation transactions.
Trading party business processes	N	

Market Code, Section 5. The following changes should be made (red text):

5.6 Cancellation of Registrations

5.6.1 Each Incoming Licensed Provider shall submit a Cancellation Request to the CMA within the Cancellation Window (in accordance with CSD 0103 (Registration: Cancellations)) if:-

it becomes aware that it has applied to Register a Supply Point in error ~~due to the Incoming Licensed Provider wrongly identifying the SPID~~;

~~it becomes aware that it has applied to Register a Supply Point in error due to the Incoming Licensed Provider not having a valid contract with a Customer in relation to that Supply Point;~~ or

a Self Supply Licensed Provider informs the Incoming Licensed Provider that the Supply Point(s) in question are validly Registered to that Self Supply Licensed Provider and will remain so as at the Registration Start Date.

5.6.2 Each Outgoing Licensed Provider shall submit a Cancellation Request to the CMA within the cancellation window (in accordance with CSD0103 (Registration Cancellations)) if the Outgoing Licensed Provider has submitted a Disconnection Request, in accordance with the Disconnections Document, to Scottish Water to temporarily disconnect the Supply Point and such Disconnection Request has not been cancelled or executed and notified to the CMA.

5.6.3 Each Outgoing Licensed Provider may submit a Cancellation Request to the CMA within the Cancellation Window (in accordance with CSD 0103 (Registration: Cancellations)) if:-

there is an Outstanding Debt due to the Outgoing Licensed Provider from the Customer relevant to that Supply Point; or

the Outgoing Licensed Provider confirms that the contract with its Customer for that Supply Point remains in full force and effect as at the Registration Start Date;

the Outgoing Licensed Provider confirms that the transfer is not authorised by the Customer; or

the Outgoing Licensed Provider is a Self Supply Licensed Provider and the Supply Point(s) in question are validly Registered to it and will remain so as at the Registration Start Date~~,~~

~~and, in each case, the Transfer Registration Application has not been triggered by a new Customer becoming the occupier of the Eligible Premises relevant to that Supply Point~~.

CSD0102 Registration Transfers. Should be modified as follows (red text):

Section 2.1.2 Description of the Process Steps

Step a: Registration Application [T003.1]

When a Licensed Provider acquires a new Customer in respect of the provision of Water Services or Sewerage Services, it will submit a Transfer Registration Application to the CMA, using Data Transaction T003.1 (Registration Application) in respect of the relevant Supply Point(s) related to those Services.

The Transfer Registration Application must be submitted within the Application Window (not more than 20 BDs and not less than 6 BDs prior to the Registration Start Date).

The T003.1 should include a valid Transfer Reason Code, with an appropriate Text Comment and other content, as follows:

- CR (Commercial Requirement), to be used where the transfer is associated with a new contractual arrangement, but with no regulatory requirement and no new customer. The Text Comment should identify the contract type, as defined in the Market Code and where such contact is deemed, agreement with the Outgoing LP should be confirmed.
- NC (New Customer), to be used where the transfer is associated with a new customer occupying the premises, but with no regulatory requirement. If this Transfer Reason Code is used, a valid Prospective Customer and Prospective Customer Occupancy Date should also be provided.
- RR (Regulatory Requirement), to be used where the transfer is associated with a regulatory requirement. The Text Comment should identify the reference for any communication dealing with such requirement.

CSD0103 Registration Cancellations. Should be modified as follows (red text):

Section 2.1.1 Description of the Process Diagram Steps.

Step a: Licensed Provider submits Cancellation Request [T010.0, T010.1]

During the Cancellation Window, where any of the grounds set out in Section 5.6.1 of the Market Code apply, an Incoming Licensed Provider must submit a Cancellation Request using Data Transaction T010.0 (Cancel Registration (Incoming)). Where any of the grounds set out in Section 5.6.2 of the Market Code apply, an Outgoing Licensed Provider must submit a Cancellation Request using Data Transaction T010.1 (Cancel Registration (Outgoing)). Where any of the grounds set out in Section 5.6.3 of the Market Code are met, an Outgoing Licensed Provider may submit a Cancellation Request using Data Transaction T010.1 (Cancel Registration (Outgoing)). The relevant Cancellation code shall be included in all Cancellation Requests. Licensed Providers should refer to Section 3 of the CSD 0301 (Data Transaction Catalogue) for a full list of Cancellation codes.

The following additional requirements must be met for any Cancellation Request submitted by an Outgoing Licensed Provider, using the T010.1 (Cancel Registration (Outgoing)), depending on the Cancellation code used:

- P (Permanent Disconnection requested). A Text Comment should also be provided, identifying the date of submission for any such request.
- D (Outstanding debt). A Text Comment should also be provided, confirming that such a debt has pertained for more than 90 days, is material and is not subject to any dispute with the customer.

- UN or UW (Unauthorised transfer). The Outgoing LP should retain evidence of any relevant notification from the customer regarding the unauthorised nature of the transfer.
- For any Cancellation code, the Customer Contact Identifier must confirm that the customer has been contacted by the Outgoing LP, prior to any Cancellation submission from the Outgoing LP.

CSD0301 Data Transaction Catalogue. Should be modified as follows:
Section 2. Data Items. The following new Data Items should be added:

Data Item Number:	D2049
Data Item Name:	Prospective Customer
Data Item Logical Type:	String
Member of unique serial set:	No
Member of Valid Set:	No
Data Group:	SPID (Core)
Correction Method:	Retrospective Amendments
Data Owner:	LP
Description:	Used at Transfer Registration to identify the prospective customer (in the same format as for a Customer Name) where the reason for transfer is 'New Customer'.

Data Item Number:	D2050
Data Item Name:	Prospective Customer Occupancy Date
Data Item Logical Type:	Date
Member of unique serial set:	No
Member of Valid Set:	No
Data Group:	Market
Correction Method:	Retrospective Amendments
Data Owner:	LP
Description:	Used when a prospective customer is provided at Transfer Registration and identifies the date when such prospective customer is anticipated to have occupied the identified premises.

Data Item Number:	D2051
Data Item Name:	Customer Contact Identifier
Data Item Logical Type:	Boolean
Member of unique serial set:	No
Member of Valid Set:	No
Data Group:	Market
Correction Method:	Retrospective Amendment
Data Owner:	LP
Description:	Declares whether a customer has been contacted by an Outgoing LP prior to that LP submitting a Transfer Cancellation.

Data Item Number:	**D4019**
Data Item Name:	Transfer Reason Code
Data Item Logical Type:	String
Member of unique serial set:	No
Member of Valid Set:	Yes
Data Group:	Market
Correction Method:	Retrospective Amendments
Data Owner:	LP
Description:	Used at Transfer Registration to specify a reason for the transfer.

Section 3. Valid Sets. The following changes to the Valid Sets should be made (red text):

D4005	Cancellation Code	~~S~~	~~SPID error (Incoming Licensed Provider)~~
		~~N~~	~~No contract (Incoming Licensed Provider)~~
		E	Erroneous transfer (Incoming Licensed Provider)
		D	Outstanding debt (Outgoing Licensed Provider)
		C	Contract in term (Outgoing Licensed Provider)
		P	Permanent Disconnection requested (Outgoing Licensed Provider)
		PL	POLR process cancels the transfer (Incoming Licensed Provider)
		UN	Unauthorised transfer – Customer did not agree to the transfer (Outgoing Licensed Provider)
		UW	Unauthorised transfer – Customer withdrew their agreement to the transfer (Outgoing Licensed Provider)
		NN	No New Customer registered at the premises (Outgoing Licensed Provider)
		F	Self-Supplier (Outgoing or Incoming Licensed Provider)
D4019	Transfer Reason Code	**CR**	Commercial Requirement
		NC	New Customer
		RR	Regulatory Requirement

Section 4. Transactions. The following changes should be made to existing Transactions (red text):

Transaction Number	T003.1	
Transaction Name	Registration Application	
From	LP	
To	CMA	
DI #	**Name**	**FLAG**
D2001	SPID	RQ
D4002	Registration Start Date	RQ
D4019	Transfer Reason Code	RQ
D4003	Text Comment Field	OP

D2049	Prospective Customer	OP
D2050	Prospective Customer Occupancy Date	OP
Description	Request by the LP for Registration of the nominated SPID for the Transfer Registration process. The D4003 should be completed if the D4019 has a value of CR or RR. The D2049 and D2050 should be provided, if the D4019 has a value of NC.	

Transaction Number	**T010.1**	
Transaction Name	Cancel Registration (Outgoing)	
From	LP(o)	
To	CMA	
DI #	**Name**	**FLAG**
D2001	SPID	RQ
D4003	Text Comment Field	RQ
D4005	Cancellation Code	RQ
D2051	Customer Contact Identifier	RQ
Description	Request to cancel a registration by the Outgoing LP	

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 0. Any quoted lead time should commence from date of Approval.

September 2021

ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION

ANY OTHER COMMENTS

Indicative User Requirements for the proposed changes are given in Annex 1.

TP ASSESSMENT

ASSESSMENT PROCESS

ASSESSMENT START DATE	2021-03-10	ASSESSMENT END DATE	2021-03-23
IMPACT ASSESSMENT REQUIREMENT		IA REQUIRED	
CONSULTATION REQUIREMENT		TP CONSULTATION NOT REQUIRED	
ASSOCIATED DOCUMENTS (to this Part B)			

ASSESSMENT DETAILS

CHANGE SPEC AND IMPACT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)

CMA INTERNAL SYSTEMS IMPACT

DRAFT LEGAL TEXT
(if different from that originally submitted)

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	£44.8k (IA + 33%)
Benefit Estimate (L: < 10k, M: £10k to £100k, H: > £100k)	Reduced remedial action and enhanced market efficiencies: H.
TP DECISION	TP APPROVED
FINAL TP VIEWS	Approved offline
PLANNED IMPLEMENTATION DATE	September 2021

WITHDRAWN BY PROPOSER?	No
COMMENTS	
DATE OF WITHDRAWAL	

COMMISSION APPROVAL	
DATE FINAL REPORT ISSUED TO COMMISSION	2021-05-27
APPROVAL STATUS	APPROVED CHANGE
DATE OF APPROVAL STATUS	2021-09-22
COMMISSION RESPONSE REFERENCE	

IMPLEMENTATION	
IMPLEMENTATION DATE	Planned for Sept 2021
IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	
Market Code v47 CSD0102 v10 CSD0103v7 CSD0301v26	