

Market Code Schedule 7

Code Subsidiary Document No. 0002

Performance Standards

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Change History

| Version Number | Date of Issue | Reason For Change | Change Control Reference | Sections Affected |
|----------------|---------------|---|--------------------------|-------------------|
| 1.0 | 31/8/2007 | Reissue | | |
| 1.0a | 09/09/2009 | Standardise the layout of first two pages | | Pages 1 and 2 |
| 2.0 | 21/07/2011 | Revised Performance Standards | | All |
| 2.1 | 2011-12-01 | Revised performance standards, and typographical fixes | MCCP090 | Table 1 |
| 2.2 | 2012-03-30 | Clarification that Deregistration is out of scope | MCCP052 and MCCP079 | Table 1 |
| 3 | 2013-04-12 | Accredited Entities | MCCP 111 | Table 1 |
| 4 | 2014-03-21 | Private Meters | MCCP130 | Table 1 |
| 5 | 2014-07-?? | SWLP Charges clarification | MCCP150 | Section 3 |
| 6 | 2014-09-21 | Typos | MCCP149 | Table 1 |
| 7 | 2015-09-24 | Revisions for Transfers | MCCP165 | Table 1 |
| 8 | 2016-03-18 | Relevant Meter Treatments for R9 and R10 | MCCP187 | Table 1 |
| 9 | 2016-05-05 | S Reads for POLR removed from the R9 | MCCP192 | Table 1 |
| 10 | 2016-09-30 | Periods of TDISC removed from R10 | MCCP190 | Table 1 |
| 11 | 2019-03-28 | Renaming of R6 Measure and clarification of timing of R11 | MCCP236 | Table 1 |
| 12 | 2019-10-24 | Typo in formulae, and Transaction Name updates | MCCP242 | Various |

| | | | | |
|-------------|-------------------|---|--------------------|----------------------|
| 13 | 2020-03-26 | Changes to R4 and R5 Measures | MCCP239 | Table 1 |
| 14 | 2020-12-02 | Removal of R11 | MCCP255 | Table 1 |
| 15 | 2021-04-12 | Minor Error Corrections and addition of timing conventions. | MCCP250 | Section 2 Table 1 |
| 16 | 2021-09-23 | Transaction Name Updates | MCCP262 | Table 1 |
| 17.0 | 2022-09-22 | Additional re-set for R10B and minor typo | MCCP276 MCCP283 | Table 1 |
| <u>18.0</u> | <u>2024-03-21</u> | <u>Removal of reference to T015.2 in R5A</u> | <u>MCCP302</u> | <u>Table 1</u> |

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1. Purpose and Scope

This document sets out Performance Standards to be applied to the performance of Trading Parties with effect from 1st April 2011 in accordance with Part 6 of the Market Code.

2. Performance Standards and Performance Standard Charges

2.1 The Performance Standards listed in Table 1 below have been designed to target performance in relation to high-priority tasks where a failure to carry out the task is likely to have a direct impact on the accuracy of Wholesale Charges calculations by the CMA.

2.2 For the purposes of the Market Code a Trading Party will be regarded as having failed a Performance Standard where it has failed to submit the relevant data on time. For the avoidance of doubt, only transactions which pass CMA validation will be considered as to whether they contain relevant data or not. The CMA will not take into account any messages, which either fail validation or are otherwise rejected, in the measurement of Performance Standards.

2.3 The Performance Standards R1 to R10 will be calculated monthly for the preceding calendar month.

2.4 Performance Standard Charges shall apply in accordance with Section 6.2 of the Market Code.

2.5 Performance Standard Charges will be applied at three levels. From 1st April 2011, the charges will be:

- Level 1 Charge £10
- Level 2 Charge £25
- Level 3 Charge £40

2.6 The Performance Standard Charges will be designated as CMA Performance Standard Charges or SWLP Performance Standard Charges in accordance with Table 1.

2.7 For the purposes of performance standards, the following timing conventions will be used:

- **Calendar Days;**
 - If a period start, or other date and time, is identified on a Calendar Day, it should be taken that the period starts at the second beginning at 00.00.00 on that day.
 - If a period end is identified on a Calendar Day, it should be taken that the period ends at the beginning of the second of 23.59.59 on that day.
- **Business Days.** Where a date and time needs to be identified against a Business Day (BD), the Business Day will be identified, as follows;
 - If received during business hours on a BD – that BD.
 - If received after Business Hours on a BD – the next BD.
 - If received prior to Business Hours on a BD – that BD.
 - If received on a non-BD – the first BD after the non-BD.

- Business Hours will be defined as being from the start of the second beginning at 08.00.00 to the end of the second beginning at 17.59.59 inclusive.

3. Performance Standards Charges - SW

- 3.1 The CMA will invoice SW quarterly in respect of the Performance Standard Charges to ensure that following the final quarter, the total amount invoiced in respect of the Year will be in accordance with the Market Code Section 6.2.6(a).
- 3.2 The aggregate amount of Performance Standard Charges payable by Scottish Water in accordance with the Market Code Section 6.2.6(a) is

$$PSC^Y = PSC_{CMA}^Y + PSC_{SWLP}^Y$$

where

PSC^Y are the Performance Standard Charges payable in respect of the Year;

PSC_{CMA}^Y are the CMA Performance Standard Charges payable in respect of the Year; and

PSC_{SWLP}^Y are the SWLP Performance Standard Charges payable in respect of the Year

In the above expression,

$$PSC_{CMA}^Y = \min \left(\sum_{q=1}^4 PSC_{CMA}^q, 0.15\% \times \sum_{q=1}^4 QR^q \right)$$

$$PSC_{SWLP}^Y = \sum_{q=1}^4 PSC_{SWLP}^q$$

where

PSC_{CMA}^q are the CMA Performance Standard Charges payable in respect of quarter q and

PSC_{SWLP}^q are the SWLP Performance Standard Charges payable in respect of quarter q ; and

QR^q is the sum of the R1 Settlement charges for the quarter q payable to SW as determined at the date of the invoice for the Performance Standard Charges for that quarter.

3.3 In respect of the first quarter, the CMA will invoice SW for the following reconciled CMA and SWLP Performance Standard Charges

(i). $RPSC_{CMA}^{q=1} = \min(PSC_{CMA}^{q=1}, 0.15\% \times QR^{q=1})$; and

(ii). $RPSC_{SWLP}^{q=1} = PSC_{SWLP}^{q=1}$;

3.4 In respect of subsequent quarters Q, the CMA will invoice SW for the following reconciled CMA and SWLP Performance Standard Charges:

(i). $RPSC_{CMA}^Q = \min(\sum_{q=1}^Q PSC_{CMA}^q, 0.15\% \times \sum_{q=1}^Q QR^q) - \sum_{q=1}^{Q-1} RPSC_{CMA}^q$

(ii). $RPSC_{SWLP}^Q = PSC_{SWLP}^Q$

3.5 For the avoidance of doubt, once a value of QR^q is established for the invoice of CMA Performance Standard Charges for quarter q it will be used unchanged in the calculation for all subsequent quarters of the Year.

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.

4. Performance Standards Charges - LPs

4.1 The CMA will invoice each Licensed Provider quarterly in respect of the Performance Standard Charges to ensure that following the final quarter, the total amount invoiced in respect of the Year will be in accordance with the Market Code Section 6.2.6(b). In particular, the CMA will invoice each Licensed Provider in respect of the CMA Performance Standard Charges payable by the Licensed Provider to the CMA and credit each Licensed Provider with the SWLP Performance Standard Charges payable to the Licensed Provider

4.2 The aggregate amount of Performance Standard Charges payable by each Licensed Provider in accordance with the Market Code Section 6.2.6(a) is

$$PSC^Y = PSC_{CMA}^Y - PSC_{SWLP}^Y \text{ where}$$

PSC^Y are the Performance Standard Charges payable by the Licensed Provider in respect of the Year;

PSC_{CMA}^Y are the CMA Performance Standard Charges payable by the Licensed Provider for the Year; and

PSC_{SWLP}^Y are the SWLP Performance Standard Charges payable to the Licensed Provider for the Year; and where

$$PSC_{CMA}^Y = \min\left(\sum_{q=1}^4 PSC_{CMA}^q, 0.15\% \times \sum_{q=1}^4 QR^q\right)$$

$$PSC_{SWLP}^Y = \min\left(\sum_{q=1}^4 PSC_{SWLP}^q, PSC_{CMA}^Y\right)$$

In the above expression,:

PSC_{CMA}^q are the CMA Performance Standard Charges payable in respect of quarter q and

PSC_{SWLP}^q are the SWLP Performance Standard Charges payable in respect of quarter q ; and

QR^q is the sum of the R1 Settlement charges for the quarter q payable to SW as determined at the date of the invoice for the Performance Standard Charges for that quarter.

4.3 In respect of the first quarter, the CMA will invoice the Licensed Provider for the following reconciled CMA Performance Standard Charges

$$(i). \quad RPSC_{CMA}^{q=1} = \min(PSC_{CMA}^{q=1}, 0.15\% \times QR^{q=1});$$

and credit the Licensed Provider with the following reconciled SWLP Performance Standard Charges:

$$(ii). \quad RPSC_{SWLP}^{q=1} = \min(PSC_{SWLP}^{q=1}, PSC_{CMA}^{q=1});$$

4.4 In respect of subsequent quarters Q , the CMA will invoice the Licensed Provider for the following reconciled CMA Performance Standard Charges:

$$(i). \quad RPSC_{CMA}^Q = \min\left(\sum_{q=1}^Q PSC_{CMA}^q, 0.15\% \times \sum_{q=1}^Q QR^q\right) - \sum_{q=1}^{Q-1} RPSC_{CMA}^q$$

and credit the Licensed Provider with the following reconciled SWLP Performance Standard Charges:

$$(ii). \quad RPSC_{SWLP}^Q = \min\left(\sum_{q=1}^Q PSC_{SWLP}^q, \sum_{q=1}^Q PSC_{CMA}^q\right) - \sum_{q=1}^{Q-1} RPSC_{SWLP}^q$$

4.5 For the avoidance of doubt, once a value of QR^q is established for the invoice of CMA Performance Standard Charges for any LP for quarter q it will be used unchanged in the calculations for the same LP for all subsequent quarters of the Year.

5. Table 1 - Performance Standards

| No | Context | Party | Success Criteria | Performance Charge | Type | Notes |
|-----|------------------------------|-------|--|--------------------|------|--|
| R1A | Partial Registration | LP | Receipt by the CMA from the LP of a T003.0 (Partial Registration Application) or T009.2 (Reject New SPID) within 5BDs of the CMA sending a T002.0 (Notify New SPID(LP)) to the LP. | Level 2 | CMA | This measure will not apply if a T015.0 SPID Status (Dereg), or T015.2 SPID Status (Dereg) has been submitted within 5BDs of the relevant initiating transaction. |
| R1B | Partial Registration | LP | Receipt by the CMA from the LP of a T003.0 (Partial Registration Application) or T009.2 (Reject New SPID) within 10BDs of the CMA sending a T002.0 (Notify New SPID(LP)) to the LP. | Level 3 – Level 2 | CMA | Cumulative on R1A; the net effect being a Level 3 Charge. This measure will not apply if a T015.0 SPID Status (Dereg), or T015.2 SPID Status (Dereg) has been submitted within 5BDs of the relevant initiating transaction. |
| R2A | New Connection Notifications | SW | Receipt by the CMA of a T007.0 (Submit Connection Complete (WS)) within 5 BDs, for activities undertaken by Scottish Water and 8 BDs for activities undertaken by an Accredited Entity, of the effective date contained within the transaction. This applies to the “New” connection type only, and not to “Gap Site” or “Connection Change of Use” | Level 2 | CMA | |

| No | Context | Party | Success Criteria | Performance Charge | Type | Notes |
|-----|---|-------|---|--------------------|------|--|
| R2B | New Connection Notifications | SW | <p>Receipt by the CMA of a T007.0 (Submit Connection Complete (WS)) within 9 BDs, for activities undertaken by Scottish Water and 12 BDs for activities undertaken by an Accredited Entity, of the effective date contained within the transaction.</p> <p>This applies to the “New” connection type only, and not to “Gap Site” or “Connection Change of Use”</p> | Level 3 – Level 2 | CMA | Cumulative on R2A; the net effect being a Level 3 Charge |
| R3A | Connection Notifications for Gap Site or Connection Change of Use | SW | <p>Receipt by the CMA from SW of a T007.0 (Submit Connection Complete (WS)) within 15 BDs of the CMA sending a T002.1 (Notify New SPID(SW)) to SW,</p> <p>This applies only to T002.1 transactions with “Gap Site” or “Connection Change of Use” connection type, but not the “New” connection type”</p> | Level 3 | CMA | This measure will not apply if a T015.0 SPID Status (Dereg), or T015.2 SPID Status (Dereg) has been submitted within 5BDs of the relevant initiating transaction. |
| R5A | Connection Notifications for Gap Site or Connection Change of Use | SW | <p>Receipt by the CMA from SW of a T007.1 (Notify Connection Complete) within 15 BDs of the CMA sending a T002.1 (Notify New SPID) to SW,</p> <p>This applies only to T002.0 transactions with “Gap Site” or “Connection Change of Use” connection type, but not the “New” connection type”. This measure is only applicable to Sewerage SPIDs for which there is not a related Water SPID.</p> | Level 3 | CMA | This measure will not apply if a T015.0 SPID Status (Dereg), or T015.2 SPID Status (Dereg) has been submitted within 5BDs of the relevant initiating transaction. |
| R6A | SPID Status Updates | SW | The T015.0 (Submit SPID Status) is received by the CMA within the 2BDs of the effective date contained within the transaction. | Level 2 | CMA | T015.0 (Deregistration) and T015.0 (TTRAN) are not taken account of. |

| No | Context | Party | Success Criteria | Performance Charge | Type | Notes |
|-----|---------------------|-------|--|--------------------|------|--|
| R6B | SPID Status Updates | SW | The T015.0 (Submit SPID Status) is received by the CMA within the 6BDs of the effective date contained within the transaction. | Level 3 – Level 2 | CMA | T015.0 (Deregistration) and T015.0 (TTRAN) are not taken account of. Cumulative on R6A; the net effect being a Level 3 Charge |
| R7A | Late Meter Reads | SW | For a meter with a Meter Treatment type of 'SWWater', the T005.0 (Submit Meter Read (SW)) or T017 (Submit Meter Swap) is received by the CMA within 5 BDs, for activities undertaken by Scottish Water and 8 BDs for activities undertaken by an Accredited Entity, of the effective date contained within the transaction in respect of I, F, E, O, X, Y reads. For a meter with a Meter Treatment type of 'Private Water' or 'Private Effluent' the T005.0 (Submit Meter Read (SW)) or T017 (Submit Meter Swap) is received by the CMA within 13 BDs of the effective date contained within the transaction in respect of I, F, E, O, X, Y reads. | Level 2 | CMA | |
| R7B | Late Meter Reads | SW | For a meter with a Meter Treatment type of 'SWWater', the T005.0 (Submit Meter Read (SW)) or T017 (Submit Meter Swap) is received by the CMA within 13 BDs, for activities undertaken by Scottish Water and 16 BDs for activities undertaken by an Accredited Entity, of the effective date contained within the transaction in respect of I, F, E, O, X, Y reads. | Level 3 – Level 2 | CMA | Cumulative on R7A; the net effect being a Level 3 Charge |

| No | Context | Party | Success Criteria | Performance Charge | Type | Notes |
|-----|----------------------------|-------|--|---|-----------------|---|
| | | | For a meter with a Meter Treatment type of 'Private Water' or 'Private Effluent' the T005.0 (Submit Meter Read (SW)) or T017 (Submit Meter Swap) is received by the CMA within 21 BDs of the effective date contained within the transaction in respect of I, F, E, O, X, Y reads. | | | |
| R7C | Late Meter Reads | SW | The T005.0 (Submit Meter Read (SW)) for a meter with a Meter treatment type of 'SWWater' is received within 13 BDs of the effective date contained within the transaction in respect of C reads, | Level 1 | CMA | Domestic meters |
| R7D | Late Meter Reads | SW | The T005.0 (Submit Meter Read (SW)) for a meter with a Meter Treatment type of 'SWWater' is received within 60 BDs of the effective date contained within the transaction in respect of C reads, | Level 2 – Level 1 | CMA | Cumulative on R7C; the net effect being a Level 2 Charge |
| R8A | Extremely Late Meter Reads | SW | For bi-annually read meters with a Meter Treatment of SWWater, PrivateWater or PrivateEffluent, success if the T005.0 (Submit Meter Read (SW)) is received within 160 BDs of the effective date contained within the transaction (for all meter read types) or if the T017.0 (Submit Swap Meter) is received by the CMA within 160 BDs of the effective date contained within the transaction in respect of E and O reads. | NC * Level 3, where NC = (Business Days Late /160), rounded up to the nearest whole number | CMA SWLP | NC * Level 2 forms CMA Performance Charges NC * (Level 3 - Level 2) forms SWLP Performance Charges |
| R8B | Extremely Late Meter Reads | SW | For monthly read meters with a Meter Treatment of SWWater, PrivateWater, or PrivateEffluent, success if the T005.0 (Submit Meter Read (SW)) is received within 40BDs of the effective date | NC * Level 3 , where | CMA | NC * Level 2 forms CMA Performance Charges |

| No | Context | Party | Success Criteria | Performance Charge | Type | Notes |
|-----|------------------|-------|--|--|------|--|
| | | | contained within the transaction (for all meter read types) or if the T017.0 (Submit Meter Swap) is received by the CMA within 40 BDs of the effective date contained within the transaction in respect of E and O reads. | NC = (Business Days Late /40), rounded up to the nearest whole number. | SWLP | NC * (Level 3 - Level 2) forms SWLP Performance Charges |
| R9A | Late Meter Reads | LP | The T005.1 (Submit Meter Read (LP)) for a Meter with a Meter Treatment of SWWater, PrivateWater or PrivateEffluent, is received by the CMA within 10 BDs of the effective date contained within the transaction in respect of C and R reads. | Level 1 | CMA | |
| R9B | Late Meter Reads | LP | The T005.1 (Submit Meter Read (LP)) for a Meter with a Meter Treatment of SWWater, PrivateWater or PrivateEffluent, is received by the CMA within 15 BDs of the effective date contained within the transaction in respect of U reads. | Level 1 | CMA | |
| R9C | Late Meter Reads | LP | The T005.1 (Submit Meter Read (LP)) for a Meter with a Meter Treatment of SWWater, PrivateWater or PrivateEffluent, is received by the CMA within 60 BDs of the effective date contained within the transaction in respect of C, U and R reads. | Level 2 – Level 1 | CMA | Cumulative on R9A and R9B; the net effect being a Level 2 Charge |
| R9D | Late Meter Reads | LP | The T005.1 (Submit Meter Read (LP)) for a Meter with a Meter Treatment of SWWater, PrivateWater or PrivateEffluent, is received by the CMA within 5 BDs of the latest Registration Start Date submitted via a T003.1 transaction for the associated Supply Point, in respect of T and S reads, excluding S reads associated with a POLR process. | Level 2 | CMA | |

| No | Context | Party | Success Criteria | Performance Charge | Type | Notes |
|------|--------------------|-------|---|--------------------|------|--|
| R9E | Late Meter Reads | LP | The T005.1 (Submit Meter Read (LP)) for a Meter with a Meter Treatment of SWWater, PrivateWater or PrivateEffluent, is received by the CMA within 10BDs of the latest Registration Start Date submitted via a T003.1 transaction for the associated Supply Point, in respect of T and S reads, excluding S reads associated with a POLR process. | Level 3 – Level 2 | CMA | Cumulative on R9D; the net effect being a Level 3 Charge |
| R10A | Missed Meter Reads | LP | Success if a bi-annually read meter with a Meter Treatment of SWWater, PrivateWater or PrivateEffluent, is read within 160 BDs (excluding periods of vacancy or disconnection) of the later of: <ul style="list-style-type: none"> • 31st December 2010 • The last meter read for that meter • The date of submission of an I, O, or Y read • The date the last Performance Charge (if any) was applied in respect of measure R10A for this meter. • The last Registration Start Date for the associated Supply Point. | Level 3 | CMA | |
| R10B | Missed Meter Reads | LP | Success if a monthly read meter with a Meter Treatment of SWWater, PrivateWater or PrivateEffluent, is read within 40 BDs (excluding periods of vacancy or disconnection) of the later of: <ul style="list-style-type: none"> • 31st March 2011 • The last meter read for that meter • The date of submission of an I, O, or Y read | Level 3 | CMA | |

| No | Context | Party | Success Criteria | Performance Charge | Type | Notes |
|----|---------|-------|---|--------------------|------|-------|
| | | | <ul style="list-style-type: none"> • The date the last Performance Charge (if any) was applied in respect of measure R10B for this meter. • The last Registration Start Date for the associated Supply Point. • The last date that the Meter Read Frequency of the meter changed | | | |