

## **Annex A — Extract from Market Code with proposed changes**

### **Part 5: Market Design**

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##### **5.1 Scope**

This Part 5 sets out the high level requirements for the Market Design and the high level duties which apply to each Code Party. It refers to a number of Code Subsidiary Documents which set out the more detailed processes and duties. In particular:-

- 5.1.1 Sections 5.2 to 5.7 summarise the key issues for the Registration of Supply Points (including New Connections and New Supply Points, updating of the Supply Point Register, Error Rectification of erroneous SPID Data in the Supply Point Register and Disconnection of Supply Points); and
- 5.1.2 Sections 5.8 to 5.14 summarise the key issues for the submission of Meter Reads and their validation, the calculation and estimation of volumes, the calculation, allocation and aggregation of Wholesale Charges, the timing and number of Settlement Runs and the provision of Settlement Reports to Trading Parties.
- 5.1.3 Section 5.15 contains specific rules to apply in determining the number of Supply Points at Eligible Premises with multiple occupancy.

##### **5.2 Establishing and Maintaining the Supply Point Register**

- 5.2.1 The CMA shall operate and maintain the Supply Point Register for all Supply Points to meet the requirements of the Market Code including the following CSDs: CSD 0101 (Registration: New Connections & New Supply Points), CSD 0102 (Registration: Transfers), CSD 0103 (Registration: Cancellations), CSD 0104 (Maintain SPID Data), CSD 0105 (Error Rectification & Retrospective Amendments), CSD 0301 (Data Transaction Catalogue) and CSD 0003 (Provider of Last Resort). The CMA shall develop the Supply Point Register to take account of Approved Changes and/or Commission Changes.
- 5.2.2 Each Licensed Provider shall be entitled to apply to Register Supply Points once it has:-
  - (i) satisfied the Trading Conditions; and
  - (ii) satisfactorily completed any Market Tests which that Licensed Provider is required to undertake in accordance with the Market Assurance Process. If any Licensed Provider at any time ceases to satisfy any of the Trading Conditions it shall cease to be entitled to

apply to Register Supply Points until the relevant Trading Condition(s) are again satisfied.

5.2.3 The CMA shall permit each Licensed Provider to access the Supply Point Register for the purposes of identifying the SPID(s) relevant to any specific Eligible Premises once it has met the Trading Conditions and satisfactorily completed any Market Tests which that Licensed Provider is required to undertake. This data will not identify the Licensed Provider to whom each SPID is Registered. Each Licensed Provider shall keep its Customers informed of the SPID(s) relevant to them.

5.2.4 Once it has satisfied the Trading Conditions and satisfactorily completed any Market Tests each Trading Party shall appoint a Contract Manager to act as the principal point of contact for all day to day matters relating to the Market Code and shall inform the CMA of the identity of the Contract Manager and keep the CMA informed from time to time should the individual acting as Contract Manager change.

### 5.3 **Registration of Supply Points - Transfers between Licensed Providers**

#### 5.3.1 **Apply to the CMA for Registration**

- (i) Each Licensed Provider shall Register all of the Supply Point(s) in respect of which it has agreed to provide Water Services and/or Sewerage Services in accordance with this Section 5.3 and CSD 0102 (Registration: Transfers). The remaining Sections of this Section 5.3 and CSD 0102 (Registration: Transfers) set out the detail of the process.
- (ii) To Register a Supply Point the Licensed Provider shall submit its duly completed Registration Application to the CMA confirming as a minimum, (a) a Registration Start Date; and (b) the SPID. The Registration Application shall be submitted not more than twenty (20) Business Days and not less than six (6) Business Days prior to the Registration Start Date (the "Application Window").

#### 5.3.2 **CMA Responds to Application**

- (i) The CMA shall Accept or reject the Registration Application.

- (ii) For a Registration Application to be Accepted the CMA must be satisfied that the conditions set out in Appendix 1 of CSD 0102 (Registration: Transfers) have been met.
- (iii) The CMA shall issue a Confirmation Notice to the Incoming Licensed Provider within one (1) Business Day of the Registration Application Date.
- (iv) The Confirmation Notice referred to in Section 5.3.2(iii) above shall confirm to the Incoming Licensed Provider that either:-
  - (a) the Supply Point(s) will be Registered to the Incoming Licensed Provider on the Registration Start Date (save where a valid Cancellation Request is submitted to and accepted by the CMA); or
  - (b) the Registration Application has been rejected.

Where the Registration Application has been rejected the CMA shall provide reasons for such rejection in the Confirmation Notice and the Licensed Provider shall be entitled to submit another Registration Application to the CMA for the Supply Point(s) provided that the Licensed Provider has corrected the cause of such rejection.

#### 5.3.3 **CMA Notifies Transfer to Outgoing Licensed Provider**

- (i) The CMA shall notify the Outgoing Licensed Provider for each Supply Point which is subject to an Accepted Registration Application that the CMA has received a Registration Application within one (1) Business Day of the Registration Application Date. The Outgoing Licensed Provider shall then be entitled to submit a Cancellation Request within the Cancellation Window in accordance with Section 5.6.
- (ii) Once the Registration Application is Accepted the CMA shall allocate the Supply Point(s) to the relevant Licensed Provider and the Licensed Provider shall be responsible for the Supply Point(s) with effect from the Registration Start Date (save where a valid Cancellation Request is submitted to and accepted by the CMA).

#### 5.3.4 **Transfer Reads**

- (i) For Supply Point(s) that are Metered, each Incoming Licensed Provider who submits a Transfer Registration Application shall make arrangements (following Acceptance) for the submission of a Transfer Read to the CMA in relation to such Supply Point(s) in accordance with CSD 0102 (Registration: Transfers) and CSD 0202 (Meter Read Submission: Process) except in the case of Supply Point(s) at Complex Sites in respect of which this obligation shall not apply and the CMA shall attribute a deemed meter read in accordance with CSD 0202 (Meter Read Submission: Process).
- (ii) The CMA will validate the Transfer Read and will notify the Outgoing Licensed Provider of that Transfer Read in accordance with CSD 0203 (Meter Read Submission: Validation) and CSD 0102 (Registration: Transfers).
- (iii) For Unmeasurable Supply Points and Measurable Supply Points the CMA shall apportion Wholesale Charges on the Registration Start Date in accordance with CSD 0205 (Charge Calculation, Allocation & Aggregation) and CSD 0206 (Trade Effluent Processes).
- (iv) Each Trading Party shall co-operate with the other Trading Parties in connection with the provision of Transfer Reads under this Section 5.3.4. In particular, each Trading Party that is responsible for a Related Water Supply Meter shall carry out and submit a Transfer Read when requested to do so by the Incoming Licensed Provider.

#### 5.3.5 **Historical Consumption Data**

Where any Incoming Licensed Provider requires Historical Consumption Data in relation to a Supply Point it may request that information from the CMA provided that the Incoming Licensed Provider obtains the prior consent of the relevant Customer to whom the data relates. The CMA shall provide the Incoming Licensed Provider with such Historical Consumption Data (without any Additional Services Charge) as soon as reasonably practicable after receipt of a request from the Incoming Licensed Provider. Any request for additional consumption data from the CMA will be treated as an Additional Service and if accepted by the CMA, the CMA shall be entitled to charge any Licensed Provider requesting such

additional consumption data as an Additional Service in accordance with Part 7 (Cost Recovery), Section 7.3.5.

### 5.3.6 **Provider of Last Resort**

(i) If and when the CMA issues a Termination Notice under Section 10.7.2 to a Licensed Provider which has become a Defaulting Trading Party, and provided that any Supply Points are still Registered to the Defaulting Trading Party ("POLR Supply Points"), the CMA shall:

(a) if the Termination Notice is issued at any time from the Go Live Date up to (but not including) the Review Date, allocate the POLR Supply Points to Scottish Water Business Stream,

(b) if the Termination Notice is issued at any time on or after the Review Date (a) allocate the POLR Supply Points to any one (1) or more Licensed Provider(s) (other than any Specialist Licensed Provider, any Self Supply Licensed Provider and the Defaulting Trading Party) that is entitled to Register Supply Points in accordance with Section 5.2.2 in accordance with the Allocation Process; or, in the absence of an approved Allocation Process,

(c) if the Termination Notice is issued at any time on or after the Review Date (b) allocate the POLR Supply Points to each Licensed Provider (other than any Specialist Licensed Provider, any Self Supply Licensed Provider and the Defaulting Trading Party) that is entitled to Register Supply Points in accordance with Section 5.2.2 as follows:-

(c)(1)(b)(1) the particular POLR Supply Points allocated to each Licensed Provider shall be allocated on a random basis; and

(c)(2)(b)(2) each Water Services Licensed Provider shall be allocated an equal number of POLR Supply Points for Water Services and each Sewerage Services Licensed Provider shall be allocated an equal number of POLR Supply Points for Sewerage Services subject, in each case, to any rounding up or

down required in order to allocate a whole number of Supply Points; and

~~(c)(3)(b)(3)~~ if, at any stage in the process set out in this Section ~~5.3.6(i)(c), 5.3.6(i)(b)~~, there are fewer POLR Supply Points than there are Licensed Providers (for either or both Water and Sewerage Services) each remaining POLR Supply Point shall be allocated to the Licensed Providers by the CMA in date order based on the date of grant of each Licensed Provider's Permanent Licence with the earliest date of grant being given priority.

- (ii) the CMA shall Register the POLR Supply Points so allocated to the relevant Incoming Licensed Provider(s) in accordance with CSD 0003 (Provider of Last Resort) with the Designated Time being the date of issue of the Termination Notice; and
- (iii) where any Licensed Provider is required, pursuant to its Licence, to provide Water Services or Sewerage Services in Designated Circumstances, the Licensed Provider shall be responsible for all Supply Point(s) Registered to it by the CMA from the Designated Time in accordance with this Section 5.3.6; and
- (iv) the CMA shall introduce a Market Code Change Proposal in accordance with Section 8.7 that contains a proposed Allocation Process which either amends or replaces the process set out in Section ~~5.3.6(i)(c), 5.3.6(i)(b)~~ as soon as possible after the Effective Date and shall, to the extent that the CMA is able to do so, seek to ensure that the Market Code Change Proposal process is completed in respect of that Change Proposal prior to the Go Live Date.

#### 5.4 **New Connections and New Supply Points**

All Code Parties agree to co-operate with each other in relation to the Registration of Supply Points for New Connections and New Supply Points including by carrying out the duties set out in this Section 5.4.

##### 5.4.1 **Create Record of New Connection and Partial Registration Application**

- (i) Not less than one (1) Month prior to the Connection Date for a New Connection, Scottish Water shall issue a request to the CMA for the creation of new Supply Point(s) related to that New Connection;
- (ii) the CMA will send confirmation of the SPID to Scottish Water and the Licensed Provider; and
- (iii) within five (5) Business Days of receipt of the SPID the Licensed Provider shall submit a properly completed Partial Registration Application to the CMA;

all in accordance with CSD 0101 (Registration: New Connections & New Supply Points).

#### 5.4.2 **Notification of Scottish Water Data for New Connections**

- (i) On receipt of a SPID for a Partial Registration Application, Scottish Water shall (to the extent not already provided) notify the relevant Scottish Water Data for that Supply Point to the CMA; and
- (ii) the CMA shall notify the relevant Scottish Water Data for that Supply Point to the Licensed Provider,

all in accordance with CSD 0101 (Registration: New Connections & New Supply Points).

#### 5.4.3 **Updates to other SPID Data for New Connections**

From the date of submission of a Partial Registration Application until the Connection Date the relevant Data Owner shall update the SPID Data submitted in the Partial Registration Application as necessary to ensure that it remains accurate and up to date. In the event that the relevant Data Owner fails to update the SPID Data referred to above, the CMA shall be entitled to request such information from that Data Owner. The relevant Licensed Provider shall provide information including consumption pattern information relating to the Supply Point to the CMA in accordance with CSD 0101 (Registration: New Connections & New Supply Points).

#### 5.4.4 **Notification of Meter Information and Initial Reads for New Connections**

In relation to each New Connection:-

- (i) Scottish Water shall notify the CMA of the meter related SPID Data in accordance with CSD 0101 (Registration: New Connections & New Supply Points);

- (ii) Scottish Water shall provide the CMA with the Initial Read, in accordance with Section 5.9.5, CSD 0101 (Registration: New Connections & New Supply Points) and CSD 0202 (Meter Read Submission: Process); and
- (iii) the CMA shall notify the Initial Read to the Licensed Provider.

**5.4.5 Confirmation of Connection for New Connections**

Scottish Water shall notify the CMA of the Connection Date for each New Connection within two (2) Business Days after the Connection Date in accordance with CSD 0101 (Registration: New Connections & New Supply Points) and the CMA shall confirm the Connection Date to the Licensed Provider.

**5.4.6 Missing Data for New Connections**

For any New Connection where there is any SPID Data or any other information missing which prevents Registration of the relevant Supply Point, the CMA shall issue a request to the relevant Data Owner to update and/or provide such SPID Data or information to enable the Supply Point for a New Connection to be Registered.

**5.4.7 Failure to Register New Connections prior to the Connection Date**

If any Supply Point for a New Connection is not Registered by the Connection Date, Scottish Water and the Licensed Provider shall comply with CSD 0105 (Error Rectification & Retrospective Amendments) in respect of that Supply Point.

**5.4.8 New Supply Points - Entry Change of Use**

- (i) If a Licensed Provider becomes aware of any Entry Change of Use it shall notify Scottish Water in accordance with CSD 0101 (Registration: New Connections & New Supply Points) and shall perform its obligations in accordance with that CSD so that any New Supply Point(s) required as a result of the Entry Change of Use can be Registered in the Supply Point Register.
- (ii) On receipt of notification of any Entry Change of Use Scottish Water shall perform its obligations in accordance with CSD 0101 (Registration: New Connections & New Supply Points) so that any New Supply Points required as a result of the Entry Change of Use can be Registered in the Supply Point Register. The CMA shall inform Scottish Water of the Registration Start Date for any New

Supply Points and Scottish Water shall cease to be entitled to make any direct charge in respect of any premises which have become Eligible Premises with effect from the Registration Start Date.

**5.4.9 New Supply Points - Gap Sites identified by a Licensed Provider**

- (i) If a Licensed Provider identifies any Gap Site it shall notify Scottish Water in accordance with CSD 0101 (Registration: New Connections & New Supply Points) and shall perform its obligations in accordance with that CSD so that New Supply Point(s) relating to such Gap Site(s) can be Registered in the Supply Point Register.
- (ii) On receipt of notification of any Gap Site under Section 5.4.9(i) Scottish Water shall perform its obligations in accordance with CSD 0101 (Registration: New Connections & New Supply Points) so that any New Supply Points relating to such Gap Site(s) can be Registered in the Supply Point Register.

**5.4.10 New Supply Points - Gap Sites identified by Scottish Water**

- (i) If Scottish Water identifies any Gap Site it shall follow the Gap Site Allocation Process in Section 5.4.11 below and perform its obligations in accordance with that Gap Site Allocation Process and CSD 0101 (Registration: New Connections & New Supply Points) so that New Supply Point(s) relating to such Gap Site(s) are allocated to a Licensed Provider and Registered in the Supply Point Register.

**5.4.11 Gap Site Allocation Process**

- (i) If Scottish Water identifies any Gap Site it will, by a date falling, within 2 Business Days of such identification (the "date for action") take the steps required by either section 5.4.11(ii) or (iii) as applicable.
- (ii) If the date for action occurs at any time from the Go Live Date up to (but not including) the Review Date, the following provisions apply:
  - (a) Scottish Water will submit the T001.0 (Request New SPID) to the CMA and shall identify Scottish Water Business Stream as the Licensed Provider in the T001.0 request all in accordance with Step b of Section 3.1.1 of CSD 0101 (Registration: New Connections and New Supply Points).

- (b) The CMA will then Register the new Supply Point(s) in accordance with Section 3.1.1 of CSD 0101 (Registration: New Connections & New Supply Points).
- (c) Once the CMA has allocated Scottish Water Business Stream to the non-household customer in accordance with Section 5.4.11(ii)(b) above, Scottish Water Business Stream must write to that new customer within 5 Business Days of receiving notification of allocation from the CMA in accordance with Step c of Section 3.4.1 of CSD 0101 (Registration: New Connections & New Supply Points).
- (iii) If the date for action occurs at any time on or after the Review Date, the following provisions apply:
- (i) (a) \_\_\_\_\_ Scottish Water will write to the non-household customer at the relevant Eligible Premises (using the form approved by the Commission) informing them that they must now choose a Licensed Provider within 15 Business Days or have one allocated to them. Scottish Water will also give each customer a unique reference number.
- (ii) (b) \_\_\_\_\_ If a Licensed Provider agrees to supply the non-household customer pursuant to Section ~~5.4.11(iii)(a)~~, 5.4.11(i), that Licensed Provider must notify Scottish Water within 1 Business Day in accordance with Step a of Section 3.1.1 of CSD 0101 (Registration: New Connections & New Supply Points).
- (iii) (c) \_\_\_\_\_ Having received such notification Scottish Water will submit the T001.0 (Request New SPID) to the CMA and shall identify the Licensed Provider chosen by the non-household customer in the T001.0 request all in accordance with Step b of Section 3.1.1 of CSD 0101 (Registration: New Connections and New Supply Points).
- (iv) (d) \_\_\_\_\_ The CMA will then Register the new Supply Point(s) in accordance with Section 3.1.1 of CSD 0101 (Registration: New Connections & New Supply Points).

- (v) (e) \_\_\_\_\_ If Scottish Water does not receive notice from a Licensed Provider within 15 Business Days from the date of its letter to the non-household customer, it will submit the T001.0 (Request New SPID) to the CMA but will not include any information regarding the identity of a Licensed Provider in accordance with Step b of Section 3.4.1 of CSD 0101 (Registration: New Connections & New Supply Points).
- (vi) (f) Having received the T001.0 (Request New SPID) without an allocated Licensed Provider from Scottish Water, the CMA will allocate a Licensed Provider to the non-household customer in accordance with Section 5.4.11(iv) ~~s 5.4.11(vii) to (x)~~ below.
- (iv) \_\_\_\_\_ For the purpose of allocating customers at Gap Sites in accordance with Section 5.4.11(iii), the following provisions apply:
- (vii) (a) \_\_\_\_\_ The CMA shall only allocate customers at Gap Sites to Licensed Providers who hold a Licence, are entitled in accordance with Section 5.2.2 to apply to Register Supply Points and are not solely a Specialist Licensed Provider and/or a Self Supply Licensed Provider. The allocation of a Licensed Provider by the CMA will take place on a strict rotational basis with Licensed Providers being allocated customers in the order they received their Licences, i.e. the first Licensed Provider to be licensed for the Services relevant to the Gap Site will take the first customer, the second Licensed Provider the second customer etc.
- (viii) (b) \_\_\_\_\_ If there is more than one Supply Point in relation to the Gap Site then all Supply Points in relation to that Gap Site will be allocated by the CMA to the same Licensed Provider.
- (ix) (c) \_\_\_\_\_ Having allocated a Licensed Provider to the customer in accordance with Section 5.4.11(iv)(a) above, the CMA will then Register the new Supply Point(s) in accordance with Section 3.4.1 of CSD 0101 (Registration: New Connections & New Supply Points).

- (x) (d) \_\_\_\_\_ Once the CMA has allocated a Licensed Provider to the non-household customer in accordance with Section 5.4.11(iv)(a)~~5.4.11(vii)~~ above, the Licensed Provider must write to that new customer within 5 Business Days of receiving notification of allocation from the CMA in accordance with Step c of Section 3.4.1 of CSD 0101 (Registration: New Connections & New Supply Points).

**SCHEDULE 1**  
**DEFINITIONS, INTERPRETATION AND HIERARCHY**

**1. Definitions**

In this Market Code and the Schedules hereto, subject to any express provisions to the contrary, the following words or expressions shall have the meanings ascribed to them below.

"Provider of Last Resort" or POLR"	a Licensed Provider appointed under the Allocation Process or the process set out in Section <del>5.3.6(i)(b)</del> <u>5.3.6(i)(c)</u> in accordance with CSD 0003 (Provider of Last Resort);
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