

OPERATIONAL CODE CHANGE PROPOSAL				Draft Form Version 1.2	
Operational Code Change Proposal Ref (Assigned by CMA)		OCCP023	Version Number (Assigned by CMA)		3
Title of the change		Revisions to New Connections Process			
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:	Business Stream		Org ID if assigned:		
Signature:			Date:	5 August 2009	
		Name:		Tom May	
Contact details for the Proposal - the contact should be able to deal with queries regarding this Operational Code Change Proposal and need not be the same person who has countersigned the Change Proposal					
		Name:	Tom May		
		Email Address:	Tom.May@business-stream.co.uk		
		Telephone and or Mobile:	07825 843981		
Number of Associated Documents	0	Name or link to documents	n/a		
If the OCCP will also affect the Operational Code, an MCCP must also be raised					
Indicate if there is an associated MCCP				MCCP Ref:	
				CMA use only	
URGENT – IF PROPOSER HAS INDICATED THIS OCCP IS URGENT, STATE REASONS HERE					
The CMA Chief Executive will review this information and make a decision as to whether to take this OCCP forward as urgent as defined as under Market Code Part 8.8.1 (ii) (e)					
<p>Business Stream considers this to be an important issue given the prominence issues with New Connections have been given in the market place and some of the challenges faced to date. While it may not be urgent per se the issue has been present since market opening and a solution is probably overdue.</p> <p>We are concerned that not addressing the current process could lead to negative coverage which would be detrimental to the wider perception of the competitive market. Furthermore, and most importantly, the real issue is that while the current sub-optimal set up persists customers are poorly served by the market. The current method of working also creates inefficiency which can easily be addressed.</p>					
2. OPERATIONAL CODE CHANGE PROPOSAL DETAILS					
A	ISSUE or DEFECT WHICH THIS OPERATIONAL CODE CHANGE PROPOSAL SEEKS TO ADDRESS required under Market Code Part 8.8.1 (ii) (b)				
<p>The New Connections process has probably been one of the greatest challenges for the newly established market. Some of the issues caused in the process have been because of the requirement for interactions between LPs and Scottish Water where direct customer liaison would reduce administration and improve the effective operation of the market. The current process also slows down the new connection process and in current economic conditions a speedy turnaround for developer connections in particular are critical.</p> <p>Scottish Water queries which would benefit from being streamlined are mainly those of a technical nature and not the more mundane customer application issues. At this point we consider it remains important that these mundane queries remain the responsibility of Licensed Providers. Licensed Providers will exclusively continue to deal</p>					

with customer requirements with the exception of these specific technical queries raised by Scottish Water or the customer as a result of a technical query made by Scottish Water.

We also consider that Licensed Providers must remain responsible for the full submission of new connections applications.

One of the greatest challenges LPs face when acting on behalf of customers is where technical queries are raised by Scottish Water in the New Connections process. Currently the operational code is silent on this issue and in many cases technical queries are relayed to customers or their technical representatives through Licensed Providers. This creates the opportunity for queries to be misunderstood or indeed this could also lead to a response with leads to a further query. This could lead to further interactions between LPs, SW and the customer or in a worst case scenario a failed application.

We consider streamlining the existing processes to explicitly state Scottish Water should and can go direct to customers with technical queries would be a significant improvement. To minimise the risk of involving Scottish Water at inappropriate times we recommend that this is undertaken only when a Licensed Provider requests this and Scottish Water also agrees.

B	DESCRIPTION OF NATURE AND PURPOSE OF THE CHANGE AND HOW IT MEETS THE OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS required under Market Code Part 8.8.1 (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 border="0"> <tr> <td>a) Proportionality</td> <td>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>The changes create simplicity and cost effectiveness in the market place by reducing administration. The changes will benefit all licensed providers and will assist Scottish Water in processing New Connections in a timely manner. The changes are also transparent in that the purpose is to benefit the customer and reduce the time being taken to deliver a new connection.</p>									
C	IMPACT – required under Market Code Part 8.8.1 (ii) (f)								
<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 border="0"> <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				
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<p>The changes will have no impact on the Central System or Trading Parties systems. The changes will have no impact on CMA systems. The changes will have a minor impact on the business processes of Licensed Providers and Scottish Water, however these are cost of this will be outweighed by benefits to the market.</p>									
D	DRAFT LEGAL TEXT – required under Market Code Part 8.8.1 (ii) (d)								

An addition will be required for processes 1 to 5 and 14 in the Operational Code. The proposed text is shown below and could be added at the start of each process.

'At any time during the process where a query is raised by Scottish Water deemed by a Licensed Provider to be of a technical nature Scottish Water may liaise directly with the customer or their representatives. To allow Scottish Water to make customer contact on of the following steps should be taken:

- *A Licensed Provider asks Scottish Water to liaise directly with their customer. In this case a Licensed Provider would ask Scottish Water and they would also have to agree to this contact; or*
- ***Scottish Water may only liaise with the customer about the technical issue in question; there will not be any further discussion on the application. Further discussion would include comments on the timescales of the application or any other commercial issues relating to the application or Licensed Provider. .***

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 would be the date of the next release of the Operational Code assuming approval by the Commission although in practice there is no reason this could not begin immediately.

4. ANY OTHER COMMENTS

The full text of the objectives and principles for the Operational 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/Comp/ServiceDirections.asp>)