

## **Settlement and registration: the CMA**

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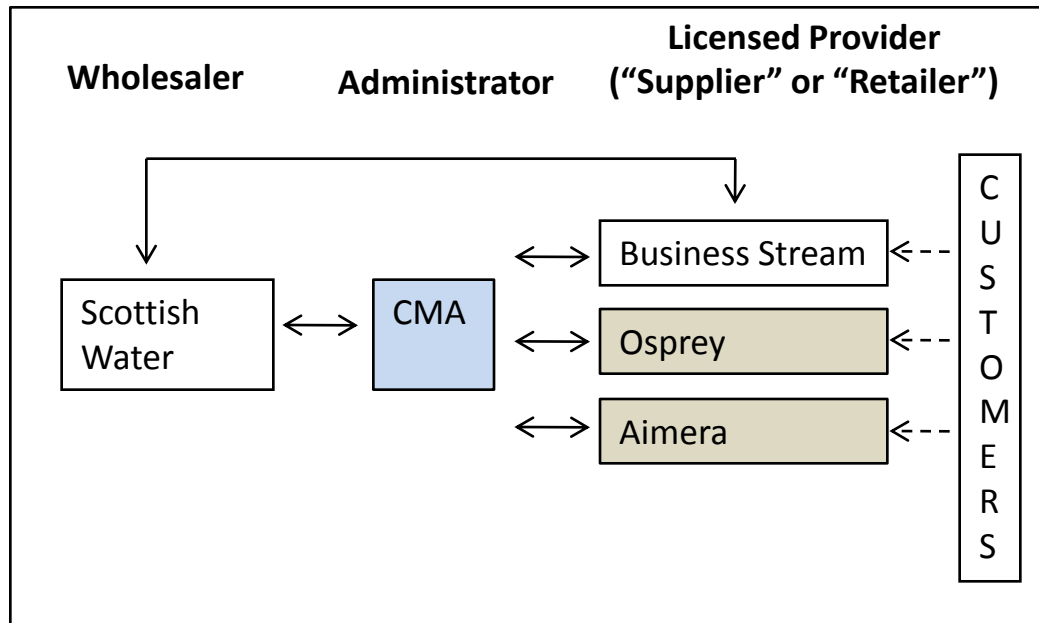
## 1. Overview

- What is the CMA and what does it do?
- How does the CMA function?
- How was the CMA established?
- How are companies involved?

## 2. What is the Central Market Agency?

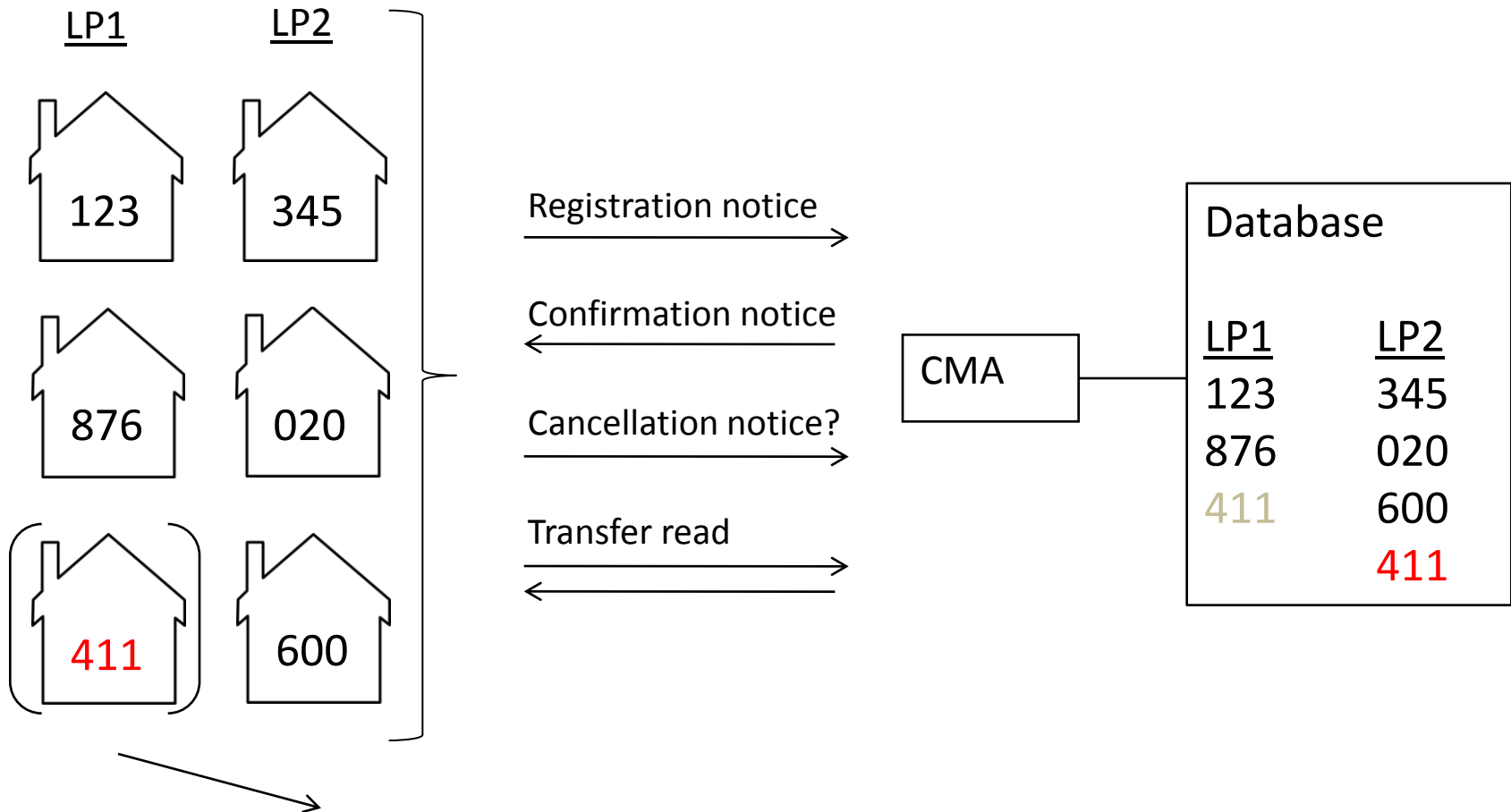
- The CMA is the market administrator, set up as part of the competitive market arrangements
- It has three defining features:
  - It is independent
  - It is a CLG whose members are the market participants
  - It is funded by the market and is not for profit

## 3. What does the CMA do?



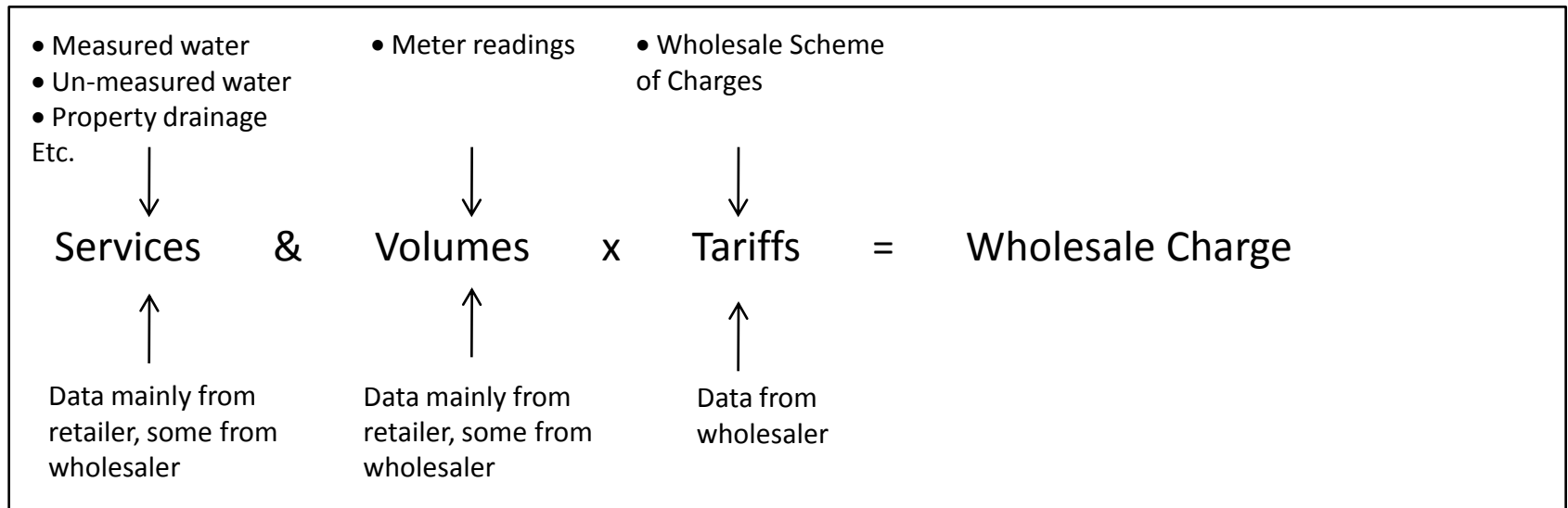
- **Coordinates** – provides a structured framework for communications between the Wholesaler and Retailers
- **Keeps records** – records which Licensed Provider provides which customers with what services
- **Carries out calculations** – calculates the wholesale charges owed by each Licensed Provider to Scottish Water

## 4. Registration



## 5. Settlement

a) For every supply point registered to a retailer:



b) Sum the wholesale charges for each supply point

c) Repeat for all retailers

## 6. Data validation

- Participants are responsible for all data submitted to the Central Systems
- The Central Systems carry out some data validation:
  - Is the required data present?
  - Has the data been submitted in the correct format?
  - Was the data submitted on time?
  - Does the data have the 'correct' value?

## 7. How does the CMA Function?

- An operational description:
  - The CMA operates the Central Systems to administer the market
  - It runs supporting business processes, some systematized and some manual
  - It provides a secretariat service to facilitate change in the market
- A structural description:
  - The CMA has a small office of professionals managing a suite of contracts



## 8. How was the CMA established?

There were three streams of work:

- Company formation
  - Legal incorporation, bank accounts, VAT registration etc – Autumn 2007
- Developing the competencies to match Market Code requirements
  - Technical function
  - Contractor management function
  - Stakeholder management function
- Contracting with service providers
  - Initially, novation of the single contract from Commission to CMA
  - Subsequently, development of the contractor model and letting of a suite of contracts

## 9. How are the companies involved?

- Market participants are involved through the CMA Board
  - strategic management of the company to deliver Market Code obligations
  - nominations from Scottish Water and Licensed Providers
- Market participants are involved through the Technical Panel
  - changes to market rules and the Central Systems
  - all market participants and the Commission are members of the Technical Panel