

Implementing Retail Competition in Scotland

Workshop 13 June 2012
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Market Code



Market Code

From Scottish Water perspective

- Key document governing the market
 - Duties of market participants
 - Market governance
 - Transfer of customers
 - Calculation of settlement
- Settlement
 - Data and data ownership
 - Implementation of the calculations
 - Settlement process



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Data ownership

- Code sets out ownership of data items
 - LP or SW
- SW typically submits to the market
 - requests for new supply points and associated information
 - meter information, eg following exchange
 - Disconnection
- LP responsible for occupancy status, RV and cyclic reads
- Correct provision of data from SW critical for LP's customer operation
- LP data critical input to settlement charges



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- Data
 - SW submits all data to the CMA by system transaction flow
 - Constant need to monitor error reports to complete flows
 - Developed suite of reports for users
 - SW mart records all flows and provides audit trails
 - Data issues
 - Considerable effort since market opening
 - Market Auditor reviews
 - Continuing plans
 - Working on publication of SW's processes for data assurance



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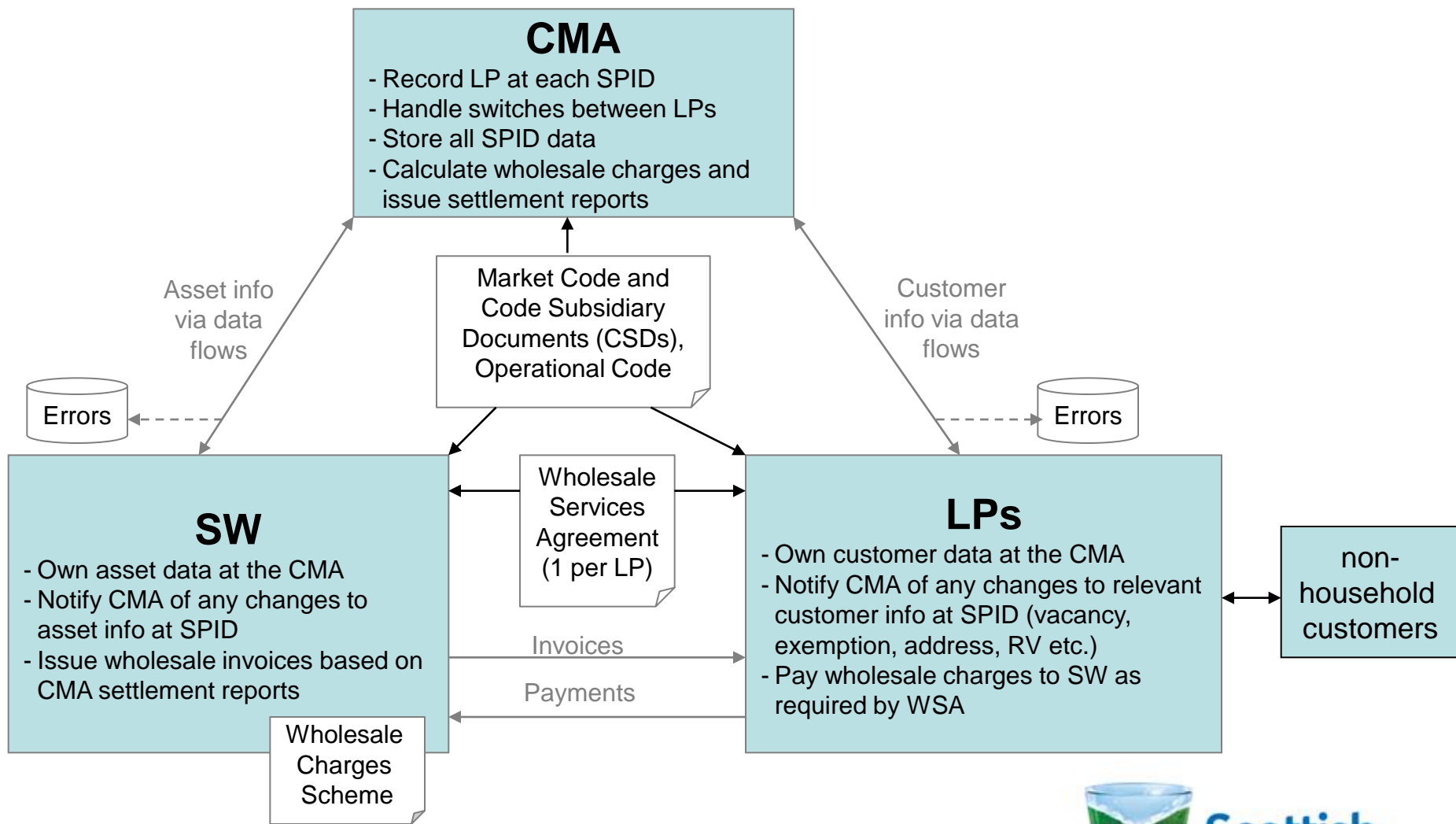
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Settlement

- CMA systems support SW tariffs and calculates monies due to SW
 - Supply of water and sewerage, Trade Effluent
- CMA provides settlement reports for SW to bill
 - SW bills transactional charges without CMA involvement
- Large volume of data from the CMA each month
- Tight timetable for invoicing
 - Developed analytical capability to review settlement reports
 - Do not replicate the calculations
 - Expert resource

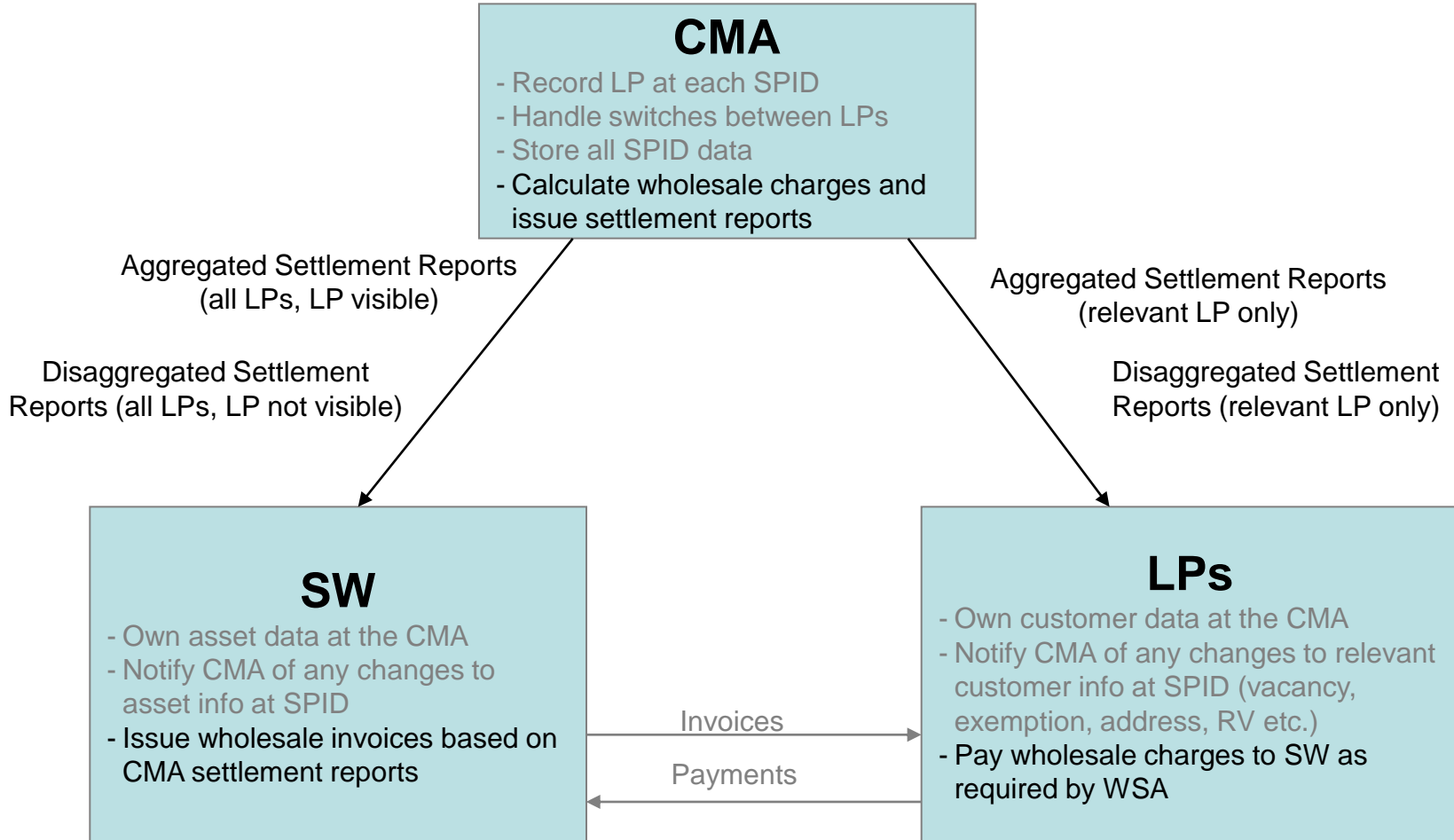
Wholesale Market Structure



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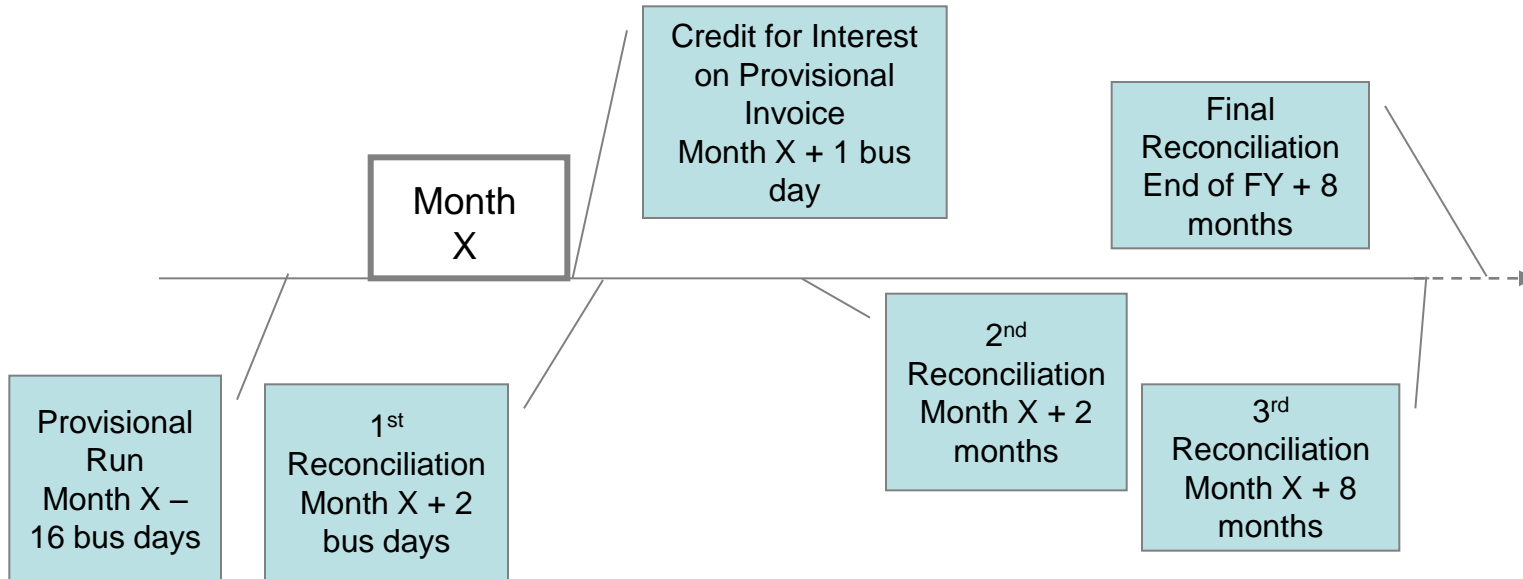
The Settlement Process



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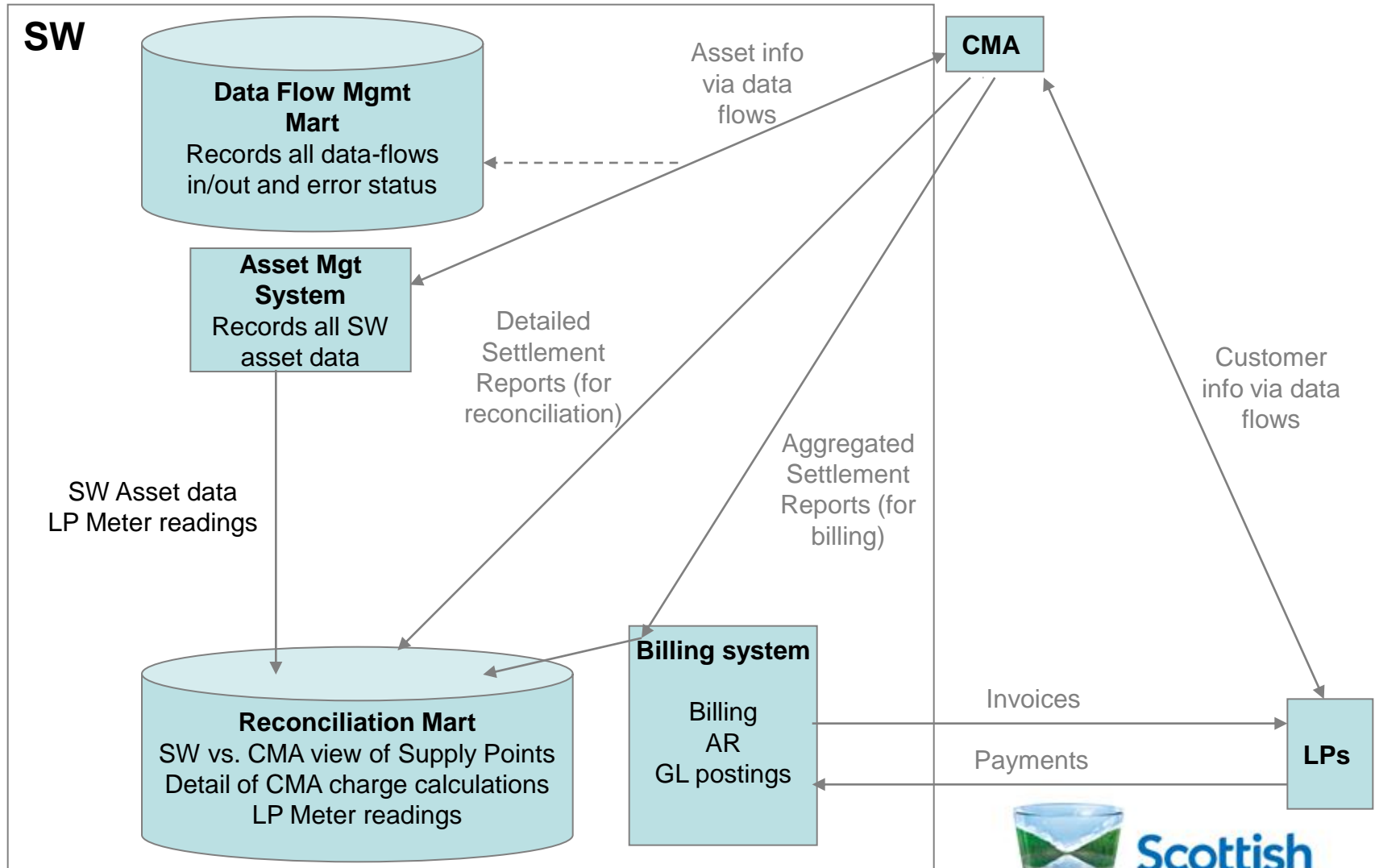
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The Settlement Timetable



For each invoice period there will be four different settlement reports over a period of 9 months

Wholesale Reconciliation and Reporting



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Key Scottish Water reconciliation activities

- Variance analysis of new settlement reports
- Identify charging anomalies and track to resolution
- Analysis of effect of project and operational activities
- Monthly revenue and cashflow forecast to finance
- Consumption analysis for leakage reporting and forecasting
- Regulatory Annual Return
- Reconciliation of SW and CMA data
- Reviewing individual SPIDs to identify data/charging issues



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- Key document governing market design
- Multiple data owners in market
- High volume of data from CMA each month
- Upstream data issues manifest themselves in incorrect settlement charges
- Need to keep on top of
 - Transaction flows
 - Data
- Continue to enhance capability to manage data flows, analyse reports
 - In turn supports the market



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