

**Code Subsidiary Document**

**No. 0002:**

**Market Performance Framework**



## Change History

<u>Version Number</u>	<u>Date of Issue</u>	<u>Reason for Change</u>	<u>Change Control Reference</u>	<u>Sections Affected</u>
<u>V2.0</u>	<u>3<sup>rd</sup> March</u> <u>2018</u>	<u>Extending the New</u> <u>Connections</u> <u>Suspension Period</u>	<u>CPW031</u>	<u>Section 4.1.3</u>

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## Definitions

Unless expressly stated otherwise, for the purposes of this CSD:

- (a) terms defined in the Wholesale-Retail Code Part 1 (Objectives, Principles and Definitions) shall apply; and
- (b) capitalised terms relating to the titles of Data Items or Data Transactions described in CSD 0301 (Data Catalogue) shall have the meaning attributed therein.

For the purposes of this CSD only, the following capitalised terms shall have the following meaning:

Definitions	
Term	Definition
“Annual Market Performance Report”	a report prepared and published by the Market Operator which sets out the results of the implementation of the Market Performance Framework in the Year to which the report relates;
“Initial Suspension Period”	the period of twelve (12) Months commencing on the Go Live Date, during which time Market Performance Standard Charges shall be calculated and notified by the Market Operator but during which Trading Parties shall not be required to pay these charges;
“Market Performance Standard Charge”	the charge that a Trading Party must pay to the Market Operator in the event of a failure to meet a Market Performance Standard as calculated and invoiced by the Market Operator;
“Market Performance Standards Peer Comparison Report”	The document of the same name produced by the Market Operator in accordance with this CSD;
“Operational Performance Standards Peer Comparison Report”	The document of the same name produced by the Market Operator in accordance with this CSD; and
“Peer Comparison”	an assurance method under which information is published to enable comparison of the performance of Trading Parties against the relevant performance standards.

# 1. Purpose and scope

## 1.1 Overview and objectives of the Market Performance Framework

1.1.1 The orderly operation of the market requires participants to perform their roles in line with common system, process, data and service standards. To mitigate and manage the risk of non-compliance (and any resulting disbenefits) it is appropriate to define mechanisms to govern, incentivise, monitor and enforce these standards. Such a “performance framework” provides confidence to Trading Parties and the Market Operator that they and their peers are complying with their obligations; that risks to the Central Systems are being managed; and that the performance of the market is being continually improved to ensure its orderly operation.

1.1.2 This document describes the Market Performance Framework – a collection of processes, methods and incentives to promote the continued performance by Trading Parties and the Market Operator in compliance with their obligations under the Wholesale-Retail Code and to enable appropriate action to be taken to resolve performance failures.

1.1.3 The Market Performance Framework is designed to be flexible and risk-based. This is so that it can be focused on those areas judged to be of greatest market impact at any point in time, and evolved to reflect the changing risk profile as the market matures and new or different performance issues emerge. This CSD therefore includes appropriate governance, oversight and change processes (see Section 2 of this CSD). These include relevant roles and responsibilities of the Market Operator and the Panel. It also provides for the establishment of a Market Performance Committee and an annual Market Performance Operating Plan to ensure ongoing focus on the development and implementation of the Market Performance Framework.

## 1.2 High level description of the Market Performance Framework processes

1.2.1 The processes and methods that comprise the Market Performance Framework and which are described in this CSD are:

- (a) Market Performance Standards in respect of certain processes set out in the Market Terms and Market Performance Standard Charges applied where a Trading Party fails to meet these standards;
- (b) Operational Performance Standards in respect of certain processes set out in the Operational Terms;
- (c) Peer Comparison, being the publication of comparative data on the performance of Trading Parties against the Market Performance Standards and Operational Performance Standards;
- (d) Market Operator performance reporting to provide assurance that the Market Operator is meeting its obligations and service standards;
- (e) Trading Party Performance Resolution, which is a process to ensure that any Trading Party with a sub-optimal level of performance takes appropriate remedial action; and
- (f) Performance guidance to be provided to Trading Parties by the Market Operator in order to facilitate improved performance.

1.2.2 The purpose and scope of each of these methods and processes is summarised below.

## **1.3 Market Performance Standards and Market Performance Standard Charges**

1.3.1 Trading Parties are required to comply with all their obligations in respect of the market processes set out in the Market Terms and CSDs, including obligations to submit data in accordance with specified timescales.

1.3.2 Market Performance Standards define varying levels of underperformance in relation to a number of market processes, where any such underperformance is likely to have an adverse impact on the orderly operation of the market and/or the accuracy of the Settlement Process. These standards enable the Market Operator to monitor the performance of Trading Parties; trigger the Performance Resolution process in the event of a persistent failure to meet the standards; and provide the basis for the calculation of the Market Performance Standard Charges.

- 1.3.3 Market Performance Standard Charges are defined monetary charges levied against Trading Parties by the Market Operator for underperformance against the Market Performance Standards.
- 1.3.4 Section 3 of this CSD:
- (a) details the relevant Market Performance Standards against which Market Performance Standard Charges are to be calculated;
  - (b) specifies the level of charge that shall be applied in each instance of a performance failure (as defined by the relevant Market Performance Standard); and
  - (c) describes the rules and process by which the Market Operator shall calculate Market Performance Standard Charges. In addition the invoicing arrangements are set out in Section 10 of the Market Arrangements Code.
- 1.3.5 For a period of twelve (12) Months from the Go Live Date, Market Performance Standard Charges shall be calculated by the Market Operator and notified to Trading Parties but shall not result in any actual payments from Trading Parties. Section 3 of this CSD describes a process to be followed in order to review the scope and levels of the Market Performance Standard Charges prior to these coming into effect at the end of the Initial Suspension Period (or at such other date as agreed as part of the review process).

## 1.4 Operational Performance Standards

- 1.4.1 Operational Performance Standards represent the defined levels of performance expected of Wholesalers in respect of the obligations and services provided under the Operational Terms. Typically these relate to the timescales to complete processes and steps set out in the Operational Terms, for example in respect of the completion of physical connections, meter replacement and other relevant service requests.
- 1.4.2 These Operational Performance Standards set clear expectations of acceptable performance and are used to provide a basis for Peer Comparison of Wholesaler performance.



1.4.3 Section 4 of this CSD sets out the Operational Performance Standards and describes how these standards may be reviewed and amended over time.

1.4.4 Section 4 of this CSD also describes a process to be followed to review the scope and application of the Operational Performance Standards within twelve (12) Months of the Go Live Date. The matters to be considered as part of the review may include, for example, whether any financial charges should be introduced in relation to these Operational Performance Standards.

## 1.5 Peer Comparison

1.5.1 The Peer Comparison process enables the regular periodic publication of comparative data on the performance of Trading Parties. The objective of this is to provide transparency which enables market participants and other stakeholders to view the relative performance of Retailers and Wholesalers and to encourage continuous improvement in data quality, operational services and other aspects of performance that may affect the overall operation of the market.

1.5.2 Section 5 of this CSD sets out the processes for:

- (a) the generation, approval and publication of monthly Market Performance Standards Peer Comparison Reports by the Market Operator, based on the Market Performance Standards;
- (b) the provision of standardised self-reporting by Wholesalers against the Operational Performance Standards on a monthly basis; and
- (c) the generation, approval and publication of monthly Operational Performance Standards Peer Comparison Reports by the Market Operator based on the performance data provided to it by Wholesalers.

## 1.6 Market Operator performance reporting and rectification

1.6.1 The Market Operator shall monitor its compliance with its obligations set out in the Market Terms and provide regular reports to the Panel detailing the extent to which it is meeting, or failing to meet, those obligations.

1.6.2 Section 6 of this CSD details:

- (a) the matters upon which the Market Operator should report to the Panel;  
and
- (b) a process for the Market Operator to confirm any remedial steps that it shall take in the event of an identified performance failure.

## 1.7 Trading Party Performance Resolution

- 1.7.1 The Performance Resolution process ensures that an individual Trading Party with identified performance issues has robust plans in place to address these performance issues in a timely manner. The Performance Resolution process also offers an opportunity for the Trading Party to be provided with advice and guidance to help resolve any performance issues and reduce the likelihood of their recurrence.
- 1.7.2 Section 7 of this CSD sets out a process for the Market Operator to monitor and make available information on the performance of each Trading Party against the Market Performance Standards and a number of Additional Performance Indicators. This information is used by the Market Operator to identify any underlying performance issues which should be addressed.
- 1.7.3 A Trading Party with an identified performance issue is required to agree an Initial Performance Rectification Plan with the Market Operator to resolve the issue. Where performance issues are not resolved satisfactorily in line with an agreed Initial Performance Rectification Plan, the matter can be escalated by the Market Operator to the Market Performance Committee and the Panel. During this escalation process, the participant may be required to take further remedial steps to resolve the issue.

## 1.8 Performance guidance

- 1.8.1 Section 8 of this CSD provides for the Market Operator to make available appropriate information, guidance and/or training on market processes to ensure that Trading Parties can maintain a common and up to date base level of knowledge to help them to improve performance against the Market Performance Standards and Additional Performance Indicators.

## 2. Governance of the Market Performance Framework

### 2.1 Overview

2.1.1 Appropriate governance arrangements, processes and resources are required for oversight and administration of the Market Performance Framework. While different areas of risk within the market may require different individual performance approaches, it is appropriate to have an overarching governance framework to coordinate, prioritise and review the Market Performance Framework activities as a whole. This will also ensure that the overall framework remains responsive to evolving risks and issues, and the needs of all relevant stakeholders. This CSD describes the roles and responsibilities of the Market Operator, the Panel and Market Performance Committee in this respect.

### 2.2 Role of the Panel

2.2.1 The Panel has the following functions in order to give effect to the Market Performance Framework described in this CSD (a number of which it may elect to delegate to the Market Performance Committee):

- (a) providing input to the Market Operator on the Market Performance Operating Plan;
- (b) reviewing the scope and level of Market Performance Standard Charges prior to these coming into effect following the conclusion of the Initial Suspension Period;
- (c) reviewing the scope and level of the Market Performance Standards and Operational Performance Standards by no later than nine (9) Months after the Go Live Date and recommending a Change Proposal in respect of changes identified pursuant to such review;
- (d) agreeing the appropriate format for the Market Performance Standards Peer Comparison Report and the Operational Performance Standards Peer Comparison Report;
- (e) agreeing a Performance Rectification Plan for a Trading Party to remedy any performance issue escalated to the Panel by the Market Performance Committee and monitoring the Trading Party's progress against such plan;

- (f) receiving reports from the Market Operator regarding its compliance with the Market Operator's obligations as set out in the Market Terms and monitoring any remediation plan or other steps to be undertaken by the Market Operator to rectify its underperformance; and
- (g) establishing the Market Performance Committee in accordance with the Market Arrangements Code.

## 2.3 Market Performance Operating Plan

- 2.3.1 Each Year the Market Operator shall develop an annual Market Performance Operating Plan with input from the Panel and the Market Performance Committee, and following consultation with the Trading Parties. This Market Performance Operating Plan shall set the market performance-related focus, priorities and activities of the Market Operator, the Panel and the Market Performance Committee for the following Year.
- 2.3.2 The purpose of the Market Performance Operating Plan is to give visibility of the proposed market performance workplan (and associated costs) to Trading Parties and also to ensure that the relevant priorities and activities are subject to regular review. This provides assurance that the priorities and activities remain relevant and efficient as the risk profile of the market and participants evolves over time.
- 2.3.3 The Market Performance Operating Plan shall identify the key market performance risks, assess their materiality and identify how any relevant processes and methods within the Market Performance Framework should be applied to address each such risk.

## 2.4 Annual Market Performance Report

- 2.4.1 By the end of April each Year, the Market Operator shall prepare and publish an Annual Market Performance Report which sets out the results of the implementation of the Market Performance Framework in the preceding Year. The Annual Market Performance Report shall include:
  - (a) a review of the extent to which the application of the Market Performance Framework mitigated the risks identified in the Market Performance Operating Plan for the relevant Year;

- (b) details of the costs incurred by the Market Operator in implementing the Market Performance Framework in the relevant Year;
- (c) a report on the financial administration of the Market Performance Standard Charges during the relevant Year, and confirmation of the redistribution of any resulting surplus at the end of the Year in accordance with the Market Arrangements Code;
- (d) recommendations to modify existing, or introduce new, processes, methods or incentives in the Market Performance Framework; and
- (e) the potential benefits of any proposed modifications to the Market Performance Framework, including any cost-saving benefits.

2.4.2 For the avoidance of doubt, the Annual Market Performance Report is entirely separate from, and additional to, Market Audit Reports.

## **2.5 Market Operator role and functions**

2.5.1 The Market Operator shall be obliged to perform the market performance functions assigned to it in this CSD and the agreed Market Performance Operating Plan.

2.5.2 In exercising its functions under this CSD, the Market Operator shall:

- (a) act impartially with respect to all Trading Parties; and
- (b) provide transparency of its work in implementing these processes through regular reporting to the Panel and to the Market Performance Committee.

## 3. Market Performance Standards and Market Performance Standard Charges

### 3.1 Overview

3.1.1 Table 1 in Section 3.3 of this CSD details the Market Performance Standards.

3.1.2 The Market Performance Standards shall be used to:

- (a) provide a basis for the Market Performance Standard Charges to be calculated and administered;
- (b) provide a basis for the production and publication of Peer Comparison reports;
- (c) enable the Market Operator to monitor the performance of Trading Parties; and
- (d) trigger the Performance Resolution process under which a Trading Party can be required to take appropriate remedial action in the event of a persistent failure to meet the Market Performance Standards.

3.1.3 Sections 3.3 to 3.5 of this CSD:

- (a) specify the level of charge that shall be applied in each instance of a performance failure (as defined by the relevant Market Performance Standard); and
- (b) describe the rules and process by which the Market Operator shall calculate the Market Performance Standard Charges.

### 3.2 Initial Suspension Period

#### Initial suspension

3.2.1 During the Initial Suspension Period (being the period of twelve (12) Months commencing on the Go Live Date), Market Performance Standard Charges shall be calculated and notified by the Market Operator but Trading Parties shall not be required to pay these charges. The subsequent provisions of this Section 3 of this CSD should be read accordingly.

### **Basis of calculation during Initial Suspension Period**

3.2.2 During the Initial Suspension Period, the Market Operator shall calculate the Market Performance Standard Charges in accordance with the rules and values set out in Section 3.3 of this CSD.

### **Review during Initial Suspension Period**

3.2.3 This Section 3.2 of this CSD describes a process for the Panel to review the scope and levels of the Market Performance Standard Charges prior to these coming into effect, following the conclusion of the Initial Suspension Period.

3.2.4 The scope of the review shall include, but need not be limited to, the following matters:

- (a) whether Trading Parties should be required to commence payment of Market Performance Standard Charges immediately upon the conclusion of the Initial Suspension Period or at some alternative date;
- (b) whether any additional Market Performance Standards should be introduced and/or whether any of the existing Market Performance Standards should be amended or removed;
- (c) whether the levels of Market Performance Standard Charges should remain as set out in Section 3.3.5 of this CSD or be amended, and whether the level at which the Market Performance Standard Charges are capped for each Trading Party is appropriate; and
- (d) whether any Market Performance Standard Charge payable by one Trading Party should be credited to another Trading Party.

3.2.5 The Panel shall establish the scope, terms of reference, approach and timetable for conducting the review by no later than six (6) Months from the Go Live Date. In so doing the Panel shall have due regard to the views of the Market Operator, including as to the level of resources required and available to support the review.

3.2.6 The Panel shall ensure that the review is concluded by no later than the date nine (9) Months after the Go Live Date.

- 3.2.7 The Market Operator shall provide or procure resources as the Panel may reasonably require to facilitate the review.
- 3.2.8 The Panel shall ensure that the review process includes an appropriate level of consultation with the Trading Parties. The Panel shall also ensure that the Authority is invited to participate in the review process.
- 3.2.9 Any proposed change to the existing Market Performance Standard Charges or the date at which these are to be introduced resulting from the review shall require to be progressed as a Change Proposal pursuant to the change process set out in the Market Arrangements Code.

### **3.3 Market Performance Standard Charges – general provisions**

- 3.3.1 Market Performance Standard Charges shall be applied in accordance with the relevant provisions of the Market Terms and the Market Arrangements Code.
- 3.3.2 A Trading Party shall be regarded as having failed a Market Performance Standard where it has failed to meet the relevant success criteria specified in Table 1 of this CSD.
- 3.3.3 For the avoidance of doubt, where a success criterion relates to the timeliness of completing a relevant Data Transaction, only those Data Transactions which have passed Market Operator validation shall be considered. The Market Operator shall not take into account any messages which either fail validation or are otherwise rejected, in the measurement of performance.
- 3.3.4 The Market Performance Standards MPS1 to MPS8 shall be calculated monthly, on or after the sixth Business Day of a Month, for the preceding Month.
- 3.3.5 In the case of Market Performance Standard Charges relating to missed Meter Reads, the charge may be incurred when the meter was read on time but the relevant Data Transaction was not submitted within the relevant submission deadline specified in CSD 0202 (Meter Read Submission: Process). However, the requirement in Section 3.3.4 of this CSD that the Market Performance Standards shall be calculated on or after the sixth Business Day of a Month ensures that all Meter Reads taken in the preceding Month and which are submitted within five (5) Business Days shall be taken into account in the calculations.



3.3.6 Market Performance Standard Charges shall be applied at three levels:

- (a) level 1 £10
- (b) level 2 £25
- (c) level 3 £40

3.3.7 The Market Performance Standard Charges shall be designated as either “Market Operator Credited” or “Retailer Credited” in accordance with Table 1 of this CSD. The significance of this designation is that:

- (a) “Market Operator Credited” Market Performance Standard Charges shall be paid to the Market Operator and shall be capped each Month at 0.15% of the Primary Charges payable to or from (as applicable) the relevant Trading Party, in accordance with the formula set out in this CSD;
- (b) “Retailer Credited” Market Performance Standard Charges shall be uncapped and shall be paid to the Market Operator and shall then be paid to the relevant Retailer by the Market Operator (in accordance with Section 3.5 of this CSD).

**Table 1: Market Performance Standard Charges**

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
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MPS 1A	Partial registration	Retailer	Receipt by the Market Operator from the Retailer of a T103.R (Submit Partial Registration Application/Rejection) within ten (10) BDs of the Market Operator sending a T102.M (Notify New SPID) to the Retailer.	Level 2	Market Operator Credited	
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No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 1B	Partial registration	Retailer	Receipt by the Market Operator from the Retailer of a T103.R (Submit Partial Registration Application/Rejection) within fifteen (15) BDs of the Market Operator sending a T102.M (Notify New SPID) to the Retailer.	Level 3 – Level 2	Market Operator Credited	Cumulative on MPS1A; the net effect being a Level 3 Charge

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 1C	Partial registration	Retailer	Receipt by the Market Operator from the Retailer of a T103.R (Submit Partial Registration Application/Rejection) within forty (40) BDs of the later of:  the date the last Market Performance Standard Charge (if any) was applied in respect of measure MPS1B or MPS1C for this Supply Point.	Level 2	Market Operator Credited	Recurring performance charge
MPS 1D	Partial registration	Retailer	Receipt by the Market Operator from the Retailer of a T132.R (Submit Core Customer Data) within 10 BDs of the Market Operator sending a T107.M (Notify Connection Complete) to the Retailer, unless the Customer Name Data Item is already populated.	Level 2	Market Operator Credited	

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 1E	Partial registration	Retailer	Receipt by the Market Operator from the Retailer of a T132.R (Submit Core Customer Data) within fifteen (15) BDs of the Market Operator sending a T107.M (Notify Connection Complete) to the Retailer, unless the Customer Name Data Item is already populated.	Level 3 – Level 2	Market Operator Credited	Cumulative on MPS 1D; the net effect being a Level 3 Charge
MPS 1F	Partial registration	Retailer	Receipt by the Market Operator from the Retailer of a T132.R (Submit Core Customer Data) within forty (40) BDs of the later of:  the date the last Market Performance Standard Charge (if any) was applied in respect of measure MPS1E or MPS1F for this Supply Point; or  the Designated Date in the event that the Supply Point has been allocated as an Interim Duty Supply Point.	Level 2	Market Operator Credited	Recurring performance charge

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 2A	New connection notifications	Wholesaler	<p>Receipt by the Market Operator of a T107.W (Submit Notification of Connection Complete) within five (5) BDs, for activities undertaken by a Wholesaler and eight (8) BDs for activities undertaken by an Accredited Entity, of the Effective From Date contained within the transaction.</p> <p>This applies to the “New” connection type only, and not to “Gap Site” or “Entry Change of Use”.</p>	Level 2	Market Operator Credited	



No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 2B	New connection notifications	Wholesaler	<p>Receipt by the Market Operator of a T107.W (Submit Notification of Connection Complete) within nine (9) BDs, for activities undertaken by the Wholesaler and twelve (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 “Entry Change of Use”.</p>	Level 3 – Level 2	Market Operator Credited	Cumulative on MPS 2A; the net effect being a Level 3 Charge

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 3A	Connection notifications for Gap Site or Entry Change of Use	Wholesaler	<p>Receipt by the Market Operator from the Wholesaler of a T107.W (Submit Notification of Connection Complete) within fifteen (15) BDs of the Market Operator sending a T102.M (Notify New SPID) to the Wholesaler.</p> <p>This applies only to T102.M transactions with “Gap Site” or “entry Change of Use” connection type, but not the “New” Connection type.</p>	Level 3	Market Operator Credited	

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 4A	Disconnection / reconnection	Wholesaler	<p>The T115.W (Declare Disconnection/Reconnection/Deregistration) is received by the Market Operator within five (5) BDs of the Effective From Date contained within the transaction.</p> <p>This standard only applies in the case of a Temporary Disconnection or Reconnection.</p> <p>This standard does not apply in the case of a Permanent Disconnection or Deregistration.</p>	Level 2	Market Operator Credited	<p>T115.W</p> <p>Does not apply in the case of a Permanent Disconnection or a Deregistration</p>

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 4B	Disconnection / reconnection	Wholesaler	<p>The T115.W (Declare Disconnection/Reconnection/Deregistration) is received by the Market Operator within ten (10) BDs of the Effective From Date contained within the transaction.</p> <p>This standard only applies in the case of a Temporary Disconnection or Reconnection.</p> <p>This standard does not apply in the case of a Permanent Disconnection or Deregistration.</p>	Level 3 – Level 2	Market Operator Credited	<p>T115.W</p> <p>Cumulative on MPS 4A; the net effect being a Level 3 Charge</p> <p>Does not apply in the case of a Permanent Disconnection or a Deregistration</p>

MPS 5A	Late Meter Read submission	Wholesaler	<p>For a meter with a Meter Treatment type of Potable, Non-Potable or Sewerage, the T104.W (Submit Meter Details) or T105.W (Submit Meter Read) or T117.W (Submit Meter Exchange) is received by the Market Operator within five (5) BDs, for activities undertaken by Wholesaler and eight (8) BDs for activities undertaken by an Accredited Entity, of the Meter Read Date contained within the transaction in respect of I, F, X, Y reads, as applicable.</p> <p>For a meter with a Meter Treatment type of Private Water or Private Trade Effluent the T104.W (Submit Meter Details) or T105.W (Submit Meter Read) or T117.W (Submit Meter Exchange) is received by the Market Operator within fifteen (15) BDs of the Meter Read Date contained within the transaction in respect of I, F, X, Y reads, as applicable.</p>	Level 2	Market Operator Credited	
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MPS 5B	Late Meter Read submission	Wholesaler	<p>For a meter with a Meter Treatment type of Potable, Non-Potable or Sewerage, the T104.W (Submit Meter Details) or T105.W (Submit Meter Read) or T117.W (Submit Meter Exchange) is received by the Market Operator within thirteen (13) BDs, for activities undertaken by the Wholesaler and sixteen (16) BDs for activities undertaken by an Accredited Entity, of the Meter Read Date contained within the transaction in respect of I, F, X, Y reads, as applicable.</p> <p>For a meter with a Meter Treatment type of Private Water or Private Trade Effluent the T104.W (Submit Meter Details) or T105.W (Submit Meter Read) or T117.W (Submit Meter Exchange) is received by the Market Operator within twenty three (23) BDs of the Meter Read Date contained within the transaction in respect of I, F, X, Y reads, as applicable.</p>	Level 3 – Level 2	Market Operator Credited	Cumulative on MPS 5A; the net effect being a Level 3 Charge
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No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 5C	Late Meter Read submission	Wholesaler	The T105.W (Submit Meter Read) for a meter with a Meter treatment type of Potable or Non-Potable is received within thirteen (13) BDs of the Meter Read Date contained within the transaction in respect of C reads.	Level 1	Market Operator Credited	Non-market Meters
MPS 5D	Late Meter Read submission	Wholesaler	The T105.W (Submit Meter Read) for a meter with a Meter Treatment type of Potable or Non-Potable is received within sixty (60) BDs of the Meter Read Date contained within the transaction in respect of C reads.	Level 2 – Level 1	Market Operator Credited	Non-market Meters Cumulative on MPS 5C; the net effect being a Level 2 Charge

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 6A	Extremely late Meter Read submission	Wholesaler	For Twice-yearly Read Meters and for all Meter Treatment types except Cross Border Meters, success if the T104.W (Submit Meter Details) or T105.W (Submit Meter Read) or T117.W (Submit Meter Exchange) is received within one hundred and sixty (160) BDs of the Meter Read Date contained within the transaction (for all Meter Read Types as applicable).	NC * Level 3 , where  NC = (Business Days Late /160), rounded up to the nearest whole number	Market Operator Credited  Retailer Credited	NC * Level 2 forms Market Operator Credited Performance Charges  NC * (Level 3 - Level 2) forms Retailer Credited Performance Charges



No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 6B	Extremely late Meter Read submission	Wholesaler	For Monthly Read Meters and for all Meter Treatment types except Cross Border Meters, success if the T104.W (Submit Meter Details) or T105.W (Submit Meter Read) or T117.W (Submit Meter Exchange) is received within forty (40) BDs of the Meter Read Date contained within the transaction (for all Meter Read Types, as applicable).	NC * Level 3 , where  NC = (Business Days Late /40), rounded up to the nearest whole number.	Market Operator Credited  Retailer Credited	NC * Level 2 forms Market Operator Credited Performance Charges  NC * (Level 3 - Level 2) forms Retailer Credited Performance Charges

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 7A	Late Meter Read submission	Retailer	<p>For all Meter Treatment types except Cross Border Meters, the T105.R (Submit Meter Read) is received by the Market Operator within ten (10) BDs of the Meter Read Date contained within the transaction in respect of a Regular Cyclic Read with a Meter Read Method of "Visual" or "Remote" or a Transfer Read.</p> <p>For Supply Points allocated under an Interim Supply Allocation Process these charges shall apply unless the Market Operator is informed of an alternative timetable by the Retailer. Where this is no the case, this charge applies i.e.: T105.R is not received by the Market Operator by the agreed dates.</p>	Level 1	Market Operator Credited	

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 7B	Late Meter Read submission	Retailer	<p>For all Meter Treatment types except Cross Border Meters, the T105.R (Submit Meter Read) is received by the Market Operator within fifteen (15) BDs of the Meter Read Date contained within the transaction in respect of a Regular Cyclic Read with a Meter Read Method of "Customer".</p> <p>For Supply Points allocated under an Interim Supply Allocation Process these charges shall apply unless the Market Operator is informed of an alternative timetable by the Retailer. Where this is no the case, this charge applies i.e.: T105.R is not received by the Market Operator by the agreed dates.</p>	Level 1	Market Operator Credited	

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 7C	Late Meter Read submission	Retailer	<p>For all Meter Treatment types except Cross Border Meters, the T105.R (Submit Meter Read) is received by the Market Operator within sixty (60) BDs of the Meter Read Date contained within the transaction in respect of a Regular Cyclic Read or a Transfer Read (for all permissible Meter Read Methods).</p> <p>For Supply Points allocated under an Interim Supply Allocation Process these charges shall apply unless the Market Operator is informed of an alternative timetable by the Retailer. Where this is no the case, this charge applies i.e.: T105.R is not received by the Market Operator by the agreed dates.</p>	Level 2 – Level 1	Market Operator Credited	Cumulative on MPS 7A or MPS 7B as applicable; the net effect being a Level 2 Charge
MPS 7D	Late Meter Read submission	Retailer	For all Meter Treatment types except Cross Border Meters, the Meter Read Date within the T105.R (Submit Meter Read) received by the Market Operator is within five (5) BDs of the latest Registration Start Date submitted via a T108.R (Transfer Registration Application) transaction for the associated Supply Point in respect of Transfer Reads.	Level 2	Market Operator Credited	

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 7E	Late Meter Read submission	Retailer	For all Meter Treatment types except Cross Border Meters, the Meter Read Date within the T105.R (Submit Meter Read) received by the Market Operator is within ten (10) BDs of the latest Registration Start Date submitted via a T108.R (Transfer Registration Application) transaction for the associated Supply Point in respect of Transfer Reads.	Level 3 – Level 2	Market Operator Credited	Cumulative on MPS 7D; the net effect being a Level 3 Charge

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 8A	Missed Meter Reads	Retailer	<p>In respect of Regular Cyclic Reads, and for all Meter Treatment types except Cross Border Meters:</p> <p>Success if a Twice-yearly Read Meter is read within one hundred and sixty (160) BDs (excluding periods of vacancy) of the later of:</p> <p>the Go Live Date; or</p> <p>the last Meter Read Date for that meter; or</p> <p>the date of submission of an Initial Read; or</p> <p>the date upon which the last Market Performance Charge (if any) was applied in respect of measure MPS8A for this meter; or</p> <p>the last Registration Start Date for the relevant Supply Point (except where the Supply Point was last registered by way of a Volume Transfer in accordance with CSD 0003 (Volume Transfer and Volume Data Update))</p>	Level 3	Market Operator Credited	<p>Regular Cyclic Reads in respect of Twice-yearly Read Meters</p> <p>Recurring performance charge</p>

No	Context	Trading Party	Success criteria	Performance charge level	Type	Notes
MPS 8B	Missed Meter Reads	Retailer	<p>In respect of Regular Cyclic Reads, and for all Meter Treatment types except Cross Border Meters:</p> <p>Success if a Monthly Read Meter is read within forty (40) BDs (excluding periods of vacancy) of the later of:</p> <p>the Go Live Date; or  the last Meter Read Date for that meter;  the date of submission of an Initial Read  the date upon which the last Market Performance Charge (if any) was applied in respect of measure MPS8B for this meter; or  the last Registration Start Date for the relevant Supply Point (except where the Supply Point was last registered by way of a Volume Transfer in accordance with CSD 0003 (Volume Transfer and Volume Data Update))</p>	Level 3	Market Operator Credited	<p>Regular Cyclic Reads in respect of Monthly Read Meters</p> <p>Recurring performance charge</p>

## 3.4 Market Performance Standard Charges – Wholesalers

3.4.1 The Market Operator shall invoice a Wholesaler each Month in respect of the Market Performance Standard Charges in accordance with the Market Arrangements Code. The amount of Market Performance Standard Charges payable by a Wholesaler is:

$$PSC = PSC_{MO} + PSC_{RC}$$

where

$PSC$  are the Market Performance Standard Charges payable in respect of the Month;

$PSC_{MO}$  are the Market Operator Credited Market Performance Standard Charges payable in respect of the Month; and

$PSC_{RC}$  are the Retailer Credited Market Performance Standard Charges payable in respect of the Month

3.4.2 In the above expression,

$$PSC_{MO} = \min (PSC_{MO}^u, 0.15\% \times R)$$

where

$PSC_{MO}^u$  are the uncapped Market Operator Credited Market Performance Standard Charges payable in respect of the Month; and

$R$  is the sum of the R1 Primary Charges payable to the Wholesaler for the Month as determined at the date of the invoice for the Market Performance Standard Charges for that Month.



- 3.4.3 For the avoidance of doubt, once a value of R is established for the invoice of Market Operator Credited Market Performance Standard Charges for the Month, it will not be changed, even if the Primary Charges are changed for any reason, including the settlement of a Dispute.
- 3.4.4 Retailer Credited Market Performance Standard Charges shall only be calculated for a Supply Point or meter that can be associated to a Retailer. Such association shall be that the Retailer is responsible for the Supply Point, or meter, as the case may be. If a meter is a Non-Market Meter, the responsible Retailer shall be the Retailer responsible for the Main Meter in the relevant Meter Network. Where no such association can be made, no Retailer Credited Market Performance Standard Charges shall be calculated. Where a Supply Point has been Deregistered or Disconnected, the responsible Retailer shall be the last Retailer to which the Supply Point was Registered.

### 3.5 Market Performance Standard Charges - Retailers

- 3.5.1 The Market Operator shall invoice a Retailer each Month in respect of the Market Performance Standard Charges in accordance with the process in the Market Arrangements Code. In particular, the Market Operator shall invoice each Retailer in respect of the Market Operator Credited Market Performance Standard Charges payable by the Retailer to the Market Operator, and pay to each Retailer the Retailer Credited Market Performance Standard Charges payable to the Retailer.

#### Charges payable by a Retailer

- 3.5.2 The amount of Market Performance Standard Charges payable by each Retailer for the Month is

$$PSC_{MO}$$

where

$$PSC_{MO} = \min(PSC_{MO}^u, 0.15\% \times R)$$

- 3.5.3 In the above expression,

$PSC_{MO}^u$  are the uncapped Market Operator Credited Market Performance Standard Charges payable in respect of the Month; and

$R$  is the sum of the R1 Primary Charges payable by the Retailer for the Month as determined at the date of the invoice for the Market Performance Standard Charges for that Month.

- 3.5.4 For the avoidance of doubt, once a value of  $R$  is established for the invoice of Market Performance Standard Charges for any Retailer for the Month it shall not be changed, even if the Primary Charges are changed for any reason, including the settlement of a Dispute.

#### **Charges payable to a Retailer**

- 3.5.5 The amount of Market Performance Standard Charges payable to each Retailer for the Month is the sum of all the Retailer Credited Market Performance Standard Charges payable to the Retailer for the Month, as calculated in accordance with Section 3.4 of this CSD.

### **3.6 Ongoing review and amendment of Market Performance Standards and Market Performance Standard Charges**

- 3.6.1 The Market Performance Standards and rules in relation to the calculation and administration of Market Performance Standard Charges set out in this CSD shall only be amended by means of a Change Proposal pursuant to the change process set out in the Market Arrangements Code.
- 3.6.2 In developing and approving the annual Market Performance Operating Plan, the Market Operator, Panel and Market Performance Committee (as appropriate) shall review and may identify and recommend revisions to the Market Performance Standards provisions in this CSD, and in such an event the Panel shall raise an appropriate Change Proposal.

## 4. Operational Performance Standards

### 4.1 Operational Performance Standards

- 4.1.1 Table 2 in this Section 4 (Operational Performance Standards) details the Operational Performance Standards. This includes standards in respect of the timely completion of operational processes in accordance with the Operational Terms.
- 4.1.2 These Operational Performance Standards are used to provide the basis for Peer Comparison of Wholesaler performance in accordance with Section 5 of this CSD.
- 4.1.3 Note that the application of certain aspects of part A (New connections) of the Operational Terms comes into effect only on and from 1 ~~October 2018~~ April 2020 and is suspended and dis-applied prior to that date. See heading AA (Application of this part A (New connections) of part A (New connections) of the Operational Terms. Accordingly, the Operational Performance Standards which measure compliance with any Suspended Provision (being those with references OPS A1a to A4a in table 2 below) shall come into effect only on and from 1 April 2020 ~~October 2018~~ and shall be dis-applied and are to be disregarded prior to that date.

**Table 2: Operational Performance Standards**

In the table below, all references to “A1” etc., “Form A” etc. and “Step 1” etc. relate to the relevant Processes, Forms and Steps set out in the Operational Terms.

Ref	Process	Title	Operational Terms Requirement	KPI
OPS A1a	A1	Pre-Application Enquiries in relation to a New Connection – Initial Response	If the Retailer makes a pre application enquiry in relation to the provision of Water or Sewerage Services via a proposed new connection, the Wholesaler will make an initial response within twelve (12) Calendar Days of receipt of the enquiry.	≤ 12 Calendar Days from receipt of the enquiry

Ref	Process	Title	Operational Terms Requirement	KPI
OPS A2a	A2	New Connection to the Wholesaler's Water Supply System for Domestic Purposes - Quotation	The Wholesaler will issue a quotation to the Retailer within twenty eight (28) Calendar Days of its receipt of the materially complete Form A and/or notice	≤ 28 Calendar Days from receipt of Form A

Ref	Process	Title	Operational Terms Requirement	KPI
OPS A2b	A2	New Connection to the Wholesaler's Water Supply System for Domestic Purposes - Inspection	Where a Trench Inspection, other Water Fittings Regulations inspection and/or other inspection such as a pressure test or bacteriological inspection is/are required by the Wholesaler to determine if a condition (or conditions) applying to the proposed new connection has been satisfied, the Wholesaler will carry out the inspection or inspections on a date notified to the Retailer (such date to be not later than five (5) Calendar Days after the notification received from the Retailer in Step 7)	≤ 5 Calendar Days from notification
OPS A2c	A2	New Connection to the Wholesaler's Water Supply System for Domestic Purposes - Connection	Where the wholesaler is to make the connection, including installing any meter, the Wholesaler shall do so on the date agreed between the Wholesaler and Retailer.	= Date agreed between Wholesaler and Retailer

Ref	Process	Title	Operational Terms Requirement	KPI
OPS A3a	A3	New Connection to the Wholesaler's Water Supply System for Non-domestic Purposes - Quotation	The Wholesaler will issue a quotation for its connection charges, setting out such terms and conditions as appropriate, to the Retailer within twenty eight (28) Calendar Days of its receipt of the materially complete application form and/or request or completion of any pre-development enquiry (whichever is the later).	≤ 28 Calendar Days from form/request or enquiry completion
OPS A3b	A3	New Connection to the Wholesaler's Water Supply System for Non-domestic Purposes - Inspection	Where a Trench Inspection, other Water Fittings Regulations inspection and/or other inspection such as a pressure test or bacteriological inspection is/are required by the Wholesaler to determine if a condition (or conditions) applying to the new connection has been satisfied, the Wholesaler will carry out the inspection or inspections on a date notified to the Retailer (such date to be not later than five (5) Calendar Days after the notification received from the Retailer in Step 6).	≤ 5 Calendar Days from notification from Retailer



Ref	Process	Title	Operational Terms Requirement	KPI
OPS A4a	A4	New Connection with the Wholesaler's Sewerage System - Quotation	Where the Wholesaler has issued a notice to the Retailer and the Non-Household Customer, notifying them that the Wholesaler intends to undertake the making of the new connection itself, within twenty one (21) Calendar Days of its receipt of the materially complete Form B and/or notice under Step 3, the Wholesaler shall provide the Retailer with a quotation for its connection charges.	≤ 21 Calendar Days from Form B and/or notice
OPS B1a	B1	Meter Installation	Unless the Wholesaler has determined that the meter installation is infeasible or impractical, it will carry out the meter installation within twenty-two (22) Business Days of its receipt of the notification under Step 1.	≤ 22 Business Days from notification

Ref	Process	Title	Operational Terms Requirement	KPI
OPS B3a	B3	Meter Accuracy Test - Site Visit	The Wholesaler will visit the Eligible Premises and will either remove the meter to allow the meter accuracy test to be carried out at an approved test centre and install a replacement meter or perform the meter accuracy test in situ or review of the wider pipework where required. Such a site visit will take place within twenty two (22) Business Days of the notification under Step 1.	≤ 22 Business Days from notification
OPS B3b	B3	Meter Accuracy Test - Completion	The Wholesaler will complete the test and notify the Retailer and its Non-Household Customer, together with any other person who has requested a meter accuracy test in respect of the same meter, of the results within twenty (20) Business Days of the removal of the meter or performance of any in situ test under Step 4.	≤ 20 Business Days from removal or in situ test

Ref	Process	Title	Operational Terms Requirement	KPI
OPS B5a	B5	Repair or replacement of a faulty meter performed by the Wholesaler	The Wholesaler will repair or replace the faulty meter installed at the Eligible Premises within twenty two (22) Business Days from the date of notification under Step 1 or notify the Retailer if it considers the meter to be working properly.	≤ 22 Business Days from notification
OPS C1a	C1	Verification of meter details or meter supply arrangements (Retailer Requested)	Where the Retailer has requested the verification, the Wholesaler shall notify the Retailer of the findings of the inspection within ten (10) Business Days of the Retailer's request.	≤ 10 Business Days from request
OPS C1b	C1	Verification of meter details or meter supply arrangements (Wholesaler Initiated)	Where the Wholesaler has initiated the verification, the Wholesaler will notify the Retailer of the findings of the inspection within five (5) Business Days of the visit taking place.	≤ 5 Business Days from visit

Ref	Process	Title	Operational Terms Requirement	KPI
OPS C2a	C2	Gap Sites identified by the Wholesaler - Visit	<p>Where the Wholesaler is responsible for visiting a Gap Site, it will visit the Eligible Premises within the twenty two (22) Business Day period to:</p> <ul style="list-style-type: none"> <li>a) verify which Service Components are provided to the premises;</li> <li>b) survey the site to identify the feasibility of installing meters; and/or</li> <li>c) install any meters or, to the extent that it is not feasible or practical to install a meter, confirm any Supply Point to be Unmeasured.</li> </ul>	<p>≤ 22 Business Days from identification</p>

Ref	Process	Title	Operational Terms Requirement	KPI
OPS C3a	C3	Gap Sites identified by the Retailer – verification, visit and meter installation	<p>Within twenty-two (22) Business Days of its receipt of the request from the Retailer under Step 1, the Wholesaler shall confirm the information supplied with its records or with the Other Wholesaler as necessary. The Wholesaler shall also undertake a site visit to the Eligible Premises and:</p> <p>a) conduct any further verification of which Service Components are provided to the Eligible Premises;</p> <p>b) survey the site to identify the practicality or feasibility of installing a meter or meters; and/or</p> <p>c) install any meters or, to the extent it is not feasible or practical to install a meter, confirm any Supply Point to be Unmeasured.</p>	≤ 22 Business Days from Retailer request
OPS C4a	C4	Missing Service Components identified by the Wholesaler or the Retailer (Retailer Requested)	Where the Retailer has requested the verification, the Wholesaler shall notify the Retailer of its findings within ten (10) Business Days of the Retailer's request.	≤ 10 Business Days from request

Ref	Process	Title	Operational Terms Requirement	KPI
OPS C4b	C4	Missing Service Components identified by the Wholesaler or the Retailer (Wholesaler Initiated)	Where the Wholesaler has initiated the verification, the Wholesaler will notify the Retailer of the findings of the inspection within five (5) Business Days of the visit taking place.	≤ 5 Business Days from visit
OPS C5a	C5	Deregistration of a Supply Point (including as a result of an Exit Change of Use) or removal of Service Components at the request of the Wholesaler - Notification	Where the Wholesaler identifies the requirement to remove Service Component(s) or to Deregister the Supply Point(s), it shall, at least twenty (20) Business Days in advance of the notification to the Market Operator, notify the Retailer and any Other Wholesaler or Other Retailer that it intends to remove Service Component(s) or Deregister the Supply Point(s).	≥ 20 Business Days from notification to Market Operator

Ref	Process	Title	Operational Terms Requirement	KPI
OPS F5a	F5	Non-Household Customer complaints - Response	Save as set out below, within eight (8) Business Days of receipt of the complaint the Wholesaler will issue a substantive response to the Retailer which is clear as to the action (if any) to be taken, the timescale for such action and the estimated resolution date and any other relevant information proposed by the Wholesaler.	≤ 8 Business Days from complaint
OPS F5b	F5	Non-Household Customer complaints – Reasons for not responding	If the Wholesaler is not able to issue such a response within eight (8) Business Days of receipt of the complaint due to reasons cited as permitted reasons beyond its reasonable control in the applicable Guaranteed Service Standard (for example, in relation to vexatious or frivolous complaints) the Wholesaler shall confirm within eight (8) Business Days of receipt of the complaint the reasons why the complaint cannot be responded to within the eight (8) Business Days period.	≤ 8 Business Days from complaint

Ref	Process	Title	Operational Terms Requirement	KPI
OPS H1a	H1	Application for an allowance	Within twenty (20) Business Days of receipt of the materially complete Form H/01 under Step 3, the Wholesaler will advise the Retailer of any allowance due.	≤ 20 Business Days from application
OPS I1a	I1	Temporary Disconnection requested by the Retailer and performed by the Wholesaler in relation to Non-Household Customer non-payment	The Wholesaler shall make a Temporary Disconnection within six (6) Business Days from providing its report to the Retailer for standard Disconnections or twelve (12) Business Days for non-standard Disconnections, from the date on which the Retailer accepted any quotation.	≤ 6 or ≤ 12 Business Days from report/acceptance
OPS I8a	I8	Reconnection requested by the Retailer and performed by the Wholesaler (before 3pm)	If the Wholesaler receives the Form R before 3pm on a Business Day, it must use reasonable endeavours to reconnect Water Services and/or Sewerage Services on that Business Day.	= Date of form receipt



Ref	Process	Title	Operational Terms Requirement	KPI
OPS I8b	I8	Reconnection requested by the Retailer and performed by the Wholesaler (after 3pm)	If the Wholesaler receives the Form R after 3pm on a Business Day, it must use reasonable endeavours to reconnect Water Services on the next Business Day.	≤ 1 Business Day from form receipt

## 4.2 Initial review of Operational Performance Standards

4.2.1 This Section 4.2 describes a process for the Panel to review the scope and levels of the Operational Performance Standards.

4.2.2 The scope of the review may include, but need not be limited to, the following matters:

- (a) whether any additional Operational Performance Standards should be introduced and/or whether any of the existing Operational Performance Standards should be amended or removed;
- (b) whether persistent underperformance against the Operational Performance Standards should trigger the Performance Resolution process;
- (c) whether performance charges should be introduced and be applied in relation to any failure to meet the Operational Performance Standards; and
- (d) whether in any circumstances any charge relating to a failure to meet an Operational Performance Standard payable by one Trading Party should be credited to another Trading Party.

4.2.3 The Panel shall establish the scope, terms of reference, approach and timetable for conducting the review by no later than six (6) Months from the Go Live Date.

4.2.4 The Panel shall ensure that the review is concluded by no later than the date nine (9) Months after the Go Live Date.

4.2.5 The Market Operator shall provide or procure all resources as the Panel may reasonably require to facilitate the review.

4.2.6 The Panel shall ensure that the review process includes an appropriate level of consultation with the Trading Parties. The Panel shall also ensure that the Authority is invited to participate in the review process.

4.2.7 Any proposed change to the existing Operational Performance Standards, or related provisions, resulting from the review shall require to be progressed as a Change Proposal pursuant to the change process set out in the Market Arrangements Code.

## 5. Peer Comparison

### 5.1 Peer Comparison: overview

5.1.1 The Peer Comparison process enables the periodic publication of comparative Trading Party performance data by the Market Operator. The objective of this process is to provide transparency in order to enable market participants and other stakeholders to view the relative performance of Retailers and Wholesalers and to encourage continuous improvement in data quality, operational services and other aspects of performance that may affect the overall operation of the market.

### 5.2 Peer Comparison: Market Performance Standards

5.2.1 Within ten (10) Business Days of the end of each Month, the Market Operator shall compile and publish on its website a report (the “Market Performance Standards Peer Comparison Report”) which:

- (a) allows comparison of the performance of all Trading Parties against the relevant Market Performance Standards in respect of the most recent Month; and
- (b) illustrates any trend or change in the level of each Trading Party’s performance against each relevant Market Performance Standard over the preceding twelve (12) Months (or such period in respect of which data is available during the first twelve (12) Months following the Go Live Date).

5.2.2 The Market Performance Standards to be used as the basis for the Peer Comparison report shall be those set out in Table 1 in Section 3.3 of this CSD.

5.2.3 The Market Operator shall, from time to time, agree the format of the Market Performance Standards Peer Comparison Report with the Panel (or Market Performance Committee if this function has been delegated by the Panel).

## 5.3 Peer Comparison: Operational Performance Standards

### Provision of performance data by Wholesalers

- 5.3.1 Within ten (10) Business Days of the end of each quarter, each Wholesaler shall submit a report to the Market Operator detailing its performance against the Operational Performance Standards set out in Table 2 in Section 4 of this CSD. The Market Operator shall provide a timetable to Wholesalers setting out the dates by which they should submit such reports such that all Wholesalers report on a consistent reporting period.
- 5.3.2 The Wholesaler shall submit this performance data in a standard format to be determined by the Market Operator. The Market Operator shall make available a template for the submission of performance data to the Wholesalers and maintain this under appropriate change control. The Market Operator shall also make available guidance as to how Wholesalers should measure and report their performance, e.g. measurement of lapsed time, in order to ensure 'like for like' comparative reporting of Wholesaler performance data.
- 5.3.3 Each Wholesaler shall report the following data in respect of each of the Operational Performance Standards:
- (a) the number of tasks completed within the reporting period;
  - (b) the number of tasks completed within the time permitted;
  - (c) the percentage of tasks completed within the time permitted;
  - (d) the number of tasks outstanding at the end of the reporting period;
  - (e) the number of tasks outstanding at the end of the reporting period that are within the time permitted; and
  - (f) the number of tasks outstanding at the end of the reporting period that are outside the time permitted.

- 5.3.4 The above data shall be presented in the quarterly submission in such a way that performance against the Operational Performance Standards can be viewed in respect of each individual Month within the quarterly reporting period.
- 5.3.5 For the above purposes, where a different timescale for a relevant task (i.e. a task referenced within an Operational Performance Standard) to be completed has been agreed at the request of a customer in accordance with the Operational Terms, then this different timescale should be used when determining and reporting whether that specific task has been completed or is outstanding.
- 5.3.6 The Market Operator shall not be responsible for checking or ensuring the accuracy of the performance data submitted by a Wholesaler.

#### **Publication of Operational Performance Standards Peer Comparison Report**

- 5.3.7 Within fifteen (15) Business Days of the end of each quarter, the Market Operator shall compile and publish on its website a report (the “Operational Performance Standards Peer Comparison Report”) which:
- (a) allows comparison of the performance of Wholesalers against the relevant Operational Performance Standards in respect of the most relevant quarter; and
  - (b) illustrates any change in the level of each Wholesaler’s performance against each relevant Operational Performance Standard over the preceding twelve (12) Months (or such period in respect of which data is available during the first twelve (12) Months following the Go Live Date).
- 5.3.8 The Market Operator shall, from time to time, agree the format of the Operational Performance Standards Peer Comparison Report with the Panel (or Market Performance Committee if this function has been delegated by the Panel).

## 6. Market Operator Performance Reporting

- 6.1.1 The Market Operator shall monitor its compliance with its obligations set out in the Wholesale-Retail Code, CSDs and any other relevant legal requirements or policies and shall provide a report to the Panel, at such frequency and in such format as agreed by the Panel from time to time, setting out the extent to which it is meeting or failing to meet such obligations, evidenced with appropriate metrics. These reports shall be non-confidential and shall therefore be available to all Trading Parties.
- 6.1.2 The report to the Panel may include (and need not be limited to) the Market Operator's performance in relation to the following matters:
- (a) the performance of the Market Operator's functions and obligations under the Wholesale-Retail Code and Market Arrangements Code;
  - (b) the operational performance of the Central Systems;
  - (c) the publication of documents and other information as required under the terms of the Wholesale-Retail Code and Market Arrangements Code;
  - (d) the availability of the Market Operator Systems and services during Business Days and Extended Hours (as appropriate);
  - (e) the performance of Settlement Runs;
  - (f) the number of Trading Disputes or other Disputes involving the Market Operator;
  - (g) service management (including query response times);
  - (h) security incidents;
  - (i) business continuity incidents;
  - (j) administration of the change process and implementation of Approved Changes (time/cost/quality);

- (k) implementation of the Market Performance Framework;
- (l) implementation of the Market Entry Assurance and Market Reassurance processes; and
- (m) provision of performance guidance and training to Trading Parties

6.1.3 If the Market Operator identifies that it has failed to meet any relevant obligation, the Market Operator shall provide a written report to the Panel confirming the remedial steps that it shall take (or has already taken) to rectify this and the steps that it shall take to avoid any such failure reoccurring.



## 7. Performance monitoring and reporting and Performance Resolution

### 7.1 Overview

7.1.1 The Market Operator shall use the data available to it from the Central Systems to monitor and report on the performance of each Trading Party against its obligations in the Market Terms and CSDs, and to identify any issues which should be addressed using the Performance Resolution process.

### 7.2 Performance reporting and availability of performance data

7.2.1 In addition to the publication of Peer Comparison reports, the Market Operator shall make available to each Trading Party appropriate data and reports to allow each Trading Party to understand its own current and historic performance. Such data and reports shall be provided in accordance with CSD 0302 (Standing Reports and Data Extracts).

7.2.2 The Market Operator shall also develop and present such reports on the performance of Trading Parties as may be required to:

- (a) facilitate the exercise of the functions of the Panel or Market Performance Committee; or
- (b) respond to a request for information on the performance of any Trading Party received from a Relevant Authority.

7.2.3 The Market Operator shall maintain and regularly publish a list of any Trading Parties that are currently subject to a Performance Rectification Plan, established in accordance with Section ~~7.67-7~~ of this CSD. This publication may, for example, be achieved by including the list in a regular progress report on the implementation of the Market Performance Framework provided by the Market Operator to the Panel.

## 7.3 Performance Resolution - monitoring of Market Performance Standards and Additional Performance Indicators

7.3.1 The performance data to be monitored by the Market Operator for the purposes of identifying performance issues that should be addressed using the Performance Resolution process shall include:

- (a) the performance of each Trading Party against the Market Performance Standards set out in Table 1 in Section 3.3 of this CSD; and
- (b) the performance of each Trading Party against a number of Additional Performance Indicators that shall not attract Market Performance Standard Charges in the event of failure, but which may indicate an underlying performance issue. These Additional Performance Indicators may include (and shall not be limited to) indicators of whether a Trading Party:
  - (i) is the Data Owner for a significant number of meters where no valid Meter Read has been submitted for an extended period;
  - (ii) has been responsible for a disproportionate number of Erroneous Transfers;
  - (iii) has submitted a disproportionate number of Transfer Cancellation Requests in accordance with Section 4.7 of the Market Terms and CSD 0103 (Registration: Cancellations and Erroneous Transfers);
  - (iv) has submitted a disproportionate number of requests for market data to be amended in accordance with CSD 0105 (Error Rectification and Retrospective Amendments);
  - (v) has been found to be responsible for a disproportionate number of Settlement Errors resolved by means of the Trading Disputes process;

- (vi) has been found to be responsible for a disproportionate number of settlement exceptions which require resolution by the Trading Party;
- (vii) has made a disproportionately high level of use of the interface described in CSD 0406 (Service Management Interface); or
- (viii) has failed to maintain the non-transactional data sets for which it is responsible in accordance with the requirements of CSD 0006 (Trading Party Administration and Notification Processes).

7.3.2 In assessing the performance of a Trading Party for these purposes, the Market Operator shall have regard to the volume of relevant transactions undertaken by that Trading Party relative to its size, and to the relative performance the Trading Party as compared to other Trading Parties.

7.3.3 The annual Market Performance Operating Plan established in accordance with Section 2.3 of this CSD shall:

- (a) identify the Additional Performance Indicators against which the Market Operator shall monitor Trading Party performance in the Year to which the Market Performance Operating Plan relates; and
- (b) include guidance as to how the Additional Performance Indicators should be applied in order to identify underlying performance issues, and the Market Operator shall have due regard to any such guidance.

7.3.4 In order to enable effective monitoring against the Additional Performance Indicators, the Market Operator may require data or information that would not be available to the Market Operator from within the Market Operator Systems. Where this is the case, the Market Operator shall request the provision of this additional data from a Trading Party. Where a Trading Party receives such a request from the Market Operator it shall take all reasonable steps to provide the requested data or information in such a format and within such timescales as the Market Operator may reasonably specify.

## 7.4 Initial Performance Rectification Plan

7.4.1 Where a performance issue has been identified with reference to one or more Market Performance Standards or Additional Performance Indicators, the Market Operator shall ask the relevant Trading Party to provide an Initial Performance Rectification Plan detailing the steps it will take to resolve the issue and the timescales for the completion of those steps. The Initial Performance Rectification Plan must include milestones, i.e. points in the plan at which the Market Operator can check progress. As a general rule, milestones should not be more than three (3) Months apart and should include the date by which the Trading Party intends the issue to be resolved, or a date by which it will submit more milestones or a new Action Plan. The milestones should either be distinct points within the Initial Performance Rectification Plan (e.g. 'root cause analysis completed' or 'software fix implemented') or measurable targets backed up by the actions that will be taken to reach targets (e.g. 'the number of errors reduced to [x]').

7.4.2 The purpose of an Initial Performance Rectification Plan is to:

- (a) inform the Market Operator of the cause of the issue, its impact and the corrective action being taken;
- (b) assure the Market Operator that the issue is fully understood, that corrective action is appropriate and that the issue is under control;
- (c) allow the Market Operator to monitor the resolution of the issue; and
- (d) identify instances where it is necessary to escalate the resolution of the performance issue to the Market Performance Committee and/or Panel.

7.4.3 The Market Operator shall provide a report to each meeting of the Panel and Market Performance Committee on each Trading Party currently subject to an Initial Performance Rectification Plan and its specific progress against the relevant plan. These party-specific progress reports shall be treated as confidential.

7.4.4 A Trading Party shall provide an Initial Performance Rectification Plan to the Market Operator within twenty (20) Business Days of being requested to do so by

the Market Operator. The Market Operator shall review the plan within five (5) Business Days of receiving it. The review process ensures that the proposed corrective action is appropriate, robust and timely. The Market Operator may have comments from the review which the Trading Party shall need to address by updating and resubmitting the Initial Performance Rectification Plan within five (5) Business Days of receipt of any such comments from the Market Operator. This process shall be repeated until the Initial Performance Rectification Plan is confirmed as satisfactory by the Market Operator.

## **7.5 Initial Performance Rectification Plan monitoring**

7.5.1 The Market Operator shall monitor each milestone on an Initial Performance Rectification Plan. Once the date of each milestone is reached, the Trading Party must inform the Market Operator as to whether the milestone has been achieved or not. If it has not been achieved, the Trading Party must give reasons and explain what steps will be taken in order to realign its progress with the milestones on the Initial Performance Rectification Plan. This information needs to be sent to the Market Operator within five (5) Business Days of the milestone date. In addition, the Market Operator shall check any other available monitoring information to confirm whether the milestone has been achieved (e.g. performance monitoring data). If the Trading Party wishes to amend the Action Plan, a new version shall be created and sent to the Market Operator for review and agreement as set out in Section 7.4.4 above.

7.5.2 When all actions on an Initial Performance Rectification Plan are complete, the Market Operator shall agree with the Trading Party that the Performance Resolution process can stop. If the issue was highlighted by another body (e.g. the Market Auditor) then the Market Operator shall also agree with that other body that the Performance Resolution process can stop.

## **7.6 Escalation to Market Performance Committee or Panel**

7.6.1 The Market Operator shall be entitled to escalate a performance issue in the following circumstances:

- (a) a Trading Party has failed to submit a satisfactory Initial Performance Rectification Plan to the Market Operator in an appropriate timescale;
- (b) a Trading Party has not completed the actions set out in an Initial Performance Rectification Plan or has failed to keep the Market Operator informed of its progress against the Action Plan;
- (c) a Trading Party has failed to fulfil the requirements of a previous escalation; or
- (d) the performance issues that the Trading Party is experiencing continue to have a significant effect on the calculation of Wholesale Charges, and/or a significant impact on other Trading Parties.

7.6.2 Escalation shall generally be first to the Market Performance Committee, followed by escalation to the Panel if no improvements are made whilst in Market Performance Committee escalation.

7.6.3 If a Trading Party's performance issue is escalated, evidence of the performance issue and details of what was or was not achieved through the Initial Performance Rectification Plan process shall be presented by the Market Operator to the Market Performance Committee or Panel (as appropriate). The Market Performance Committee or Panel may ask the Trading Party to present its proposals to resolve the issue to them and may also agree the actions to be taken.

#### **Performance Rectification Plan**

7.6.4 After having considered the matter (and any submission from the relevant Trading Party) the Market Performance Committee or Panel (as appropriate) shall determine a Performance Rectification Plan setting out the remedial steps that the Trading Party shall be required to take in order to address the escalated performance issue. Remedial steps may include (but need not be limited to):

- (a) further attendance at meetings of the Market Performance Committee or Panel to report on progress against the Performance Rectification Plan; and/or

- (b) a requirement for the Trading Party to undertake some level of Market Re-Assurance activity as described in CSD 0001: (Market Entry Assurance and Market Re-assurance (enduring requirements)).

#### **Performance Rectification Plan monitoring and de-escalation**

- 7.6.5 The Market Performance Committee or Panel (as appropriate) shall monitor progress in conjunction with the Market Operator to ensure that the agreed remedial steps are completed. The Trading Party shall stay within the escalation process with the Market Performance Committee or Panel until it is either escalated further or de-escalated. If performance improves, then de-escalation from the Panel to the Market Performance Committee or from the Market Performance Committee back into the normal Market Operator performance monitoring process can occur. If performance does not improve (in the case of Market Performance Committee escalation), then the Trading Party can be escalated to the Panel.
- 7.6.6 The Market Operator shall provide a report to each meeting of the Panel and Market Performance Committee on each Trading Party currently subject to a Performance Rectification Plan and its specific progress against the relevant plan. These party-specific progress reports shall be treated as confidential.

## 8. Performance guidance

### 8.1 Market Operator performance guidance

- 8.1.1 The annual Market Performance Operating Plan established in accordance with Section 2 of this CSD shall identify any topics in respect of which the Market Operator should make available ongoing training and/or publish guidance documents.
- 8.1.2 This training and/or guidance should focus in particular on any topics that would assist in addressing the market risks and/or areas of common non-compliance or underperformance identified in the Market Performance Operating Plan.
- 8.1.3 The provision of this training and/or guidance shall be delivered on either a non-chargeable or chargeable (Additional Service) basis, with this being determined as part of the process of establishing the Market Operator budget in accordance with the Market Arrangements Code.