

WHOLESALE-RETAIL CODE CHANGE PROPOSAL/ CHARGING CHANGE PROPOSAL

For use by the Panel

Change Proposal Reference <i>(To be completed by the Panel Secretary)</i>	CPW036	Version No	1.0
Type of Change Proposal: <i>(delete as appropriate)</i>	Change Proposal		
	Charging Change Proposal		
Submission Date	15/05/2018		
Title: of Change Proposal/Charging Change Proposal	G/02 & G/03 Trade Effluent Form amendments and creation		
Summary: of Change Proposal/Charging Change Proposal <i>(40 to 50 Words Maximum)</i>	This Change Proposal covers a series of amendments to the G/02 form to improve the usability of the form used in Processes G2, G3, G5 and G6 to make it easier for the NHH Customer and Retailers to comply with their regulatory obligations. It also proposes a new G/03 Form for applications for temporary Trade Effluent consents (duration of 6 months or less).		
General Details of the Proposer			
Name of Proposer	Patricia Quintana		
Capacity (to submit Change Proposals and Charging Change Proposals – on behalf of a Party, as a Panel member, as the customer representative, or the Market Operator or on behalf of the Authority; or Charging Change Proposals – on behalf of a Wholesaler).	Southern Water – Wholesaler		
Contact Email	Patricia.Quintana@southernwater.co.uk		
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The Proposer recommends that this Change Proposal/Charging Change Proposal should initially: <i>(delete as appropriate)</i>	Proceed to Assessment		
	Proceed to Consultation		
	Proceed to Recommendation		
Is the change Urgent (Yes/No)?	No		

If yes, please provide reason for urgency (if applicable)	
Related Documents	
Reference of any associated (Interim) Code Panel Change Proposal/ Charging Change Proposal	N/A
Documents Accompanying Form	<ol style="list-style-type: none"> 1. New Temporary Consent Form - G/03 Form 2. Revised G/02 Form Tracked Changes v1.0 3. Schedule 1, Part 3 Operational Terms 4. Schedule 1, Part 4 Market Terms 5. CSD 0206 - Trade Effluent Processes 6. Annex G - process diagrams
Change Proposal/ Charging Change Proposal Details	
Description of (i) the issue or defect which this Change Proposal seeks to address, or (ii) the modified or new charging method or charging structure required pursuant to this Charging Change Proposal, as required under the Market Arrangements Code Section 6.2.1(b).	
<p>G/02 Form Amendments:</p> <p>A series of concerns relating to the suitability of the G/02 – Trade Effluent Discharge Notice form (G/02 form) have been raised by the Trade Effluent Practitioners Network (TEPN), the Trade Effluent Issues Committee (TEIC) and respondents of the PwC audit. These concerns relate to the structure and content of the G/02 form as well as compliance related issues. The individual issues raised are summarised below.</p> <p>1. List of Hazardous Substances</p> <p>The list of hazardous substances detailed in Annex A of the G/02 is frequently updated by the Environment Agency (EA), creating a need to update the G/02 form to ensure alignment. This causes two problems;</p> <ul style="list-style-type: none"> • Change Proposals need to be written, raised and approved every time an amendment is made to the hazardous substances list to be consistent with EA guidelines; and • The consent signed by the customer will not be aligned with the appropriate list of hazardous substances if there is misalignment between the market codes and the EA list. This creates an unnecessary compliance risk. <p>2. Length</p> <p>As of 28th February 2018, the G/02 form is 20 pages in length. This represents a significant resource requirement for Retailers and/or Non-Household (NHH) customers to complete appropriately.</p> <p>3. Use of Language</p> <p>There are a number of problems with the language used in the form. The key issues are detailed below:</p>	

- The use of the word 'should' is used throughout the form and is inappropriate as it implies that the details or actions requested in the form are not mandatory. There is other language throughout the document which is misleading in this way.
- The title and some text in the form does not clearly convey that the purpose of the form is for the NHH customer to request a consent as opposed to the NHH customer notifying the Wholesaler of a Trade Effluent discharge.
- The naming of some of the sections in the form are inaccurate or misleading.
- Some of the terminology used is not well understood by Retailers or NHH customers.
- Further clarification is required for some questions. Please see the table below for summary of sections that require improved explanation/clarification.

Section	Explanation/clarification required
Introduction	Customer needs to aware that submission of the application form does not mean they can discharge
Trade Effluent Discharge Description	No area to capture change in discharge information if a G/02 is submitted for a variation of consent
Trade Effluent Discharge Description	Improved explanation of substances discharged required as well as advising NHH customers of what is not permitted to be discharged
Trade Effluent Sampling and Monitoring	Clearer guidance required for drainage plans (a section that often causes a rejection of a G/02 application)
Monitoring/water consumption sections	Confusing as there are 2 sections asking for private meter information.
Termination/Discontinuation	Confusion with 2 sections being combined
Declaration by the Authorised signatory	Clarification of legal/financial obligations of the NHH customer
Declaration by the Retailer	A section accepting Retailer liability for Wholesale Charges should be added.

Table 1: improved explanation/clarification section list

4. Layout of Form

The current layout of the form does not aid applicants in completing the G/02 form. The key issues are detailed below:

- The ordering of the sections of the form is non-intuitive.
- The layout of the form e.g. location of free text fields and tick boxes, is not user friendly and does not guide the customer applying for consent to complete the appropriate sections.
- Questions are not currently in the appropriate sections.

5. Redundant or rarely required sections

Discussions by the TEIC and TEPN have highlighted a number of sections in the G/02 form that are rarely required or are redundant. Individual areas are detailed in the table below;

Section	Redundant or Rarely Used Sections with Reason
Preamble/Introduction	Application made to Wholesaler (not used by Wholesaler or Retailer)

	Operational term process descriptions (not used by Wholesaler or Retailer)
Retailer Details	Contact name, contact number and contact e-mail (duplicate of information in section 14 – Declaration of Retailer)
Type of application	N/A
Details of applicant to which the application relates	Section 3.2 - Fax Number (not used by Wholesaler or Retailer) Section 3.3 - UPRN, VOA BA ref, PAF Address Key, (are associated with SPID therefore info not required) Customer Banner Name (duplicate field) Section 3.4 - Nature of business section (duplicate field)
Trade Effluent Discharge Description	Section 4.1 - Introduction Section 4.3 - Method of measuring discharge flow. (duplicate information capture)
Water Consumption Information	Employee number, canteen meals, shifts (Water consumption information is expressed and calculated differently by each Wholesaler. The information in this section is specific to an individual Wholesaler so not appropriate for the majority of Wholesalers.)

Table 2: redundant or rarely used sections list

In addition to the above all references to time limited consents will be redundant as they will be covered in the new G/03 form specifically for temporary consents (less than 6 months).

6. Level of Detail

A number of sections request inappropriate information. There are also sections where additional information is required: Information on SPID creation requirements is needed; and information on water supply meters associated to a discharge is required.

The table below summarises the areas effected and the key issues;

Section	Description of Issue
Nature and composition of Trade Effluent discharging to the public sewer	The free text field does not sufficiently guide users in the completion of the consent application which could lead users to omit the required information or populate fields with inappropriate information.
Trade Effluent Monitoring and Location	This section is too detailed and contains information that is best placed in other sections for ease of understanding of the NHH customer.
Water Loss	This section is incorrectly named as these represent Trade Effluent charge allowances as opposed to water losses.

<p>Discontinuation or Termination of Consent</p>	<p>Feedback from the TEIC indicates that Wholesalers are not discontinuing consents; rather, they are terminating consents and if Trading Parties want to continue the consent they submit the G/02 again.</p>
<p>Consent from Retailer to contact the Non-Household Customer</p>	<p>The current structure of this section has a tick box that asks the Retailer to confirm that the Wholesaler may contact their NHH customers to arrange site visits as appropriate. In the majority of cases this is what the Retailer would like; however, this section is often not completed correctly leading to additional delays for the NHH customer.</p>

Table 3: issues summary

7. Typographical Errors

In Section 2 - e), the description does not guide users to the relevant sections that need to be completed.

G/03 Form Creation:

Temporary Trade Effluent consents were identified as a major market issue during the PwC audit. Retailers raised their concerns in terms of complexity of the G/02 Form used for these applications and also the differing approaches by Wholesalers registering Discharge Points (DPIDs) in relation to these consents in CMOS.

This proposal seeks to clarify and improve the process followed by Retailers (including Non-Household Customers) when applying for a temporary (less than or equal to 6 months' duration) Trade Effluent discharge by:

- Creating a new G/03 form for these temporary Trade Effluent discharges to simplify the application process for Retailers and reduce the administrative burden on both Retailers (including their customers) and Wholesalers; and
- Amending the Market Terms and CSD 0206 to make it clear that requirements for a Discharge Point exclude temporary Trade Effluent consents even if a SPID for the eligible premise exists.

CSD 0206

The wording in CSD 0206 is being interpreted differently by Trading Parties resulting in different Retailer experiences depending upon which Wholesaler they are communicating with. The extract below relates to the section of the CSD which is causing some difference of opinion between Trading Parties.

2. Trade Effluent Discharge Points

2.1 Requirements for a Discharge Point

2.1.1 A Sewerage Wholesaler shall Register a Trade Effluent Discharge Point in the Central Systems in respect of each Trade Effluent Consent which has been granted by the Sewerage Wholesaler where one or more of the following applies:

(a) Primary Charges are applicable for the Trade Effluent; or

(b) a Supply Point for the Eligible Premises exists within the Central Systems; or

(c) the Trade Effluent Consent is neither time limited nor temporary; or

(d) the Trade Effluent Consent is time limited or temporary, but the duration of the Trade Effluent Consent is at least six (6) Months.

2.1.2 For the avoidance of doubt, Trade Effluent Consents include temporary consents, time limited consents, letters of authorisation and consents in relation to discharges whether or not Primary Charges are payable on such consents.

2.1.3 Where there are no Primary Charges payable in respect of a Trade Effluent Consent, the Sewerage Wholesaler shall apply a Null Tariff to that Trade Effluent Consent which will not compute any Primary Charges. However, the Trade Effluent Consent will be reported in the Market Dataset.

This proposal seeks to clarify that if a consent exists at a SPID for a duration of 6 months or less, then it does not have to be entered into CMOS as per point (b) above.

Note: This Change Proposal does not seek to modify or change the charging method or structure.

Description of the Change Proposal/ Charging Change Proposal, its nature and purpose and (for Change Proposals only) how it is consistent with the Principles and falls within the Objectives noted below, as required under the Market Arrangements Code Section 6.2.1(c).

G/02 Form Amendments

Full details of the changes to the previous G/02 can be found in Attachment 1 – G/02 Form Drafting Amendments. A summary of the key changes is given below.

1. List of Hazardous Substances

This will be removed from the G/02 form and be maintained under Panel governance on the MOSL website.

2. Length

The changes have shortened the consent application to 14 pages.

3. Use of Language

The following amendments have been made to the language used in the form;

- All instances of 'should' have been changed to 'must'. The word 'please' has also been removed from the form.
- Wording has been changed to clarify that the purpose of the form is to request consent.
- Titles for sections of the form have been altered
- Language alterations so that terminology used is more likely to be understood by NHH customers and Retailers
- Improved explanation/clarification of sections to help NHH customers and Retailers complete the form.

4. Layout of Form

The following amendments have been made to the layout of the form:

- The ordering of sections in the form has been changed; and
- Free text fields and tick boxes have been rearranged as appropriate.

5. Redundant or rarely required sections

The sections detailed in table 1 above have been removed from the form. All references to the provision of information relating to temporary/time limited consents have been removed.

6. Level of Detail

To improve the quality of the forms returned, the following information has been added:

- Type of application - Information on SPID creation requirements are needed.
- Information on Water supply meters associated to a discharge is required.
- New Operational Information Section 3.4 - E-mail Contact Details
- New section 4 Variation Information

Section	Changes to Address Issue
Nature and composition of Trade Effluent discharging to the public sewer	Rather than free text fields, a simple tick box table has been developed which gives a list of substances that need to be considered to help guide users to provide information on the relevant substances.
Trade Effluent Monitoring and Location	The section has been merged with relevant sections from the water supply details section. A number of overly specific questions have been removed.
Volume Assessment	This section replaces the Water Consumption Information section. A number of overly specific questions have been removed e.g. GIS X and GIS Y Coordinates. Questions on meter information have all been moved to this section.
Allowances	This section replaces the Water Loss section of the G/02 form. Calculations by percentage volume have been separated from cubic meters per day calculations.
Termination of trade effluent consent	This section replaces 'Discontinuation or termination of Trade Effluent consent'.
Discontinuation of trade effluent consent	This section replaces 'Discontinuation or termination of Trade Effluent consent'.
Declaration by the authorised signatory	A clarification point that the authorised signatory is liable for the Retail Charges has been added.
Consent from Retailer to contact the Non-Household Customer	Re-wording so that the default position is for the Wholesaler to contact the Retailer's NHH customer.
Declaration by the Retailer	A section accepting Retailer liability for Wholesale Charges has been added.

Table 4: changes to address issues summary

7. Typographical Errors

Sections have been reorganised and the sections referenced in section 2 – e) now list the appropriate sections.

G/03 Form Addition

The creation of a shorter application form of 10 pages.

Operational Terms

In Process G2, when applying for a Trade Effluent consent, this form is referenced for temporary consent applications.

CSD0206

There are two changes to CSD 0206 these are;

- 1) A requirement that Discharge Points are not set up in the Central Systems for Trade Effluent Consents less than or equal to six (6) months in duration.
- 2) For trade effluent consents greater than six (6) months with no Primary charges there is a requirement to set up a Discharge Point in the Central Systems with a null tariff.

Market Terms

A requirement that Discharge Points are not set up in the Central Systems for Trade Effluent Consents less than or equal to six (6) months in duration is added to the drafting.

Principles and Objectives

Description of the principles and objectives affected by the change proposal on the items below (if applicable) as detailed in Part A of Schedule 1 Part 1: Objectives Principles and Definitions.

Principles	Affected (Y/N)	Description
Efficiency	Y	<p>The changes detailed will reduce the need for change requests to update hazardous substance information. Additionally, the usability improvements should improve the quality of applications received by Wholesalers reducing the amount of time expended by Trading Parties to obtain appropriate consent information. Reduced incidents of form rejection and communications for information clarification.</p> <p>The creation of a new G/03 form will reduce the administration process for Retailers, Non-Household Customer and Wholesalers when applying for permission to discharge temporary (less than or equal to 6 months in duration) Trade Effluent.</p>
Proportionality	Y	<p>Temporary discharges will form a considerable proportion of the types of trade effluent discharges in the market. These are over 3000 per annum.</p>

Transparency	Y	The clarifications and changes in wording will make it easier for Trading Parties to understand what is required for each section of the form. This change request seeks to provide clarity of the process of processing temporary trade effluent consents.
Simplicity, cost-effectiveness and security	Y	The removal of redundant and repeated wording makes the form simpler and easier to use. Reduced incidents of form rejection and communications for information clarification. This proposal simplifies the application process for these types of trade effluent discharges. This simplification will reduce the time taken by all parties in process such applications. There will be the need for less information to be collected, so improving security of data being transferred via the systems.
Barriers to entry	N	
Non-discrimination	N	
Customer participation	Y	The changes detailed will make the form easier to understand and quicker to complete allowing customers to engage with consent applications. Time to action customer applications should improve. The completion of a Trade Effluent consent requires significant customer participation. This change seeks to minimise the impact on the customer. In addition, it seeks to provide consistency in relation to customer participation in the application of temporary discharges. Ofwat and CCWater are aware of variation in service that Retailers (including end consumers) are receiving from Wholesalers and are monitoring the situation.
Customer contact	Y	Reduction / improved communication with customers for form clarifications/rejections. This simplified process will minimise the amount of customer contact required and will increase the efficiency of the process for the NHH customers. It will ensure a consistent process is followed by all Wholesalers in relation all Trade Effluent discharges.
Seamless markets	Y	The proposal seeks to reduce the administrative burden on Retailers, customers and Wholesaler when applying for temporary discharges by the creation of a less complex application form. It also seeks to ensure consistent application of the process by all Wholesalers. The agreed process mirrors the Scottish market. i.e. map codes to follow but billed as a non-primary charge.

No limit on upstream competition	N	
Business Terms Objectives	N	
Operational Terms Objectives	Y	As detailed in earlier section of the change proposal.
Market Terms Objectives	Y	As detailed in earlier section of the change proposal
Description of the impact of the Change Proposal/ Charging Change Proposal on the following items, as required under the Market Arrangements Code Sections 6.2.1 (f), (g) and (h).		
Configured Item	Impacte d (Y/N)	Description
Schedule 1: Terms and Conditions of a Wholesale Contract	N	
Wholesale-Retail Code, Schedule 1 Part 1 (Objectives, Definitions and Principles)	N	
Wholesale-Retail Code, Schedule 1 Part 2 (Business Terms)	N	
Wholesale-Retail Code, Schedule 1 Part 3 (Operational Terms)	Y	As detailed in earlier section of the change proposal.
Wholesale-Retail Code, Schedule 1 Part 4 (Market Terms)	Y	As detailed in earlier section of the change proposal.
Wholesale-Retail Code, Schedule 1 Part 5 (CSDs)	Y	As detailed in earlier section of the change proposal.
Wholesale-Retail Code, Schedule 1 Part 6 (Operational Forms)	Y	G/02 – Trade Effluent Discharge Notice form G/03 – Temporary Trade Effluent Consents Form
Appointment	N	
Licence	N	
Any other industry code, agreement or document (e.g. the Wholesale Contract or the MOSL Articles) (please specify)	N	
Central Market Operating System	N	

Trading Party systems which interface with Central Systems and other relevant Trading Party systems/ business processes.	Y	A number of Trading Parties use electronic forms for G/02 submissions. Trading Parties that use these forms will need to update the appropriate systems as a result of this change. The creation of a new G/03 Form will impact the Wholesale/Retail systems interface. However, it will not affect the interface with the Central Systems.
Scottish Core Industry Documents	Y	As above

Further Information

Description of any discussions on the topic of the Change Proposal/ Charging Change Proposal at the User Forum (as relevant) or otherwise relevant discussions with parties, as required under the Market Arrangements Code Section 6.2.1(i).

G/02 Form Amendments

This change request is supported by the TEPN (Trade Effluent Practitioners Network with representatives from all Wholesalers) which submitted a number of suggested changes which have been incorporated into this. The reduction in Trade Effluent applications being received is one of the principal areas of concern with Trade Effluent for Wholesalers and has increased the risk for Wholesaler compliance with the Water Industry Act. Many of changes proposed here were previously agreed with Open Water but were missed in the original code changes.

G/03 Additional Form

This Change Proposal formed part of the agenda at the last TEPN meeting and all those at the meeting supported the change.
Through our Contract Managers, this proposal has been discussed with the Retailers that we contract with. They are also in agreement with the proposal. This has also been presented and discussed at numerous TEIC meetings.

Further Comments