

# **Wholesale Contract**

## **Schedule 1:**

### **Part 4:**

#### **Market Terms**

## Change History

Version Number	Date of Issue	Reason For Change	Change Control Reference	Sections Affected
V2.0	18 <sup>th</sup> May 2018	Requesting a new connection SPID or entry change of use SPID where the retailer is unknown	CPW022	4.4.9 (b)
V3.0	31 August 2018	Deferral of Final Settlement Runs	CPW039	4.13.1 (f)
<u>V4.0</u>	<u>28<sup>th</sup> September 2018</u>	<u>G/02 and G/03 Trade Effluent form amendments and creation</u>	<u>CPW036</u>	<u>4.2.2. (f)</u>

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## Part 4: Market Terms

### Introduction

This Schedule 1, Part 4 of the Wholesale Contract contains the Market Terms which form part of the Wholesale-Retail Code and cover the arrangements for the Registration and Transfer of Non-Household Customers and for the calculation, by the Market Operator, of the Primary Charges due by the Contracting Retailer to the Contracting Wholesaler under the Wholesale Contract.

All references to the Market Terms include the relevant Code Subsidiary Documents as appropriate. Detailed processes, responsibilities and timescales for every Data Transaction are as set out in the relevant CSD. A full list of all CSDs is set out in part F of these Market Terms.

# 1. Part A: Role and duties of the Market Operator

## 1.1 Scope: Market Operator role

1.1.1 The Contracting Wholesaler and the Contracting Retailer acknowledge that the Market Operator has been, amongst other things, established to support the participation of the Contracting Wholesaler and the Contracting Retailer in relation to the Competitive Market. The Contracting Wholesaler and the Contracting Retailer each agree to work with the Market Operator in accordance with these Market Terms.

1.1.2 This Part A of the Market Terms describes, at a high level, the role that the Market Operator will carry out in supporting the Contracting Wholesaler and the Contracting Retailer in the Competitive Market. In particular the Market Operator will provide the facilities, resources and services required to:

- (a) enable the Registration of data concerning Non-Household Customers or Eligible Premises which is or may be relevant to the provision of Water Services or Sewerage Services by the Contracting Wholesaler to the Contracting Retailer in relation to the Competitive Market;
- (b) enable the transfer of Non-Household Customers from the Contracting Retailer to another Retailer;
- (c) enable the calculation of Primary Charges to be recovered by the Contracting Wholesaler from the Contracting Retailer; and
- (d) make provision for any related transitional, supplemental and ancillary matters.

1.1.3 The Contracting Wholesaler and the Contracting Retailer agree that in carrying out its role, the Market Operator shall:

- (a) exercise all due skill, care and attention recognising that the accuracy of data is key to the proper functioning of the Competitive Market;
- (b) act independently of the interests of any market participant or group of market participants and at all times act in the best interests of the market as a whole;

- (c) act impartially and show no undue preference in its relationship with and no discrimination between market participants;
- (d) act within the Market Terms Objectives and in a manner that is consistent with the Principles of the Wholesale-Retail Code;
- (e) in the absence of any specified time period (which shall take priority) act promptly when taking any action it is required to take;
- (f) comply with any direction of the Authority in respect of the application of the Wholesale-Retail Code in a proportionate manner to any Trading Party;
- (g) co-operate with the Authority in relation to the exercise of the Authority's Licence Compliance Functions or the Authority's Statutory Functions including under the Interim Supply Code and shall, without prejudice to the foregoing generality, furnish the Authority in such a manner and at such times as the Authority may require, such information (and shall procure and furnish to it such reports as it may require) in relation to the exercise of such functions; and
- (h) co-operate with the Central Market Agency in Scotland.

1.1.4 The Contracting Wholesaler and the Contracting Retailer agree that the Market Operator shall be permitted to sub-contract the performance of its duties under the Market Terms and, accordingly, to enter into, manage and enforce such sub-contracts. In sub-contracting any duties, the Market Operator shall remain liable for the acts, defaults and omissions of its sub-contractors.

1.1.5 The Contracting Wholesaler and the Contracting Retailer agree that the Market Operator shall carry out the functions set out in the remainder of this Part A of the Market Terms and as otherwise set out in the Market Terms.

## **1.2 Market Operator duties**

1.2.1 The Market Operator shall:

- (a) fulfil the role of the Market Operator and carry out the obligations of the Market Operator as set out or referred to in the Market Terms and the Disputes Procedure;
- (b) carry out its obligations as set out in the Market Arrangements Code in accordance with its terms;
- (c) carry out any activities reasonably ancillary thereto;
- (d) without prejudice to that generality, provide support and assistance to Trading Parties and the Panel and any Panel committees; and
- (e) shall not undertake any business or activity other than as set out in this Section 1.2.1.

### 1.2.2 **Commencement and cessation of trading**

The Market Operator shall administer the process whereby the Contracting Wholesaler and the Contracting Retailer are each permitted to commence trading by meeting the Trading Conditions for the Contracting Wholesaler's Area and the process whereby the Contracting Wholesaler and the Contracting Retailer will cease to be entitled to trade in the Contracting Wholesaler's Area if either of them meets the Cessation of Trading Conditions for the Contracting Wholesaler's Area.

### 1.2.3 **Market Entry Assurance, Market Re-assurance and Trading Party administration**

- (a) The Market Operator shall administer the Market Entry Assurance and Market Re-assurance processes in relation to the Contracting Wholesaler and the Contracting Retailer in accordance with CSD 0001 (Market Entry Assurance and Market Re-assurance).
- (b) The Market Operator shall administer the Trading Party administration and notification process in relation to the Contracting Wholesaler and the Contracting Retailer in accordance with CSD 0006 (Trading Party Administration and Notification Processes).

### 1.2.4 **Operate, maintain and develop processes and systems**



The Market Operator shall:

- (a) operate and maintain the processes and systems, including the Central Systems, and carry out the functions set out in in the Market Terms to allow it to calculate Primary Charges and to issue Settlement Reports in accordance with all relevant Code Subsidiary Documents;
- (b) provide Settlement Reports to the Contracting Wholesaler and the Contracting Retailer in accordance with the Market Terms;
- (c) capture data and review and validate Data Transactions in accordance with the Market Terms;
- (d) implement any Approved Change including any resultant amendments required to the Central Systems in an efficient and co-ordinated manner and in accordance with CSD 0501 (Change management (implementation));
- (e) evaluate any notification received by the Market Operator from the Contracting Wholesaler or the Contracting Retailer or the Market Auditor which raises any enquiry relating to any potential defect in the Central Systems and take any steps required to ensure that the Central Systems comply with the Market Terms;
- (f) deal with enquiries from the Contracting Wholesaler and the Contracting Retailer relating to any relevant matters including the calculation of Volume and Primary Charges in accordance with Section 1.2.9;
- (g) make all communications in the format and to the standards (including accuracy and security) and timescales required by the Market Terms and the CSDs; and
- (h) be permitted to modify the Central Systems and processes where such modification does not impact on the Contracting Wholesaler and/or the Contracting Retailer, and improves the effectiveness, resilience and/or security of the Market Operator.

### 1.2.5 Performance Standards and monitoring

The Market Operator shall:

- (a) carry out the duties of the Market Operator set out in CSD 0002 (Market Performance Framework) including, preparing and publishing the annual Market Performance Operating Plan and the Annual Market Performance Report and monitoring the performance of Trading Parties against the Market Performance Standards and the Additional Performance Indicators;
- (b) be entitled to require that the Contracting Wholesaler and/or the Contracting Retailer carries out Market Re-assurance in accordance with CSD 0001 (Market Entry Assurance and Market Re-assurance) where Performance Resolution requires it;
- (c) monitor its own compliance with its obligations set out in the Market Terms including all Code Subsidiary Documents, any other relevant legal requirements or policies and shall provide a report to each scheduled meeting of the Panel in such format as agreed by the Panel from time to time and setting out the extent to which the Market Operator is meeting or failing to meet such obligations;
- (d) provide a written report to the Panel confirming the remedial steps that it shall take (or has already taken) to rectify any such failure to perform and the steps it shall take to avoid any such failure recurring; and
- (e) appoint or remove any Market Auditor in accordance with Section 4.18.

#### 1.2.6 **Supporting the change process and the Panel**

The Market Operator shall appoint a secretary to the Panel and any Panel committees and provide support services to the Contracting Wholesaler and the Contracting Retailer, the Panel and Panel committees in accordance with the Market Arrangements Code.

#### 1.2.7 **Providing Reports**

- (a) The Market Operator shall provide Reports to the Contracting Wholesaler and the Contracting Retailer, the Authority, the Panel and Disputing Parties (as specified in respect of each Report) in accordance with the

Market Terms which will include all relevant CSDs and other information and materials as specified and required from time to time.

- (b) The Market Operator shall be entitled to release data and provide information at the request of the DWI, the Environment Agency and Natural Resources Wales with the authority of the board.
- (c) The Market Operator shall be entitled to release data and provide other reports to the Contracting Wholesaler and/or the Contracting Retailer in response to ad hoc requests therefore as part of the provision of Additional Services, provided that:
  - (i) the Market Terms specify that such data or reports may be so released; or
  - (ii) the Contracting Wholesaler and/or the Contracting Retailer (or any affected Trading Party(ies) (or the relevant Non-Household Customer(s)) which is the subject of the data or report has consented to the release in writing; or
  - (iii) the release of the data or reports is approved by the board of the Market Operator.
- (d) Subject to the terms of the Disputes Procedure, the Market Operator shall release data and provide reports in order to assist in resolving any Dispute.

### 1.2.8 **Business continuity management**

The Market Operator shall establish and maintain robust business continuity and disaster recovery plans including a Market Incident Management Plan and shall comply with CSD 0007 (Business Continuity Management). Without limitation to the foregoing, the Market Operator shall obtain ISO 22301 accreditation (or any replacement or equivalent standard of accreditation adopted in place of ISO 22301) as set out in that CSD within six (6) months of the Go Live Date and shall maintain such accreditation in full force and effect. The Market Operator's business continuity and disaster recovery management system will be subject to review by independent third party assurance each Year.

### 1.2.9 Issues resolution and Disputes Procedure

- (a) The Market Operator shall issue and update from time to time a Working Procedure setting out its process for receiving and resolving enquiries and issues which shall include confirmation of any materiality thresholds or other criteria that the Market Operator shall apply in receiving and resolving enquiries.
- (b) The Market Operator shall log all permitted enquiries raised by the Contracting Wholesaler and the Contracting Retailer and shall provide assistance to the Contracting Wholesaler and the Contracting Retailer with a view to resolving such enquiries in accordance with the relevant Working Procedure as may be in force from time to time.
- (c) If, after raising an inquiry with the Market Operator the Contracting Wholesaler and the Contracting Retailer are unable to resolve any issue or enquiry between them or in relation to one or more other Trading Parties, then either or both of them may refer the matter to the Disputes Procedure. The Market Operator shall provide all reasonable assistance to the Contracting Wholesaler and the Contracting Retailer to assist in the resolution of any Dispute in accordance with the Disputes Procedure.
- (d) If, after raising an inquiry with the Market Operator, the Contracting Wholesaler and/or the Contracting Retailer are unable to resolve any issue or enquiry and consider that a Settlement Report is inaccurate for any reason (other than due to any error in or omission of any Data Item which shall be dealt with as a Trading Dispute), either or both of them may escalate the matter in accordance with Part E, Section 5 of the Market Terms (Resolving Inaccurate Settlement with the Market Operator).

### 1.2.10 Records and maintenance of Wholesale-Retail Code and Market Operator website

The Market Operator shall:

- (a) hold a copy of all data and records required by the Market Terms including all Data Items and archived and other historical records of

trading under the Market Terms and all historical data (including all transaction, reference and audit data, changes to Standing Data and changes to Wholesaler Tariff Data) relating to the operations of the Market Operator for a period of at least seven (7) years and make such records available for inspection to any person if expressly required by the Market Terms;

- (b) develop such guidance notes or information for the Contracting Wholesaler and the Contracting Retailer on such matters relating to the Market Terms as the Market Operator considers appropriate; and
- (c) develop and maintain a website relating to the carrying out of the Market Operator's duties to include:
  - (i) a complete, accurate and up-to-date version of the Wholesale-Retail Code and the Market Arrangements Code;
  - (ii) complete and accurate copies of all previous versions of the Wholesale-Retail Code and the Market Arrangements Code;
  - (iii) copies of all Change Proposals and Charging Change Proposals relating to the Wholesale-Retail Code and all Market Arrangements Code Change Proposals (provided that the name and/or contact details of the individual proposing the relevant change on behalf of any proposer shall not be published on the website unless the individual consents to such disclosure) and their current status;
  - (iv) records of all Panel discussions and recommendations and all Panel committee discussions and recommendations;
  - (v) copies of all consultation documents issued on the approval of the Panel and of all (non-confidential) responses received in relation to any Change Proposal, Charging Change Proposal or Market Arrangements Code Change Proposal;
  - (vi) any reports issued in accordance with the Market Terms which are to be made available to any person;

- (vii) any Working Procedures or guidance documents issued by the Market Operator;
- (viii) a schedule of Additional Services and Additional Services Charges; and
- (ix) any other matters which the Market Operator considers appropriate or which are required to be published on the website under the Market Terms.

#### 1.2.11 Provisions of Information

- (a) The Market Operator is obliged under the Wholesale-Retail Code, and the Market Arrangements Code to provide certain information and materials to the general public, the Panel and Trading Parties as set out in the relevant sections thereof.
- (b) The Market Operator shall establish a summary of list of materials and information to be published and the recipients, and to the extent the recipients are not specified under the Wholesale-Retail Code or the Market Arrangements Code establish and maintain a policy which sets out:
  - (i) information to be made available to the general public;
  - (ii) information to be made available to the Trading Parties;
  - (iii) information to be made available to Panel Members;
  - (iv) information to be made available to the Authority.
- (c) The Panel shall approve the information to be published under 1.2.11(b) and review from time to time.

For clarity, such information to be published in accordance with this Section 1.2.11 will not include the notification and distribution of Data Items and Reports, as those are specified in the relevant Code Subsidiary Documents in the Wholesale-Retail Code.

### 1.2.12 Working Procedures

The Market Operator shall issue Working Procedures documents to the Contracting Wholesaler and the Contracting Retailer from time to time setting out best practice guidance on specified aspects of the Market Terms.

## **2. Part B: Role and duties of the Contracting Retailer**

### **2.1 Scope**

2.1.1 This Part B of the Market Terms sets out or refers to the role of the Contracting Retailer in relation to the Market Terms.

2.1.2 In carrying out its duties under the Market Terms, the Contracting Retailer shall:

- (a) co-operate with the Contracting Wholesaler and any other Trading Parties in order to facilitate the orderly functioning of the Competitive Market;
- (b) exercise all due skill, care and attention recognising that accurate and up to date data is key to the proper functioning of the Competitive Market; and
- (c) in the absence of any specified time period (which shall take priority) act promptly when taking any action it is required to take.

### **2.2 Contracting Retailer's duties**

#### **2.2.1 Market Entry Assurance, commencing and ceasing trading**

- (a) The Contracting Retailer is required to meet the Trading Conditions for the Contracting Wholesaler's Area prior to being permitted to Register Supply Points in relation to that Area.
- (b) The Contracting Retailer shall complete the Market Entry Assurance process as required by the Market Operator in accordance with CSD 0001 (Market Entry Assurance and Market Re-Assurance).
- (c) The Contracting Retailer shall provide all of the information required by the administration and notification process in relation to the Contracting Retailer in accordance with CSD 0006 (Trading Party Administration and Notification Processes).
- (d) The Contracting Retailer shall notify the Market Operator when it has met the Cessation of Trading Conditions in relation to the Contracting Wholesaler's Area.



### 2.2.2 **Market Design**

The Contracting Retailer shall Register all of the Supply Points in respect of which it has agreed to provide or provides Water Services and/or Sewerage Services to Non-Household Customers from time to time and provide all Retailer Data Items required in relation to those Supply Points to the Market Operator in accordance with Part D of the Market Terms (Market Design) and as otherwise set out in the Market Terms.

### 2.2.3 **Performance Standards and monitoring**

- (a) The Contracting Retailer shall comply with CSD 0002 (Market Performance Framework).
- (b) The Contracting Retailer shall carry out Market Re-assurance in accordance with CSD 0001 (Market Entry Assurance and Market Re-assurance).

### 2.2.4 **Contracting Retailer's systems**

The Contracting Retailer shall, at its own cost:

- (a) maintain systems which are compatible with the Central Systems and the manner in which the Contracting Retailer intends to interface with the Central Systems;
- (b) make such changes to its systems as are required to implement any Approved Change in accordance with any reasonable requirements of the Market Operator;
- (c) make all communications in the format and to the standards (including accuracy and security) and timescales required by the Market Terms and the CSDs; and
- (d) maintain appropriate security arrangements in relation to its own systems and operations such that security, functionality and controls provided by the Central Systems are not compromised, such security arrangements including:

- (i) formal training of the Contracting Retailer's users of the Central Systems and formal training management procedures;
- (ii) adoption of formal user management procedures for authorisation of the Contracting Retailer's users of the Central Systems; and
- (iii) secure management of assets such as digital certificates which enable the identification, authentication and authorisation of the Contracting Retailer for access to the Central Systems and also confidentiality and non-repudiation for communications with the Central Systems,

noting that the Market Operator shall be entitled to assume that all communications made by the Contracting Retailer using the relevant interfaces with the Central Systems have been duly governed, authorised and issued on behalf of the Contracting Retailer.

#### **2.2.5 Business continuity management**

The Contracting Retailer shall establish and maintain robust business continuity and disaster recovery plans and cooperate with the Market Operator in relation to the Market Operator's business continuity management and shall comply with CSD 0007 (Business Continuity Management).

#### **2.2.6 Working Procedures**

The Contracting Retailer shall use all reasonable endeavours to act in accordance with any Working Procedures issued by the Market Operator from time to time.

#### **2.2.7 Issues resolution and Disputes Procedure**

- (a) The Contracting Retailer shall raise such enquiries in relation to any matter arising under or in relation to the Market Terms with the Market Operator as are permitted by any relevant Working Procedure as may be in force from time to time. The Contracting Retailer shall submit enquiries in any format specified by such Working Procedure.

- (b) If any enquiry cannot be resolved then the Contracting Retailer may raise it as a dispute in accordance with the Disputes Procedure.

### 2.2.8 Provision and maintenance of Data Items

In relation to those Data Items for which the Contracting Retailer is responsible the Contracting Retailer shall maintain such Data Items and keep them up to date at all times in accordance with the Market Terms and Code Subsidiary Documents.

## **3. Part C: Role and duties of the Contracting Wholesaler**

### **3.1 Scope**

3.1.1 This Part C of the Market Terms sets out or refers to the role of the Contracting Wholesaler in relation to the Market Terms.

3.1.2 In carrying out its duties under the Market Terms, the Contracting Wholesaler shall:

- (a) co-operate with the Contracting Retailer and any other Trading Party in order to facilitate the orderly functioning of the Competitive Market;
- (b) exercise all due skill, care and attention recognising that accurate and up to date data is key to the proper functioning of the Competitive Market; and
- (c) in the absence of any specified time period (which shall take priority) act promptly when taking any action it is required to take.

### **3.2 Contracting Wholesaler's duties**

#### **3.2.1 Market Entry Assurance, commencing trading and ceasing trading**

- (a) The Contracting Wholesaler is required to meet the Trading Conditions in relation to its Area.
- (b) The Contracting Wholesaler shall complete the Market Entry Assurance process as required by the Market Operator in accordance with CSD 0001 (Market Entry Assurance and Market Re-assurance).
- (c) The Contracting Wholesaler shall provide all of the information required by the administration and notification process in relation to the Contracting Wholesaler in accordance with CSD 0006 (Trading Party Administration and Notification Processes).
- (d) The Contracting Wholesaler shall notify the Market Operator when it has met the Cessation of Trading Conditions in relation to its Area.

### 3.2.2 **Market Design**

The Contracting Wholesaler shall provide all relevant data and information relating to Supply Points in its Area to the Market Operator in accordance with Part D of the Market Terms (Market Design) and as otherwise set out in the Market Terms.

### 3.2.3 **Performance Standards and monitoring**

- (a) The Contracting Wholesaler shall comply with CSD 0002 (Market Performance Framework).
- (b) The Contracting Wholesaler shall carry out Market Re-assurance in accordance with CSD 0001 (Market Entry Assurance and Market Re-assurance).

### 3.2.4 **Contracting Wholesaler's systems**

The Contracting Wholesaler shall, at its own cost:

- (a) maintain systems which are compatible with the Central Systems;
- (b) make such changes to its systems as are required to implement any Approved Change in accordance with any reasonable requirements of the Market Operator;
- (c) make all communications in the format and to the standards (including accuracy and security) and timescales required by the Market Terms and the CSDs; and
- (d) maintain appropriate security arrangements in relation to its own systems and operations such that security functionality and controls provided by the Central Systems are not compromised, such security arrangements including:
  - (i) formal training of the Contracting Wholesalers' users of the Central Systems and formal training management procedures;
  - (ii) adoption of formal user management procedures for authorisation of the Contracting Wholesalers' users of the Central Systems; and

- (iii) secure management of assets such as digital certificates which enable the identification, authentication and authorisation of the Contracting Wholesaler for access to the Central Systems and also confidentiality and non-repudiation for communications with the Central Systems,

noting that the Market Operator shall be entitled to assume that all communications made by the Contracting Wholesaler using the relevant interfaces with the Central Systems have been duly governed, authorised and issued on behalf of the Contracting Wholesaler.

### **3.2.5 Business continuity management**

The Contracting Wholesaler shall establish and maintain robust business continuity and disaster recovery plans and cooperate with the Market Operator in relation to the Market Operator's business continuity management and shall comply with CSD 0007 (Business Continuity Management).

### **3.2.6 Working Procedures**

The Contracting Wholesaler shall use all reasonable endeavours to act in accordance with any Working Procedures issued by the Market Operator from time to time.

### **3.2.7 Issues resolution and Disputes Procedure**

- (a) The Contracting Wholesaler shall raise such enquiries in relation to any matter arising under or in relation to the Market Terms with the Market Operator as are permitted by any relevant Working Procedure as may be in force from time to time. The Contracting Wholesaler shall submit enquiries in any format specified by such Working Procedure.
- (b) If any enquiry cannot be resolved then the Contracting Wholesaler may raise it as a Dispute in accordance with the Disputes Procedure.

### **3.2.8 Provision and maintenance of Data Items**

In relation to those Data Items for which the Contracting Wholesaler is responsible, the Contracting Wholesaler shall maintain such Data Items and

keep them up to date at all times in accordance with the Market Terms and Code  
Subsidiary Documents.

## 4. Part D: Market Design

### 4.1 Scope

4.1.1 This Part D of the Market Terms sets out the high level requirements for the market design and the high level duties which apply to the Contracting Wholesaler the Contracting Retailer and the Market Operator. It refers to a number of Code Subsidiary Documents (and these are listed and set out in Section 6 of these Market Terms) which contain the more detailed processes and duties, including duties in relation to data ownership and specification of the relevant Data Owner. In particular:

- (a) Sections 4.2 to 4.8 inclusive, summarise the key matters for the Registration of Supply Points (including New Supply Points, updating of the Supply Point Register, Error Rectification of erroneous SPID Data in the Supply Point Register and Disconnection of Supply Points); and
- (b) Sections 4.9 to 4.18 summarise the key matters for the submission of Meter Reads and their validation, the calculation and estimation of volumes, the calculation, allocation and aggregation of the Contracting Wholesaler's Primary Charges, the timing and number of Settlement Runs, the provision of Settlement Reports to the Contracting Wholesaler, the Contracting Retailer and other Trading Parties and Market Audit.

#### 4.1.2 Timing of Data Transactions and other events

- (a) Evidence of time of receipt or issue: A Data Transaction shall be received or issued by the Market Operator at the date and time determined by the Central Systems in accordance with the Interface CSDs.
- (b) Treatment of Data Transactions received outside a Business Day: A Data Transaction received by the Market Operator after 18.00 hours on a Business Day or at any time on a non-Business Day shall be treated as received at 08.00 hours on the next Business Day.
- (c) Timing of events: Unless otherwise specified, where the start of a period of time is defined by reference to an event or act, it shall begin on the Business Day or calendar day (as applicable) after the event or act occurred or is to occur.



- (d) Unless otherwise specified, where a notice, form or other written communication must be given in advance of an event or act, the period of time shall be calculated as beginning on the Business Day or calendar day (as applicable) before the event or act is due to occur.
- (e) Examples of how a period of time should be calculated are set out below. These examples assume that there are no public holidays falling during the days Monday to Friday inclusive.
  - (i) "Within five (5) Business Days of receipt of the SPID the relevant Retailer shall submit a properly completed Partial Registration Application to the Market Operator".
  - (ii) The SPID is received from the Market Operator on a Monday. The period begins on Tuesday. The last date for submitting the Partial Registration Application is the following Monday.
  - (iii) "The Registration Application shall be submitted .....not less than six (6) Business Days prior to the Registration Start Date".
  - (iv) The proposed Registration Start Date is a Wednesday. The latest date for issuing the request is Monday of the preceding week.

## **4.2 Introduction to Registration, Supply Points, data and becoming entitled to trade**

### **4.2.1 Registration and information provision**

The Contracting Wholesaler and the Contracting Retailer acknowledge and agree that:

- (a) each Eligible Premises connected to the water and/or sewerage Network(s) of the Contracting Wholesaler;
- (b) all Water Services and all Sewerage Services provided by the Contracting Wholesaler to such Eligible Premises; and
- (c) all relevant information in respect of the Eligible Premises and the Water Services and Sewerage Services provided to the Eligible Premises,

shall be Registered in the Supply Point Register in accordance with the Market Terms and the Code Subsidiary Documents.

#### 4.2.2 Supply Points and Discharge Points

The Contracting Wholesaler and the Contracting Retailer agree the following arrangements shall apply in assessing the number and configuration of Supply Points and Discharge Points at Eligible Premises.

- (a) Data relating to all Water Services supplied to any Eligible Premises shall be Registered to the Water Services Supply Point and data relating to all Sewerage Services supplied to any Eligible Premises shall be Registered to the Sewerage Services Supply Point as specified in the Code Subsidiary Documents.
- (b) Subject to Sections 4.2.2(c) and (d) below, each Eligible Premises shall have only one Water Services Supply Point and one Sewerage Services Supply Point at any time. Each Supply Point shall be Registered to one Wholesaler and to one Retailer.
- (c) In exceptional circumstances there may be Eligible Premises that have two (2) Wholesalers for Water Services and/or two (2) Wholesalers for Sewerage Services. In such cases the Eligible Premises shall have:
  - (i) a Water Services Supply Point and/or a Sewerage Services Supply Point for each Wholesaler providing Water Services and/or Sewerage Services to that Eligible Premises; and
  - (ii) Data Item(s) that identify the existence of such circumstances at the Eligible Premises.

In such circumstances both Wholesalers will identify the existence of that relationship on creating a New Supply Point and, in any event, within five (5) Business Days of becoming aware of the relationship. In such circumstances there may, therefore, be a separate Retailer for each of the two (2) Water Services Supply Points and a separate Retailer for each of the two (2) Sewerage Services Supply Points associated with the Eligible Premises.

- (d) In relation to any Eligible Premises occupied by two (2) or more tenants and where the tenancies are considered to be separate Eligible Premises, the Eligible Premises may be regarded as having the following Supply Points:
- (i) one (1) for the supply of all Water Services to the Eligible Premises as a whole;
  - (ii) one (1) for the supply of such Sewerage Services as are provided to the Eligible Premises as a whole; and
  - (iii) one (1) separate Sewerage Services Supply Point for each tenancy that is a separate Eligible Premises.

The separate Eligible Premises will be treated as separate Sewerage Services Supply Points with their own Core Data independently of the Supply Points at Section 4.2.2(d)(i) and Section 4.2.2(d)(ii) above. The Contracting Wholesaler will notify the Market Operator of the relationship between the Supply Points applying to the Eligible Premises as a whole and each Supply Point representing any other Eligible Premises which may be tenancies, such that the Contracting Wholesaler and the Contracting Retailer and any other relevant Trading Parties may view all the data associated with the Eligible Premises within the curtilage owned by the landlord at a multi-tenancy site.

- (e) The arrangements described in Section 4.2.2(d) may not be required in all cases where there are two (2) or more such tenancies at the Eligible Premises as a whole and the actual Supply Point configuration will be determined in accordance with the Eligibility Guidance and the charging arrangements applicable to the Eligible Premises.
- (f) Where a Sewerage Services Supply Point includes one or more Trade Effluent Service(s), a Discharge Point will be Registered at the Supply Point for each Trade Effluent Consent where ~~one or more of~~ the following applies:
- (i) Primary Charges are applicable for the Trade Effluent; or

(ii) a Supply Point for the Eligible Premises exists within the Central Systems and the Trade Effluent Consent is not temporary (the consent is greater than six months in duration); ~~or~~

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

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

(g) In circumstances where premises are served by a Contracting Wholesaler whose Area is wholly or mainly in Wales and by a Contracting Wholesaler whose Area is wholly or mainly in England;

(i) due regard shall be given to the Eligibility Guidance in deciding where a Supply Point is to be Registered for either Service Category. In particular, circumstances could pertain in this context where a Sewerage Services Supply Point is Registered in the Central Systems and no Water Services Supply Point is required to be Registered, where water services are supplied to the premises. In such cases, any meter(s) associated with the water supply or supplies will be Registered as a Cross Border Meter associated with the Sewerage Services Supply Point, such that sewerage charges can be calculated by the Market Operator; and

(ii) the Contracting Wholesaler for Sewerage Services is required under the Business Terms to seek to make arrangements with the other Wholesaler to support the relevant operational processes in the Operational Terms, so that it can provide Meter Data to the Market Operator as required under the Code Subsidiary Documents; and

(iii) the Contracting Retailer for Sewerage Services is also required under the Business Terms to seek to make arrangements with the other Undertaker Retail Business, so that it can provide Meter Reads to the Market Operator as required under the Code Subsidiary Documents; and

- (iv) in these circumstances the Contracting Wholesaler and the Contracting Retailer will seek under those arrangements to meet the timescales set out in these Market Terms and Code Subsidiary Documents.

#### 4.2.3 Data ownership and types of data

The Market Terms and the associated Code Subsidiary Documents set out the processes to be followed by the Contracting Wholesaler and the Contracting Retailer in submitting information to the Market Operator. In particular the Contracting Wholesaler and the Contracting Retailer agree that:

- (a) the Code Subsidiary Documents specify the Data Owner responsible for each Data Item which shall be either the Wholesaler or the Retailer or any other relevant Trading Party. The Data Owner is responsible for providing the identified information in the format and timescales set out in the Market Terms and for the maintenance of that Data Item for the duration of its Registration;
- (b) Data Items which relate to Supply Points fall into one of the following four main categories:
  - (i) Core Data;
  - (ii) SPID Data;
  - (iii) Service Component Data; and
  - (iv) Meter Data; and
- (c) the Contracting Wholesaler shall also Register Wholesaler Tariff Data in accordance with the Settlement Timetable to allow the Market Operator to calculate Primary Charges.

#### 4.2.4 Responsibilities for providing data

The Contracting Wholesaler and the Contracting Retailer acknowledge and agree that:

- (a) for each Water Services Supply Point (where there is no Sewerage Services Supply Point for the relevant Eligible Premises), the Water Wholesaler and the Water Retailer are responsible for the Core Data attributed to them respectively in accordance with CSD 0301 (Data Catalogue);
- (b) for each Water Services Supply Point (where there is also a Sewerage Services Supply Point for the relevant Eligible Premises) the Water Wholesaler and the Water Retailer are responsible for the Core Data attributed to them respectively in accordance with CSD 0301 (Data Catalogue);
- (c) for each Sewerage Services Supply Point (and only where there is no Water Services Supply Point for the relevant Eligible Premises) the Sewerage Wholesaler and the Sewerage Retailer are responsible for the Core Data attributed to them respectively in CSD 0301 (Data Catalogue);
- (d) if the Contracting Wholesaler or the Contracting Retailer or any other Trading Parties Registered to any Supply Point at any Eligible Premises wishes to query the accuracy or completeness of a Data Item, they may investigate that matter with the Data Owner following the appropriate process as set out in CSD 0105 (Error Rectification and Retrospective Amendments);
- (e) if the Market Operator identifies any possible errors in Data Items submitted, the Market Operator may request that they are reviewed and corrected (if necessary) and resubmitted by the Data Owner; and
- (f) the Contracting Wholesaler, the Contracting Retailer and any other Trading Parties Registered to a Supply Point at an Eligible Premises will receive notifications from the Market Operator of changes to Data Items associated with one or both Supply Points as relevant in accordance with the Code Subsidiary Documents.

#### 4.2.5 **Establishing and maintaining the Supply Point Register**

- (a) The Contracting Wholesaler and the Contracting Retailer note that the Market Operator shall operate and maintain the Supply Point Register for

all Supply Points to meet the requirements of the Market Terms and the relevant Code Subsidiary Documents.

- (b) The Market Operator shall develop and enhance the Supply Point Register in accordance with all Approved Changes.
- (c) The Contracting Wholesaler and the Contracting Retailer note that the Market Operator shall provide them with the ability to interface with the Market Operator and the Central Systems by different means and for different purposes pursuant to the Market Terms. All such technical interfaces will be as described in Section 4.2.5(d) below and shall be specified in the Interface CSDs including CSD 0400 (Common interface technical specifications).
- (d) The Market Operator shall provide the following technical interfaces:
  - (i) for the transactional interface between the Contracting Wholesaler, the Contracting Retailer and the Market Operator which facilitates exchange of the Data Items specified in CSD 0301 (Data Catalogue), the Market Operator shall provide an appropriate interface for the Contracting Wholesaler and/or the Contracting Retailer where either of them has a high volume of Data Transactions and an appropriate interface for the Contracting Wholesaler and/or the Contracting Retailer where either of them has a low volume of Data Transactions in accordance with CSD 0401 (Transactional Interface for Trading Parties having a high volume of Data Transactions) and CSD 0402 (Transactional Interface for Trading Parties having a low volume of Data Transactions) respectively;
  - (ii) to enable the provision of Reports, the Market Operator shall provide an interface that allows the Market Operator to issue the Reports described in CSD 0201 (Settlement Timetable and Reporting) and CSD 0302 (Standing Reports and Data Extracts) in accordance with CSD 0403 (Interface for the provision of Reports from the Market Operator to Trading Parties);

- (iii) to enable the submission of data which is not considered appropriate to be submitted through the transactional interfaces, such as Wholesaler Tariff Data, the Market Operator shall provide an interface to allow the submission of non-transactional or Standing Data in accordance with CSD 0404 (Interface for the provision of non-transactional Data Items from Trading Parties) and CSD 0406 (Service Management Interface); and
- (iv) to enable Trading Parties to perform queries in relation to the dataset that is held within the Central Systems the Market Operator shall provide an interface in accordance with CSD 0405 (Data Query Interface).

#### 4.2.6 **Becoming entitled to trade and access to the Market Dataset**

- (a) The Contracting Retailer shall be entitled to apply to Register Supply Points in relation to the Contracting Wholesaler's Area once it has satisfied the Trading Conditions in relation to that Area. Supply Points may be Transferred between the Contracting Retailer and another Retailer(s) on a Supply Point by Supply Point basis and it is not possible to Transfer two (2) Supply Points at an Eligible Premises in one transaction request.
- (b) Where the Contracting Retailer intends to apply to Register Supply Points in relation to any other Area it shall give notice to the Market Operator to that effect as soon as possible and will make arrangements with the Market Operator for any Market Re-assurance required in accordance with CSD 0001 (Market Entry Assurance and Market Re-assurance).
- (c) If the Contracting Retailer at any time meets the Cessation of Trading Conditions in relation to the Wholesaler's Area it shall cease to be entitled to apply to Register Supply Points in that Area unless and until the relevant Trading Condition(s) are again satisfied by the Contracting Retailer in relation to the Wholesaler's Area.

4.2.7 As each of them goes through Market Entry Assurance, the Contracting Wholesaler and the Contracting Retailer shall each appoint a Contract Manager (and authorised deputy or deputies) to act as the principal point of contact for all



day to day matters relating to the Market Terms and shall inform the Market Operator of the identity of the Contract Manager (and such deputy) should the individual acting as Contract Manager (or deputy) change, all in accordance with CSD 0006 (Trading Party Administration and Notification Processes).

- 4.2.8 Once the Contracting Wholesaler and the Contracting Retailer have entered into the Wholesale Contract (and the Contracting Wholesaler shall provide confirmation of this to the Market Operator) and have otherwise met the Trading Conditions for the Contracting Wholesaler's Area, the Market Operator shall permit the Contracting Retailer to receive all Market Dataset Reports to which it is entitled in accordance with CSD 0302 (Standing Reports and Data Extracts) for the purposes of identifying the SPID(s) relevant to any specific Eligible Premises. The Contracting Retailer shall keep its Non-Household Customers informed of the SPID(s) relevant to them.
- 4.2.9 Where two or more Contracting Wholesalers provide Water Services or Sewerage Services to the Contracting Retailer in relation to any Eligible Premises, or where the Contracting Wholesaler's Area adjoins the Area of another Wholesaler, the Contracting Wholesaler may request and, on receipt of such request, the Market Operator shall provide the relevant Contracting Wholesaler(s) with access to the Market Dataset Report for the Area of the requesting Wholesaler.
- 4.2.10 The Market Operator shall publish on its website and keep up to date at all times a list of Retailers who are eligible to be Registered to Supply Points and the Areas within which they may apply to Transfer Supply Points or Register New Supply Points (the List of Eligible Retailers by Area) and a list of all Wholesaler's by Area.
- 4.2.11 The Contracting Wholesaler and Contracting Retailer shall maintain administration data such that it is current and up to date at all times. In particular in all cases, the Contracting Wholesaler shall expeditiously but in any case within two (2) Business Days of having concluded a Wholesale Contract notify the Market Operator of Retailer(s) with whom it has concluded a Wholesale Contract and of Retailer(s) who may not obtain any more Supply Points within the Wholesaler's Area, as set out in CSD 0006 (Trading Party Administration and Notification Processes).

## 4.3 Registration and Transfer of Supply Points

### 4.3.1 Apply to the Market Operator for Registration

- (a) The Contracting Retailer shall be Registered to all of the Supply Point(s) in respect of which it has agreed to provide Water Services and/or Sewerage Services in accordance with this Section 4.3.1 and CSD 0102 (Registration: Transfers). The remaining provisions of this Section 4.3 and CSD 0102 (Registration: Transfers) set out the detail of the process which the Contracting Retailer will follow where it is acting in the capacity of either an Incoming Retailer or an Outgoing Retailer and references to Incoming Retailer and Outgoing Retailer shall be read accordingly.
- (b) To Register to a Supply Point already Registered in the Supply Point Register, the Incoming Retailer shall submit its duly completed Transfer Registration Application to the Market Operator confirming as a minimum:
  - (i) a Registration Start Date; and
  - (ii) the SPID.

The Transfer Registration Application shall be submitted not more than twenty (20) Business Days and not less than six (6) Business Days prior to the Registration Start Date (the Application Window), except for the circumstances as set out in Section 4.3.6(e) in relation to Transfer Registration Applications submitted during an orderly Transfer of Supply Points, and 4.3.9(l)(ii) in relation to Transfer Registration Applications submitted for Interim Duty Supply Points.

### 4.3.2 Market Operator responds to application

The Market Operator shall undertake validation checks in respect of each Transfer Registration Application as set out in Appendix A of CSD 0102 (Registration: Transfers).

- (a) The Market Operator shall Accept or reject the Registration Application.
- (b) For a Registration Application to be Accepted the Market Operator must be satisfied that the conditions set out in CSD 0102 (Registration: Transfers) have been met.

- (c) The Market Operator shall issue a Confirmation Notice to the Incoming Retailer and the Contracting Wholesaler within one (1) Business Day of the Registration Application Date.
- (d) The Confirmation Notice referred to in Section 4.3.2(c) above shall confirm to the Incoming Retailer that either:
  - (i) the Supply Point(s) will be Registered to the Incoming Retailer on the Registration Start Date (save where a valid Cancellation Request is submitted to and accepted by the Market Operator); or
  - (ii) the Registration Application has been rejected.

Where the Registration Application has been rejected, the Market Operator shall provide reasons for such rejection in the Confirmation Notice and the Contracting Retailer shall be entitled to submit another Registration Application to the Market Operator for the Supply Point(s) provided that the Contracting Retailer has corrected the cause of such rejection.

#### 4.3.3 **Market Operator notifies Transfer to Outgoing Retailer**

- (a) The Market Operator shall notify the Outgoing Retailer for each Supply Point which is subject to an Accepted Registration Application that the Market Operator has received a Registration Application within one (1) Business Day of the Registration Application Date. Both the Outgoing Retailer and the Incoming Retailer shall then be entitled to submit a Cancellation Request within the Cancellation Window (being the period of five (5) Business Days from the date of issue of the Confirmation Notice) in accordance with Section 4.7.
- (b) Once the Transfer Registration Application is Accepted the Market Operator shall allocate the Supply Point(s) to the relevant Incoming Retailer and the Incoming Retailer shall be responsible for the Supply Point(s) with effect from the Registration Start Date (save where a valid Cancellation Request is submitted to and accepted by the Market Operator). On completion of the Transfer Registration, the Wholesalers and Retailers Registered to the Supply Point(s) at the Eligible Premises will be informed of the Transfer by the Market Operator.

#### 4.3.4 Transfer Reads

- (a) For Supply Point(s) that are Metered, the Incoming Retailer who submits a Transfer Registration Application shall make arrangements (following Acceptance) for the submission of a Transfer Read to the Market Operator in relation to all meters Registered at each Supply Point associated with the relevant Eligible Premises in accordance with CSD 0102 (Registration: Transfers) and CSD 0202 (Meter Read Submission: Process). The Incoming Retailer shall fulfil the obligations in CSD 0102 (Registration: Transfers) in respect of Meter Reads for meter networks, and volume notifications for Discharge Points, including where relevant, notifying the Data Owner for any Sub Meter in respect of which a Transfer Read is required.
- (b) The Market Operator will validate the Transfer Read and will notify the Outgoing Retailer and the relevant Wholesaler(s) of that Transfer Read in accordance with CSD 0203 (Meter Read Submission: Validation) and CSD 0102 (Registration: Transfers).
- (c) The Incoming Retailer shall be responsible for a Supply Point which is subject to an Accepted Transfer Registration Application from the Registration Start Date (including for the payment of all Primary Charges due for all dates from and after the Registration Start Date). The Outgoing Retailer will continue to be responsible for a Supply Point for the period prior to the Registration Start Date (including for the payment of all Primary Charges due for dates prior to the Registration Start Date) and will continue to receive relevant Settlement Reports relating to the period prior to the Registration Start Date. The Market Operator shall apportion the Primary Charges on the Registration Start Date in accordance with CSD 0207 (Charge Calculation, Allocation and Aggregation).
- (d) The Contracting Wholesaler and the Contracting Retailer shall co-operate with all other Trading Parties in connection with the provision of Transfer Reads under this Section 4.3.4. In particular, the Contracting Retailer in its capacity as an Incoming Retailer shall ensure that the relevant Transfer Read is provided for Water Services and/or Sewerage Services

provided at the Supply Point, including, where necessary, requesting that the Other Retailer submits a Transfer Read to the Market Operator, or otherwise by making arrangements with the Non-Household Customer to obtain the Transfer Read and submitting that to the Market Operator in accordance with CSD 0102 (Registration: Transfers) and CSD 0202 (Meter Read Submission: Process). The Other Retailer may choose whether to provide a Transfer Read on behalf of the Incoming Retailer but is not obliged to do so.

#### 4.3.5 Orderly Transfers – Retailer required

- (a) The Contracting Wholesaler and the Contracting Retailer agree the following terms shall apply where either of them wishes to participate in an orderly Transfer of Supply Points whether in the capacity of a Transferor or of a Transferee (as defined below) in any of the circumstances set out below.
- (b) Section 4.3.5 and Section 4.3.6 deal with orderly Transfers required by the Retailer as a consequence of a sale or other business transfer (as opposed to a Transfer in accordance with Section 4.3 as a result of the Non-Household Customer changing Retailer). This process applies irrespective of the volume of Transfers to be made and the arrangements made by the Market Operator to effect the transfers will be tailored accordingly.
- (c) If:
  - (i) the Contracting Retailer intends to sell or otherwise transfer ownership of all or part of its business and assets; or
  - (ii) the Contracting Retailer is subject to an Insolvency Event provided that the relevant administrator, receiver, administrative receiver or liquidator has agreed to adopt the Contracting Retailer's contracts with its Non-Household Customers and its Wholesale Contract with the Contracting Wholesaler and to transfer such customer contracts to one or more identified Retailers in an orderly manner,

then the provisions of Section 4.3.5 (e) shall apply to effect the Volume Transfer of all of the Supply Points affected by the relevant Transfer as established pursuant to CSD 0003 (Volume Transfer and Volume Data Update) (Affected Supply Points).

#### Transfer pursuant to the Exit Regulations

- (d) Where an Undertaker applies to the Secretary of State for permission to withdraw from an Area in the non-household retail market in accordance with the Exit Regulations the following terms shall apply:
- (i) the Transferor shall notify the Market Operator on submission of the application to exit to the Secretary of State, the proposed date for exit, details of the proposed Volume Transfer, the identity of the proposed recipients of all of the Affected Supply Points (Transferee(s)) and details of all Affected Supply Points;
  - (ii) the Transferor shall notify the Market Operator of any subsequent changes to the application or its withdrawal;
  - (iii) the Transferor shall promptly notify the Market Operator of any determination made by the Secretary of State to grant or refuse the application;
  - (iv) the Transferor, the Transferee(s) and the Market Operator shall adopt the Exit Date as the date on which the Transfer of all Affected Supply Points is to take effect;
- (e) the provisions of Section 4.3.6 shall apply to effect the Volume Transfer of all of the Affected Supply Points not associated with a retail exit.

#### 4.3.6 Orderly Transfers – Retailer required process

The Contracting Retailer transferring the Affected Supply Points (Transferor) shall notify the Market Operator and the Contracting Wholesaler and any other Wholesaler(s) of the proposed Volume Transfer and of the identity of the recipient of all or any proportion of the Affected Supply Points (Transferee(s)) and the Market Operator, the Contracting Wholesaler and any other Wholesaler(s) and the Contracting Retailer shall cooperate in accordance with

this Section 4.3.6 and CSD 0003 (Volume Transfer and Volume Data Update) to ensure the Transfer of all Affected Supply Points in accordance with the following process to the Transferee(s);

- (a) the Transferor and the Transferee(s) shall each give notice of the proposed Volume Transfer to the Market Operator in accordance with the CSD 0003 (Volume Transfer and Volume Data Update);
- (b) the Market Operator shall provide the Transferor with confirmation of any amount due to the Market Operator and outstanding by the Transferor;
- (c) the Market Operator shall (to the extent that the Transferee(s) is or are not yet a Trading Party for all relevant Areas) work with the Transferee(s) to arrange for the carrying out of the activities required to meet the Trading Conditions including the Transferee(s) arranging for the relevant Wholesalers to provide confirmation to the Market Operator of the Wholesale Contracts that the Transferee(s) has or have entered into for all Areas in which there are Affected Supply Points;
- (d) the Transferor, the Transferee(s) and the Market Operator shall agree the date on which the Transfer of Affected Supply Points is to take effect (Transfer Date) noting that the Transferor, the Transferee and the Market Operator may agree to set a single Transfer Date or may wish to set more than one Transfer Date, if they wish the Transfer to take effect for different Affected Supply Points at different dates or over a period of time;
- (e) by 23.59 hours on the day immediately prior to the Transfer Date, the Market Operator shall (where practicable) allocate all of the Affected Supply Points that are Registered to the Transferor at 23.59 hours on the day immediately prior to the Transfer Date to the relevant Transferee(s) with effect from and after the Transfer Date provided that the Market Operator shall have discretion as to the timing of when and over what period of hours or days it shall process the Transfer of the Affected Supply Points in the Central Systems and the timing of such processing shall not impact the agreed Transfer Date;
- (f) where the Volume Transfer is to give effect to a Transfer from an Undertaker exercising its rights under the Exit Regulations, then, for the

avoidance of doubt, the Affected Supply Points will exclude Supply Points where the Non-Household Customer has chosen a different Retailer prior to the Transfer Date, and may either have completed the Transfer, or be in the process of Transferring. In such a circumstance the Market Operator shall accept a Transfer Registration Application submitted by the Incoming Retailer up to two (2) calendar days prior to the Transfer Date;

- (g) the Market Operator shall Register those Affected Supply Points as so allocated notifying all other relevant Trading Parties of the change of Registration status in accordance with CSD 0003 (Volume Transfer and Volume Data Update);
- (h) the Market Operator shall provide written confirmation that such Transfer has been effected to the Transferee(s), the Transferor and the relevant Wholesaler(s) in accordance with CSD 0003 (Volume Transfer and Volume Data Update);
- (i) in relation to a Transfer under this Section 4.3.6, the Transferee(s) shall not be required to submit any Transfer Registration Application to the Market Operator and the Market Operator, the Transferor and the Transferee(s) shall not be required to comply with the provisions of CSD 0102 (Registration: Transfers) in relation to the Transfer;
- (j) subject to Sections 4.3.6(j) and (k) below, from the Transfer Date the Transferee(s) shall become Registered for the Affected Supply Points and shall assume all liability for the Affected Supply Points for all dates whether before or after the Transfer Date for the purposes of the Market Terms. The Market Operator, the relevant Wholesaler and the relevant Retailer shall treat the Transferee(s) as responsible for the Affected Supply Points, and direct all communications and processes without interruption to the Transferee(s);
- (k) where the Transfer is carried out following an Insolvency Event, the Transferee(s) shall assume all liability for the Affected Supply Points for all dates from and after the Transfer Date but not for dates before the Transfer Date;



- (l) the Market Operator shall be entitled to continue to communicate with the Transferor in relation to the Affected Supply Points throughout the day of the Transfer Date as necessary in order to ensure the effective Transfer of Affected Supply Points. The Market Operator shall also be entitled to continue to communicate with the Transferor before or after the Transfer Date in order to ensure the orderly transfer of all relevant information relating to the Affected Supply Points from the Transferor to the Transferee, the relevant Wholesaler(s) and the Market Operator;
- (m) the Market Operator shall issue Settlement Reports to the Transferee(s) for the Affected Supply Points from and after the Transfer Date in respect of all dates for which there is a Settlement Report due whether or not such dates fall before or after the Transfer Date as if the Transferee(s) had been Registered to the Affected Supply Points for the period for which the Transferor was so Registered; and
- (n) if, following the Transfer of the Affected Supply Points, the Transferor is to cease to be a Trading Party, then, subject to completing any required Volume updating of Wholesaler owned data under Section 4.3.7 below and to meeting the Cessation of Trading Conditions, the Transferor will cease to be a Trading Party and shall not be entitled to trade under the Market Terms unless or until it re-applies to the Market Operator to meet the Trading Conditions.

#### 4.3.7 Orderly Transfers – Wholesaler required

- (a) The Contracting Wholesaler and the Contracting Retailer agree that the following terms shall apply where the Contracting Wholesaler wishes to participate in the Volume updating of Contracting Wholesaler owned data for Supply Points in its Area in its capacity as an Outgoing Wholesaler as defined below.
- (b) Section 4.3.7 and Section 4.3.8 deal with updating Wholesaler owned Data Items where required by a change in the status of the Wholesaler. This process applies irrespective of the volume of transfers to be made and the arrangements made by the Market Operator to effect the update will be tailored accordingly.

- (c) If the Contracting Wholesaler is to cease to hold an Appointment in relation to all or part of its Area:
  - (i) due to a sale, merger or other transaction affecting all or part of its business; or
  - (ii) on the making of any special administration order; or
  - (iii) on the appointment of another Undertaker in relation to all or part of its Area for any other reason in accordance with the Water Industry Act 1991, (in each case, an Outgoing Wholesaler),

then an Incoming Wholesaler will become responsible for the Outgoing Wholesaler's business or the relevant part of that business on a part disposal.

4.3.8 The following provisions of Section 4.3.8 shall apply to effect the Volume updating of the Outgoing Wholesaler owned data for all Supply Points in the relevant Area (or part Area) to refer to the Incoming Wholesaler (Volume Data Update).

The Outgoing Wholesaler and the Market Operator shall cooperate to ensure that the Market Operator carries out the Volume Data Update in accordance with the following process and CSD 0003 (Volume Transfer and Volume Data Update):

- (a) the Outgoing Wholesaler shall give notice of the proposed change to the Market Operator and the relevant Retailers in accordance with CSD 0003 (Volume Transfer and Volume Data Update);
- (b) the Market Operator shall provide the Outgoing Wholesaler with confirmation of any amount due to the Market Operator and outstanding by the Outgoing Wholesaler;
- (c) the Market Operator shall (to the extent that the Incoming Wholesaler is not yet a Trading Party) work with the Incoming Wholesaler to arrange for the carrying out of the activities required to meet the Trading Conditions including the Incoming Wholesaler providing evidence to the Market Operator of the Wholesale Contracts that the Incoming Wholesaler has entered into with the Contracting Retailer and all other Retailers

Registered or due to be Registered to Supply Points in the relevant Area or part Area;

- (d) the Incoming Wholesaler shall work with the Outgoing Wholesaler, the Market Operator, the Contracting Retailer and all other Trading Parties affected in order to manage the impact of the change on their businesses and to address all practical issues arising in relation to Supply Points where there are Outstanding Service Requests in order to achieve an orderly handover of such matters all in accordance with the Operational Terms;
- (e) the Outgoing Wholesaler, the Incoming Wholesaler and the Market Operator shall agree the date on which the Volume Data Update shall be regarded as taking effect (Update Date) noting that the Outgoing Wholesaler, the Incoming Wholesaler and the Market Operator may agree to set a single Update Date or may wish to set more than one Update Date if they wish the updating of data to take effect for different phases of data or Supply Points at different dates or over a period of time;
- (f) by 23.59 hours on the day immediately prior to the Update Date, the Market Operator shall (where practicable) update the Outgoing Wholesaler owned data for all Supply Points in the relevant Area (or part Area) to refer to the Incoming Wholesaler with effect from and after the Update Date provided that the Market Operator shall have discretion as to the timing of when and over what period of hours or days it shall process the data update in the Central Systems and the timing of such processing shall not impact the agreed Update Date;
- (g) the Market Operator shall provide written confirmation that such updating has been effected to the Outgoing Wholesaler and the Incoming Wholesaler as well as provide notifications to relevant Trading Parties in accordance with CSD 0003 (Volume Transfer and Volume Data Update);
- (h) subject to Section 4.3.8(i) below, from the Update Date the Incoming Wholesaler shall become the Wholesaler for the relevant Area (or part Area) and shall assume all liability for such Area (or part Area) for all dates whether before or after the Update Date for the purposes of the

Market Terms. The Market Operator and all Trading Parties shall treat the Incoming Wholesaler as the Wholesaler for that Area (or part Area), ceasing communication with the Outgoing Wholesaler in respect of that Area (or part Area) in relation to Affected Supply Points for the period from and after the Transfer Date and directing all communications and processes in relation to Affected Supply Points for the period from and after the Transfer Date without interruption to the Incoming Wholesaler;

- (i) the Market Operator shall be entitled to continue to communicate with the Outgoing Wholesaler throughout the day of the Update Date as necessary in order to ensure the effective updating of data. The Market Operator shall also be entitled to continue to communicate with the Outgoing Wholesaler before or after the Update Date in order to ensure the orderly transfer of all relevant information relating to the relevant Area or part Area from the Outgoing Wholesaler to the Incoming Wholesaler and to the Contracting Retailer, any relevant Trading Parties and the Market Operator;
- (j) the Market Operator shall issue Settlement Reports to the Incoming Wholesaler for the Supply Points in its Area from and after the Update Date in respect of all dates for which there is a Settlement Report due whether or not such dates fall before or after the Update Date as if the Incoming Wholesaler had been responsible for the relevant Supply Points for the period for which the Outgoing Wholesaler was so responsible; and
- (k) following the Volume Data Update and provided that it relates to an entire Area, if the Outgoing Wholesaler is to cease to be a Trading Party then, subject to completing any required Transfer of Affected Supply Points Registered to the Outgoing Wholesaler's business under Section 4.3.6 above and to meeting the Cessation of Trading Conditions, the Outgoing Wholesaler will cease to be a Trading Party and shall not be entitled to trade under the Market Terms unless or until it re-applies to the Market Operator to meet the Trading Conditions.

In addition, if the Contracting Wholesaler or the Contracting Retailer intends to change the name of its business, the Market Operator may deal with the volume

updating of Supply Point data affected by the change of name as if it is a Volume Data Update.

#### 4.3.9 Interim Supplier: Allocation and Transfer

The Contracting Wholesaler and the Contracting Retailer agree that the following terms shall apply to the Contracting Retailer where the circumstances set out in section 63AC and/or section 110L of the Water Industry Act 1991 apply to any of the Contracting Retailer's Supply Points, or where the Contracting Retailer is acting in the capacity of an Opted In Retailer (as defined below).

The circumstances set out in section 63AC and/or section 110L of the Water Industry Act 1991 are assumed to apply on the termination of the Wholesale Contract by the Contracting Wholesaler under Section 11.2 of the Business Terms and/or on the Contracting Retailer being subject to an Insolvency Event.

Once the Interim Supplier Allocation Process is complete, the supply by the allocated Opted In Retailer shall be treated as having begun on the date on which the cessation of supply commenced.

If the Authority intends to make a direction pursuant to section 63AC(3) and/or section 110L(3) of the Water Industry Act 1991 and requests that the Market Operator carries out the Interim Supplier Allocation Process and provided that any Supply Points are still Registered to the relevant Retailer, or any New Supply Points are still identified against the relevant Retailer (Interim Duty Supply Points), then the Market Operator shall allocate the Interim Duty Supply Points as follows:

- (a) the Market Operator shall only allocate Interim Duty Supply Points to Retailers who are entitled to Register Supply Points in accordance with Section 4.2 above, and who are Opted In Retailers;
- (b) an Opted In Retailer for Interim Duty Supply Points means any Retailer that elects to opt in by sending a notification to the Market Operator (in accordance with CSD 0006 (Trading Party Administration and Notification Processes) confirming that it wishes to opt in in relation to either or both Water Services or Sewerage Services;

- (c) an Opted In Retailer that no longer wishes to be an Opted In Retailer for the purposes of the Interim Supplier Allocation Process shall be entitled to amend its opted in status in respect of one or more Service Categories and/or Areas in accordance with CSD 0004 (Interim Supplier Allocation Process) and to the extent permitted by the Interim Supply Code;
- (d) if an Opted In Retailer is entitled temporarily to suspend its status as an Opted In Retailer in accordance with the Interim Supply Code it shall notify the Market Operator to that effect prior to the Market Operator carrying out the Interim Supplier Allocation Process in accordance with CSD 0004 (Interim Supplier Allocation Process);
- (e) a Retailer may also have its status as an Opted in Retailer temporarily suspended in the circumstances set out in CSD 0004 (Interim Supplier Allocation Process) following an Insolvency Event;
- (f) the Market Operator shall publish a List of Opted In Retailers by Area in accordance with CSD 0004 (Interim Supplier Allocation Process);
- (g) to avoid doubt, Interim Duty Supply Points shall not include Supply Points in the process of being Registered to an Incoming Retailer (where the Market Operator shall process such Registration as quickly as possible);
- (h) to avoid doubt, Interim Duty Supply Points shall include New Supply Points in the process of being Registered to the relevant Retailer that has ceased to make a supply available and Supply Points Registered to such Retailer including those in the process of being Deregistered or Disconnected;
- (i) the particular Interim Duty Supply Points allocated to each Opted In Retailer shall be allocated by the Market Operator by Area and, within each Area, on a random basis, subject to principles set out in CSD 0004 (Interim Supplier Allocation Process);
- (j) the Market Operator shall provide written notice to the Authority setting out the outcome of the allocation process. If the Authority makes a direction under section 63AC(3) or section 110L(3) of the Water Industry Act 1991, the Market Operator shall Register the Interim Duty Supply

Points allocated to the relevant Incoming Retailer(s) in accordance with CSD 0004 (Interim Supplier Allocation Process) with effect from the date on which the cessation of supply commenced (Designated Date);

- (k) each Opted In Retailer shall be responsible for all Supply Point(s) Registered to it by the Market Operator from the Designated Date in accordance with this Section 4.3.9 provided that if a Non-Household Customer so allocated to an Opted in Retailer serves notice (under section 63AC(9)(b) or section 110L(8)(b) of the Water Industry Act (1991) on the Opted in Retailer within three (3) months of the Designated Date that another Retailer is to continue the supply, the Opted in Retailer shall notify the Market Operator to that effect and the Market Operator shall Register the affected Interim Duty Supply Points to such Retailer in accordance with CSD 0102 (Registration: Transfers);
- (l) where section 63AC(2) or section 110L(2) of the Water Industry Act 1991 applies and no direction has been made under section 63AC(3) or section 110L(3) of the Water Industry Act 1991:
  - (i) the Market Operator shall initially allocate the Interim Duty Supply Points to the relevant Undertaker for the Area in which the Eligible Premises are located in accordance with CSD 0004 (Interim Supplier Allocation Process) with effect from the Designated Date; and
  - (ii) if a Non-Household Customer so allocated to the Undertaker serves notice (under section 63AC(9)(a) or section 110L(8)(a)) on the relevant Undertaker within three (3) months of the Designated Date that another Retailer is to continue the supply and the Undertaker notifies the Market Operator to that effect, the Market Operator shall Register the affected Interim Duty Supply Points to such Retailer in accordance with CSD 0102 (Registration: Transfers) with effect from the Designated Date;
- (m) once the Market Operator has allocated an Interim Duty Supply Point to an Opted In Retailer in accordance with Section 4.3.9(h) above, that Opted In Retailer must:

- (i) write to that new Non-Household Customer within five (5) Business Days of the date of receipt of notification of allocation from the Market Operator; and
- (ii) provide a Transfer Read to the Market Operator in accordance with CSD 0004 (Interim Supplier Allocation Process).

## 4.4 Registration of New Supply Points

4.4.1 The Contracting Wholesaler and the Contracting Retailer agree to co-operate with each other and with all other Trading Parties in relation to the Registration of New Supply Points in relation to new supplies of Water Services and/or Sewerage Services where a New Supply Point is required. The Contracting Wholesaler and the Contracting Retailer shall, carry out the duties set out in this Section 4.4. In particular, the Contracting Wholesaler and the Contracting Retailer agree that:

- (a) the relevant Wholesaler(s) is required to Register a New Supply Point or Supply Points where:
  - (i) Water Services and/or Sewerage Services are or are to be provided to a newly constructed Eligible Premises; or
  - (ii) Water Services and/or Sewerage Services are or are to be provided to previously constructed Eligible Premises which have not been receiving Water Services or Sewerage Services; or
  - (iii) Water Services or Sewerage Services are to be provided to an Eligible Premises which already has a Supply Point Registered of the other Service Category; or
  - (iv) additional Water Services or Sewerage Services are to be provided to an Eligible Premises which already has a Supply Point Registered of the same Service Category but that Supply Point is Registered to a different Wholesaler;
- (b) all information required under the Market Terms must be notified to the Market Operator whether or not the Eligible Premises is occupied or vacant; and



- (c) each New Supply Point for Water Services and each New Supply Point for Sewerage Services in relation to an Eligible Premises will be Registered separately by the relevant Trading Party. The Contracting Retailer may not reject the Registration of a New Supply Point to it save in the case of manifest error. No Trading Party shall impede the Registration of a Supply Point for the other Service Category at an Eligible Premises.

#### 4.4.2 **Create Record of New Supply Points and Partial Registration Applications**

The Contracting Wholesaler and the Contracting Retailer agree to comply with the processes set out below (in their respective capacities as Water Wholesaler and/or Sewerage Wholesaler and as Water Retailer and/or Sewerage Retailer) in creating a record of a New Supply Point for Water Services or for Sewerage Services.

- (a) Prior to the making of a new physical connection to a Network requiring a New Supply Point, the Water Wholesaler or the Sewerage Wholesaler as relevant, shall issue a request to the Market Operator for the creation of a New Supply Point(s).
- (b) Where the New Supply Point relates to Eligible Premises which already have one Supply Point Registered, the relevant Wholesaler will provide the SPID for the Supply Point that is already Registered along with the other Data Items required in accordance with CSD 0101 (Registration: New Supply Points).
- (c) Where the New Supply Point does not relate to Eligible Premises which already have one Supply Point Registered, the relevant Wholesaler will, in making its request to the Market Operator for a New Supply Point, also notify the Market Operator of the identity of any Other Wholesaler responsible for the other Service Category made or to be made to the Eligible Premises along with the other Data Items required in accordance with CSD 0101 (Registration: New Supply Points).
- (d) The Market Operator will then send confirmation of the SPID to the relevant Wholesaler and to the relevant Retailer.

- (e) Where the New Supply Point request relates to Eligible Premises which do not already have one Supply Point Registered:
  - (i) the Market Operator will ask the Other Wholesaler to confirm whether or not there are other Service Categories provided to the Eligible Premises and if so the Other Wholesaler will initiate the request for a New Supply Point in accordance with CSD 0101 (Registration: New Supply Points);
  - (ii) the absence of a confirmation from the Other Wholesaler will not impede the Registration of the Supply Point; and
  - (iii) the Market Operator will provide Reports of such outstanding requests for confirmation.
- (f) Where the New Supply Point request relates to Eligible Premises which already have one Supply Point Registered, the Market Operator will send confirmation of the SPID to the Other Wholesaler and the Other Retailer.
- (g) Within five (5) Business Days of receipt of the SPID the relevant Retailer shall submit a properly completed Partial Registration Application to the Market Operator in accordance with CSD 0101 (Registration: New Supply Points).
- (h) For clarity, where there is an additional new supply of a Service Component at a Supply Point associated with an existing Eligible Premises as opposed to a new Supply Point, the Contracting Wholesaler will provide the relevant information to the Market Operator in accordance with CSD 0104 (Maintain SPID Data) rather than CSD 0101 (Registration: New Supply Points).

#### 4.4.3 Notification of Tariff for New Supply Points

- (a) The Wholesaler shall notify the relevant Tariff applying to all Service Components at a New Supply Point to the Market Operator and the Market Operator shall notify the relevant Tariff to the Contracting Retailer, all in accordance with CSD 0101 (Registration: New Supply Points) and CSD 0208 (Creation and Update of Wholesaler Tariff Data).

- (b) Wholesaler Tariff Data is discussed further at Section 4.12 (Charge calculation, allocation and aggregation) below.

#### 4.4.4 Updates to SPID Data for New Supply Points

The Contracting Wholesaler and the Contracting Retailer acknowledge and agree that:

- (a) from the date of submission of a Partial Registration Application until the New Supply Point becomes Tradable, the relevant Data Owner shall provide or update the SPID Data as necessary to ensure that it remains accurate and up to date;
- (b) in the event that the relevant Data Owner fails to update the SPID Data referred to above, the Market Operator shall be entitled to request such information from that Data Owner which the Market Operator may do by way of a report identifying missing information; and
- (c) where it is the relevant Retailer, the Contracting Retailer shall provide all information required including consumption pattern information relating to the Supply Point to the Market Operator in accordance with CSD 0101 (Registration: New Supply Points).

#### 4.4.5 Notification of Service Component Data and Meter Data for New Supply Points

In relation to each new Service Component provided at New Supply Points the Contracting Wholesaler and the Contracting Retailer acknowledge and agree that:

- (a) the Contracting Wholesaler shall notify the Market Operator of all Service Components it provides to the Supply Point(s). Each Service Component shall be identified separately in accordance with the Code Subsidiary Documents;
- (b) the Contracting Wholesaler shall notify the Market Operator of the Meter Data in accordance with CSD 0101 (Registration: New Supply Points) for all meters relevant to the New Supply Point and used for charge calculation purposes;

- (c) the Contracting Wholesaler shall provide the Market Operator with the Initial Read, in accordance with CSD 0101 (Registration: New Supply Points) and CSD 0202 (Meter Read Submission: Process);
- (d) in the case of meters associated with Water Services Service Components, the Market Operator will notify all Meter Data and the Initial Read to the Other Wholesaler as relevant, and to the Retailer(s) Registered to both Supply Points; and
- (e) in the case of any meters associated with Sewerage Services Service Components or meters installed on private water supplies for Sewerage Services charge calculation purposes, the Market Operator will notify the Sewerage Retailer of all such Meter Data.

#### 4.4.6 **Confirmation of Supply Point Effective From Dates for New Supply Points and Tradability**

The Contracting Wholesaler and the Contracting Retailer agree as follows:

- (a) The Contracting Wholesaler shall notify the Market Operator of each new physical supply provided to any New Supply Point within five (5) or eight (8) Business Days as relevant from the supply having commenced in accordance with CSD 0101 (Registration: New Supply Points) and, in the case of supplies which are Metered, it will also notify the Market Operator of the Initial Read(s) within five (5) or eight (8) Business Days as relevant from the installation of the meter and the Market Operator shall notify such information including the dates provided to the Other Wholesaler, the Contracting Retailer and any other Retailer(s).
- (b) On completion of the notification of all data required under this Section 4.4 and under the relevant Code Subsidiary Documents from both the Contracting Wholesaler and the Contracting Retailer as relevant:
  - (i) the New Supply Point will be Registered in the Supply Point Register;
  - (ii) the Supply Point Effective From Date will be the date of connection as notified by the Wholesaler to the Market Operator in accordance with CSD 0101 (Registration: New Supply Points); and

- (iii) the New Supply Point(s) shall be regarded as Tradable and shall therefore become capable of Transfer and Wholesale Charges shall apply.

#### 4.4.7 **Missing data relating to New Supply Point(s)**

The Contracting Wholesaler and the Contracting Retailer agree that the following shall apply to them in their capacities as Data Owners.

- (a) Where there is any SPID Data or any other information missing which prevents Registration of the relevant New Supply Point(s), the Market Operator shall issue a communication to the relevant Data Owner to update and/or provide such SPID Data or information, on at least a monthly basis, to enable the New Supply Point to be Registered. The communication may take the form of a report.
- (b) Within five (5) Business Days of receiving such a communication from the Market Operator, the relevant Data Owner shall:
  - (i) complete the Registration of the data to allow the New Supply Points to be Registered; or
  - (ii) inform the Market Operator of the cause of the delay and its plan for remediation to allow the Registration to be completed; or
  - (iii) confirm that there are no Service Components supplied at the Eligible Premises; or
  - (iv) where a Service Component is supplied at the Eligible Premises and there is no Supply Point and no application to Register a New Supply Point has been received from a Retailer, the Contracting Wholesaler shall initiate the Direction to Supply process in accordance with Section 4.4.9 below.
- (c) The Market Operator shall provide Reports in relation to the extent and nature of missing data.

#### 4.4.8 **New Supply Points – Entry Change of Use**

- (a) The Contracting Wholesaler and the Contracting Retailer agree that if the Contracting Retailer becomes aware of any Entry Change of Use and has reached agreement that it will provide Water Services and/or Sewerage Services to the Non-Household Customer, it shall notify the Contracting Wholesaler and the Other Wholesaler in accordance with CSD 0101 (Registration: New Supply Points).
- (b) On receipt of notification of any Entry Change of Use the Contracting Wholesaler and the Other Wholesaler shall each perform its obligations in accordance with CSD 0101 (Registration: New Supply Points) so that any New Supply Points required as a result of the Entry Change of Use can be Registered in the Supply Point Register.
- (c) The Market Operator shall inform the Contracting Wholesaler and the Other Wholesaler of the Supply Point Effective From Date for any New Supply Points which shall be five (5) Business Days after the date on which the Market Operator confirms the SPID in accordance with CSD 0101 (Registration: New Supply Points) and both Wholesalers shall cease to be entitled to make any charge or receive receipts by other means in respect of any premises which have become Eligible Premises with effect from the Supply Point Effective From Date.

#### 4.4.9 **New Supply Points - Direction to Supply**

- (a) **Where the Retailer is known:** If the Contracting Wholesaler identifies any Gap Site (or is notified of any Gap Site) and knows the identity of the Retailer(s) to be Registered in relation to such Gap Site, the Contracting Wholesaler shall notify the Market Operator in accordance with CSD 0101 (Registration: New Supply Points), CSD 0202 (Meter Read Submission: Process) and CSD 0206 (Trade Effluent Processes) so that New Supply Point(s) relating to such Gap Site(s) are allocated to that Retailer or Retailers and Registered in the Supply Point Register. The Supply Point Effective From Date shall be five (5) Business Days after the date on which the Market Operator confirms the Registration of the New Supply Point(s) in accordance with CSD 0101 (Registration: New Supply Points).

- (b) **Where the Retailer is not known:** If the Contracting Wholesaler identifies any Gap Site (including any gap site, new connection or entry change of use supply point) (or is notified of any Gap Site (including any gap site, new connection or entry change of use Supply Point)) where no Retailer has been identified, the Contracting Wholesaler shall notify the Market Operator of the requirement for one or more New Supply Point(s) but will not include any information regarding the identity of a Retailer in accordance with CSD 0101 (Registration: New Supply Points).
- (c) Having received a request for the creation of New Supply Point(s) without an identified Retailer from the Contracting Wholesaler the Market Operator will allocate each New Supply Point to an Opted In Retailer in accordance with the Direction to Supply Allocation Process set out in Section 4.4.10 below.

#### 4.4.10 **Direction to Supply Allocation Process**

The Contracting Wholesaler and the Contracting Retailer agree that the following process shall apply in relation to Gap Sites notified pursuant to Section 4.4.9(b) and Supply Points notified pursuant to Section 4.4.9(c).

- (a) The Contracting Retailer agrees that:
  - (i) it shall be an Opted In Retailer for either or both Gap Sites and Supply Points subject to a Direction to Supply for each Year where, as an Acquiring Licensee, in relation to any Area and in relation to either or both Water Services and Sewerage Services, it is required by its Water Supply Licence and/or its Sewerage Licence (as appropriate) to serve Gap Sites and such Supply Points;
  - (ii) it shall be an Opted In Retailer for the List of Opted In Retailers by Area for each Year where the Contracting Retailer applies to opt in, in relation to any Area for which it has satisfied the Trading Conditions by submitting a notification to the Market Operator and the Authority in accordance with Appendix 1 to the Direction to Supply Guidance confirming that it wishes to opt in for either or both Water Services or Sewerage Services for that Year;

- (iii) it may request to be removed from the List of Opted In Retailers for Direction to Supply by submitting a pro forma to the Market Operator and the Authority in accordance with the process set out in the Direction to Supply Guidance and CSD 0005 (Direction to Supply Allocation Process) and, in the case of Opted In Retailers which are Acquiring Licensees, where such a request has been approved by the Authority;
  - (iv) a Retailer may have its status as an Opted In Retailer temporarily suspended in the circumstances set out in CSD 0005 (Direction to Supply Allocation Process) following an Insolvency Event; and
  - (v) where the Contracting Retailer ceases to meet the Trading Conditions for an Area it shall no longer be entitled to be an Opted in Retailer in relation to that Area.
- (b) Not less than five (5) Business Days prior to the start of the relevant Year, the Market Operator shall publish a List of Opted In Retailers by Area for Direction to Supply for the relevant Year and shall publish an updated list within one (1) Business Day of any amendment to the Opted in Retailer status of any Retailer in accordance with CSD 0005 (Direction to Supply Allocation Process).
- (c) The Market Operator shall provide to the Authority, upon request, a List of Opted In Retailers by Area for Direction to Supply in the event of any amendment to the Opted In Retailer status of any Retailer in accordance with CSD 0005 (Direction to Supply Allocation Process).
- (d) The particular Supply Points allocated to each Opted In Retailer shall be allocated by the Market Operator by and within each Area. The Market Operator shall allocate Supply Points on a sequential basis in accordance with a list of Opted In Retailers the order of which will be generated on a random basis by the Market Operator and maintained in accordance with CSD 0005 (Direction to Supply Allocation Process) subject to the proviso that where a Water Services Supply Point and an associated Sewerage Services Supply Point exist at an Eligible Premises, they shall, so far as practical, be allocated to one Opted In Retailer.



- (e) The Market Operator shall Register the Supply Points so allocated to the relevant Retailer(s) in accordance with CSD 0005 ( Direction to Supply Allocation Process).
- (f) Each Opted In Retailer shall be responsible for all Supply Point(s) Registered to it by the Market Operator from the relevant Supply Point Effective From Date in accordance with this Section 4.4.10. The Supply Point Effective From Date shall be five (5) Business Days after the date on which the Market Operator confirms the SPID in accordance with CSD 0101 (Registration: New Supply Points).
- (g) Once the Market Operator has allocated a Supply Point to the Opted In Retailer in accordance with this Section 4.4.10, the Opted In Retailer must write to that new Non-Household Customer within five (5) Business Days of receiving notification of allocation from the Market Operator in accordance with CSD 0005 (Direction to Supply Allocation Process).
- (h) Where, in any Month, an Opted In Retailer has failed to make eighty per cent (80%) or more of any Supply Points, arising from a Direction to Supply Allocation, Tradeable in accordance with the relevant timescales in CSD 0101 (Registration: New Supply Points), the Market Operator will suspend the Opted In Retailer from the Direction to Supply Allocation Process for the following month.

## **4.5 Maintaining SPID Data and Wholesaler Tariff Data**

### **4.5.1 Updating the SPID Data**

For every Supply Point, the Contracting Wholesaler and the Contracting Retailer agree that each Data Owner is responsible for certain items of the SPID Data associated with the SPID in the Supply Point Register and shall be responsible for maintaining and keeping such information complete and up to date in accordance with CSD 0104 (Maintain SPID Data) and CSD 0206 (Trade Effluent Processes).

### **4.5.2 Errors in SPID Data**

The Contracting Wholesaler and the Contracting Retailer acknowledge and agree the following in relation to errors in SPID Data.

- (a) If the Market Operator or the Contracting Wholesaler or the Contracting Retailer identifies an error in any SPID Data for which it is not the Data Owner, it shall request the submission of modified SPID Data from the relevant Data Owner in accordance with CSD 0105 (Error Rectification and Retrospective Amendments). If any Data Owner identifies an error in any of its SPID Data it shall correct the SPID Data in accordance with CSD 0105 (Error Rectification and Retrospective Amendments) as soon as it becomes aware of such error. To avoid doubt, the Data Owner refers to the owner of the SPID Data for the time period over which the erroneous SPID Data is effective in the Central Systems.
- (b) If the Contracting Wholesaler or the Sewerage Retailer of a paired Sewerage Services Supply Point (where the Sewerage Retailer is different from the Water Retailer) determines that an Eligible Premises to which a Supply Point is Registered is incorrectly marked as being occupied, it may submit a Vacancy Change Application to the Market Operator in accordance with CSD 0105 (Error Rectification and Retrospective Amendments). If such application is subsequently confirmed by the applying party, the SPID Data will be modified, in accordance with that CSD. Clarification of the determination of the occupancy status and vacancy status of Supply Points is contained in CSD 0104 (Maintain SPID Data).

#### 4.5.3 Wholesaler Tariff Data

- (a) The Contracting Wholesaler shall provide the Market Operator with an update of its Wholesaler Tariff Data in accordance with its Wholesale Tariff Document and CSD 0208 (Creation and Update of Wholesaler Tariff Data). The Contracting Wholesaler may also notify the Market Operator with an update of any of its Wholesaler Tariff Data during any Year from time to time including where it has identified an error in the Wholesaler Tariff Data or where the update is required or approved by a Relevant Authority.
- (b) The Contracting Wholesaler may change any Tariff applied to any Service Component in accordance with CSD 0104 (Maintain SPID Data) or CSD 0206 (Trade Effluent Processes) as applicable. In relation to any

Special Agreement, the Contracting Wholesaler shall notify the Market Operator of the relevant Tariff and Factor to be applied to each Service Component affected by the Special Agreement (as set out in the Contracting Wholesaler's Wholesale Tariff Document) in accordance with CSD 0104 (Maintain SPID Data) or CSD 0206 (Trade Effluent Processes) as applicable.

- (c) If the Contracting Wholesaler wishes to change its Wholesale Tariff Document by providing for a modified or new charging method or a new charging component (as opposed to amending charge values) it may do so by making a Charging Change Proposal.

## 4.6 Rectification of Erroneous Transfers

The Contracting Wholesaler and the Contracting Retailer acknowledge and agree that if a Supply Point has been Erroneously Transferred to an Incoming Retailer, the following provisions will apply to the Contracting Retailer in its capacity as an Incoming Retailer and as an Outgoing Retailer respectively, provided that the error is identified and the process is commenced within a period of three (3) Months from the Registration Start Date:

- (a) where the Incoming Retailer identifies that a Supply Point has been erroneously Registered under Section 4.3 above to the Incoming Retailer, it shall notify the Market Operator of an Erroneous Transfer application which includes the SPID reference, the Registration Start Date, the identity of the Outgoing Retailer and the reason for the Erroneous Transfer application;
- (b) the Market Operator will review the application, and when it is satisfied that all the information provided is correct, will notify the Outgoing Retailer and the Contracting Wholesaler within one (1) Business Day of the erroneous transfer application request. The Outgoing Retailer must within ten (10) Business Days either accept the application request or reject the application request;
- (c) where the Erroneous Transfer application request is accepted, the Market Operator will update the Supply Point Register such that the Outgoing Retailer will be re-Registered to the Supply Point on the basis

that it has continued to be the Retailer for the Supply Point continuously and without interruption during the period of the Erroneous Transfer;

- (d) the Market Operator will keep a record of the Erroneous Transfer in the Central Systems;
- (e) the Market Operator will within one (1) Business Day confirm the date on which the Registration was implemented, to the Outgoing Retailer and also notify all other Trading Parties Registered in relation to Supply Points at the Eligible Premises;
- (f) where the Erroneous Transfer application request is not accepted by the Outgoing Retailer or the Outgoing Retailer has ceased to meet the Trading Conditions in the Area in relation to which the Supply Point is Registered, the Erroneous Transfer application shall not proceed. The Outgoing Retailer shall provide reasons for any rejection. For clarity, absence of acceptance by the Outgoing Retailer does not constitute acceptance; and
- (g) the Market Operator will Report on the use of this Erroneous Transfer process.

## 4.7 Cancellation of Registration Transfers

4.7.1 The Contracting Wholesaler and the Contracting Retailer agree that where the Contracting Retailer is an Incoming Retailer, it shall submit a Cancellation Request to the Market Operator within the Cancellation Window (being the period of five (5) Business Days from the date of issue of the Confirmation Notice) in accordance with CSD 0103 (Registration: Cancellations and Erroneous Transfers) if:

- (a) it becomes aware that it has applied to Register a Supply Point in error due to the Contracting Retailer wrongly identifying the SPID;
- (b) it becomes aware that it has applied to Register a Supply Point in error due to the Contracting Retailer not having a valid contract with a Non-Household Customer in relation to that Supply Point; or

- (c) a Self-Supply Retailer informs the Contracting Retailer that the Supply Point in question is validly Registered to that Self-Supply Retailer and will remain so as at the Registration Start Date.

4.7.2 The Contracting Wholesaler and the Contracting Retailer agree that where the Contracting Retailer is an Outgoing Retailer, it shall submit a Cancellation Request to the Market Operator within the Cancellation Window (in accordance with CSD 0103 (Registration: Cancellations and Erroneous Transfers)) if the Contracting Retailer has submitted a Disconnection request to the relevant Wholesaler in accordance with the Operational Terms, for either Permanent Disconnection or Temporary Disconnection due to Non-Household Customer non-payment and such Disconnection request has not been cancelled, or executed and notified to the Market Operator.

4.7.3 The Contracting Wholesaler and the Contracting Retailer agree that where the Contracting Retailer is an Outgoing Retailer it may submit a Cancellation Request to the Market Operator within the Cancellation Window (in accordance with CSD 0103 (Registration: Cancellations and Erroneous Transfers)) if:

- (a) there is an Outstanding Debt due to the Contracting Retailer from the Non-Household Customer relevant to that Supply Point and the Contracting Retailer's Contract Manager has authorised the Cancellation Request due to the Outstanding Debt;
- (b) the Contracting Retailer confirms (via confirmation from its Contract Manager) that the contract with its Non-Household Customer for that Supply Point remains in full force and effect as at the Registration Start Date; or
- (c) the Contracting Retailer is a Self-Supply Retailer and the Supply Point in question is validly Registered to it and will remain so as at the Registration Start Date

and, in each case, the Transfer Registration Application has not been triggered by a new Non-Household Customer becoming the occupier of the Eligible Premises relevant to that Supply Point.

4.7.4 The Contracting Wholesaler and Contracting Retailer agree that where the Supply Point is a Water Services Supply Point and the Contracting Retailer is either an Outgoing Retailer or Incoming Retailer and confirms that the Supply Point may only Transfer to the Undertaker Retail Business in accordance with the Eligibility Guidance, and the Incoming Retailer is not the Undertaker Retail Business, the Contracting Retailer must submit a Cancellation Request to the Market Operator within the Cancellation Window (in accordance with CSD 0103 (Registration: Cancellations and Erroneous Transfers)).

4.7.5 The Contracting Wholesaler and the Contracting Retailer acknowledge and agree that:

- (a) the Market Operator shall monitor the use of the Cancellation Request mechanism in accordance with CSD 0002 (Market Performance Framework); and
- (b) the Market Operator may require that the Market Auditor seeks evidence of the existence of valid and binding contracts with Non-Household Customers where this mechanism has been used within the scope of the market audit.

## **4.8 Responsibility for Supply Points**

### **4.8.1 Enduring responsibility for Supply Points**

The Contracting Retailer shall remain responsible for any Supply Point Registered to it until:

- (a) the Transfer of the Supply Point to another Retailer;
- (b) Permanent Disconnection of the Supply Point pursuant to Section 4.8.2 below;
- (c) Deregistration of the Supply Point pursuant to Section 4.8.2 below; or
- (d) an Exit Change of Use occurs in respect of the Eligible Premises to which the Supply Point relates (in which case the Supply Point will be Deregistered pursuant to Section 4.8.2 below).

#### 4.8.2 Disconnection or Deregistration of Supply Points

- (a) **Permanent Disconnections:** In the event of the Permanent Disconnection of all supplies through the Contracting Wholesaler's Network in accordance with the Operational Terms resulting in a requirement to remove the Supply Point(s) within five (5) or eight (8) Business Days as relevant of the Contracting Wholesaler undertaking the Permanent Disconnection of a Supply Point, the Contracting Wholesaler shall notify the Market Operator of the date of the Permanent Disconnection and identify the affected Supply Point(s) in accordance with CSD 0104 (Maintain SPID Data). The Market Operator shall record the Permanent Disconnection in the Supply Point Register.
- (b) For clarity, where any Permanent Disconnection affects some but not all physical supplies to an Eligible Premises this does not require the Permanent Disconnection of the entire Supply Point and the Contracting Wholesaler shall update the Market Operator under CSD 0104 (Maintain SPID Data) to remove the Service Components and/or meters which are no longer in place at the Eligible Premises.
- (c) **Deregistrations:** A Supply Point should be Deregistered in circumstances where it has been incorrectly Registered (such as where a duplicate Supply Point has been created or where there has been a change in circumstances such as an Exit Change of Use). The Contracting Wholesaler and the Contracting Retailer shall request the relevant Deregistration in accordance with Processes C5 and C6 of the Operational Terms. Within two (2) Business Days of confirming the need for a Deregistration of a Supply Point, the Contracting Wholesaler shall notify the Market Operator of the date of the Deregistration and identify the Supply Point(s). The Market Operator shall notify the Other Wholesaler and Retailer or Retailers Registered to the Supply Point(s) at the Eligible Premises. The notification will also include a brief note of the reason for the Deregistration.
- (d) For clarity where some but not all Service Components and/or meters are being removed for any Supply Point this does not require the Deregistration of the entire Supply Point and the Contracting Wholesaler

shall update the Market Operator in accordance with CSD 0104 (Maintain SPID Data).

- (e) The Deregistration of a Water Services Supply Point in the Central Systems does not, of itself, result in the Deregistration of a Sewerage Services Supply Point and vice versa.
- (f) The Market Operator shall ensure that no future Registrations are Accepted for any Supply Point(s) which have been the subject of a Permanent Disconnection or a Deregistration and CSD 0101 (Registration: New Supply Points) will apply.

#### 4.8.3 **Reconnection following Temporary Disconnection**

The Contracting Wholesaler shall notify the Market Operator of the date of the reconnection of any Supply Point which has been the subject of a Temporary Disconnection within two (2) Business Days of the reconnection in accordance with the Operational Terms and the Market Operator shall record such reconnection in the Supply Point Register and confirm that this has been carried out in accordance with CSD 0104 (Maintain SPID Data).

#### 4.8.4 **Self-Supply Retailers**

If the Contracting Retailer is a Self-Supply Retailer and it is going to cease to be the Retailer for a Non-Household Customer for the provision of Water Services and/or Sewerage Services at any Supply Point which is Registered to that Self-Supply Retailer as a result of it no longer being permitted by its Licence to provide such services:

- (a) the Contracting Retailer shall inform the Market Operator immediately of the date on which it will no longer be permitted by its Licence to provide such services (the Self-Supply Retailer Departure Date);
- (b) the Contracting Retailer shall use all reasonable endeavours to ensure that the Supply Point(s) in question is Transferred to a Retailer who is not a member of the relevant Self-Supply group by the Self-Supply Retailer Departure Date and shall, if requested to do so by the Market Operator, provide evidence to the Market Operator to demonstrate how the Self-Supply Retailer has complied with this Section 4.8.4;



- (c) if there are less than six (6) Business Days left to the Self-Supply Retailer Departure Date and the Supply Point(s) in question is not Transferred and, in the opinion of the Market Operator, no effective arrangements have been put in place to effect such a Transfer to another Retailer by the Self-Supply Retailer Departure Date, the Market Operator shall allocate the Supply Point(s) in question to any one (1) or more Retailer(s) who is not a member of the relevant Self-Supply group in accordance with the Direction to Supply Allocation Process set out in Section 4.4.10 and CSD 0005 (Direction to Supply Allocation Process);
- (d) the Market Operator shall Register the Supply Points so allocated to the relevant Incoming Retailer(s) in accordance with CSD 0005 (Direction to Supply Allocation Process); and
- (e) the Incoming Retailer shall be responsible for all Supply Points Registered to it by the Market Operator from the Registration Start Date.

## **4.9 Provision of Meter Reads and Calculated Discharges**

### **4.9.1 General duties**

The Contracting Wholesaler and the Contracting Retailer are responsible for carrying out and submitting Meter Reads under the Market Terms in accordance with CSD 0106 (Non-Market Meters), 0202 (Meter Read Submission: Process) (or otherwise as set out in any CSD). In particular, the Contracting Wholesaler is responsible for all Meter Reads taken on the installation or removal of a meter and the Contracting Retailer is responsible for all Meter Reads taken on the transfer of a Non-Household Customer and on a regular cyclic basis except for Meter Reads related to Meter Networks, which are the responsibility of the Data Owner. In so doing the Contracting Wholesaler and the Contracting Retailer shall:

- (a) ensure it has all necessary consents required to enable it to obtain the Meter Read;
- (b) take all reasonable steps to ensure that meters are not interfered or Tampered with;

- (c) use all reasonable endeavours to ensure the accuracy of Meter Reads and all related information submitted to the Market Operator and shall ensure that all submissions are made in a timely fashion;
- (d) notify any relevant Wholesaler of any signs of interference or as soon as is reasonably practicable; and
- (e) promptly request meter accuracy tests or report meter faults in accordance with the Operational Terms.

#### 4.9.2 Means of taking the meter reading

The Contracting Wholesaler and the Contracting Retailer acknowledge and agree the following in connection with the taking of meter readings:

- (a) Where a Meter Read is taken on the installation, removal or exchange of a meter, the reading will always be taken by the visual reading of the register of the meter Registered by the Contracting Wholesaler. For clarity, meter reading requirements apply to (i) the Contracting Wholesaler's meters installed on water supplies, (ii) privately owned meters installed for the purposes of measuring sewerage discharges, whether installed to measure private water supplies or Trade Effluent discharges and (iii) deductive meters associated with Meter Networks. In the case of all different models of meter, the register of the meter shall provide the sole evidence of the quantity of water supplied or effluent discharged.
- (b) Each Temporary Disconnection Read or Reconnection Read will always be taken by either a visual reading of the register of the meter or a remote reading of the meter, except where the conditions defined in CSD 0202 (Meter Read Submission: Process) apply, when a Reconnection Read with a Meter Read Method of Estimated may be submitted in accordance with CSD 0202 (Meter Submission; Process).
- (c) Each Regular Cyclic Read will always be taken by either a visual reading of the register of the meter, or a remote reading of the meter Registered with the Market Operator, except where a Regular Cyclic Read with a Meter Read Method of Customer may be substituted in accordance with

CSD 0202 (Meter Read Submissions: Process). The register of the meter shall provide the sole evidence of the quantity of water supplied or effluent discharged.

- (d) Each Transfer Read will always be taken by either a visual reading of the register of the meter or by a remote reading of the meter, except where the conditions defined in CSD 0202 (Meter Read Submission: Process) apply, when a Transfer Read, with a Meter Read Method of Customer or Estimated, may be submitted in accordance with CSD 0202 (Meter Read Submission: Process). The register of the meter shall provide the sole evidence of the quantity of water supplied or effluent discharged.
- (e) Each Meter Read with a Meter Read Method of Remote will always be taken by the Wholesaler Registered to the Supply Point, the Retailer Registered to the Supply Point or by its agent, as the context requires, by means of the transmission devices as set out in CSD 0202 (Meter Read Submission: Process).

#### 4.9.3 Section not used

#### 4.9.4 Co-operation with Trading Parties and recompense for Meter Reads

- (a) The Contracting Wholesaler and the Contracting Retailer shall co-operate with each other and with any other Trading Party by providing meter related information and by carrying out and submitting Meter Reads where the meter configuration for a Supply Point requires such co-operation within the timescales specified in CSD 0202 (Meter Read Submission: Process) or as otherwise specified by the Market Operator.
- (b) The duty to cooperate in Section 4.9.4(a) shall apply, without limitation, in the case of meters installed on Meter Networks, where the Contracting Wholesaler and the Retailer and any other Trading Parties are obliged to provide related Meter Reads.
- (c) The duty to cooperate in Section 4.9.4(a) shall be without prejudice to any right the Contracting Wholesaler or the Contracting Retailer or any relevant Trading Party may have to receive a proportion of its expenses for such Meter Reads pursuant to section 205 of the Water Industry Act

1991 noting that the ability to receive a proportion of its expenses for and the requirement to pay such proportion for such Meter Reads is expressly preserved in terms of Section 4.8 of the Business Terms irrespective of whether or not the Meter Reads are carried out by the Contracting Wholesaler, Contracting Retailer or any other relevant Trading Party.

#### 4.9.5 **Market Operator requested Meter Reads**

The Market Operator shall be entitled to request that the Contracting Wholesaler and/or the Contracting Retailer carries out and submits Meter Reads on an ad hoc basis where the Market Operator reasonably considers this is necessary for the proper implementation of the Market Terms and the Contracting Wholesaler and the Contracting Retailer shall comply with any such requests. The Market Operator and the Contracting Wholesaler and the Contracting Retailer shall also rectify consumption errors in accordance with CSD 0105 (Error Rectification and Retrospective Amendments).

#### 4.9.6 **Regular Cyclic Reads**

- (a) In relation to Monthly Read Meters for all Supply Points for which it is Registered, the Contracting Retailer shall carry out or procure that its agent shall carry out a Regular Cyclic Read using a Meter Read Method permitted by CSD 0202 (Meter Read Submission: Process), and submit this to the Market Operator in accordance with the minimum frequency required under CSD 0202 (Meter Read Submission: Process).
- (b) In relation to Twice-yearly Read Meters for all Supply Points for which it is Registered, the Contracting Retailer shall carry out or procure that its agent shall carry out a Regular Cyclic Read using a Meter Read Method permitted by CSD 0202 (Meter Read Submission: Process), and submit this to the Market Operator in accordance with the minimum frequency required under CSD 0202 (Meter Read Submission: Process).
- (c) For the avoidance of doubt, the minimum frequency requirements for the submission of Meter Reads under CSD 0202 (Meter Read Submission: Process) do not prohibit the provision of more frequent Meter Reads by the Contracting Retailer, and no such Meter Read shall be rejected so

long as it passes validation in accordance with CSD 0203 (Meter Read Submission: Validation).

#### **4.9.7 Meter Reads relating to change events**

The Contracting Wholesaler shall carry out and submit Meter Reads on each of the events set out in CSD 0202 (Meter Read Submission: Process) in accordance with that CSD.

#### **4.9.8 Calculated Discharges**

Where one or more Discharge Points are Registered for an Eligible Premises and Volumes cannot be derived by deducting allowances from the Metered water supplied, the Discharge Points require to be associated with a Calculated Discharge in accordance with CSD 0206 (Trade Effluent Processes).

#### **4.9.9 Meter accuracy**

Where, on the basis of evidence available to it, the Market Operator reasonably believes that there is any question or dispute concerning the accuracy of any Meter Read, the Market Operator shall be entitled to require that the Contracting Wholesaler or the Contracting Retailer as relevant, requests a meter accuracy test in accordance with the Operational Terms.

### **4.10 Validation of Meter Reads**

#### **4.10.1 Carrying out validation**

On receipt of any Meter Read the Contracting Wholesaler and the Contracting Retailer note that the Market Operator shall carry out validation in accordance with CSD 0203 (Meter Read Submission: Validation), which shall include validation checks in relation to:

- (a) SPID data transaction and Meter Read Date validation;
- (b) rollover detection and validation;
- (c) volume validation; and
- (d) other appropriate validation as specified from time to time.

#### 4.10.2 **Validation failure**

If the Meter Read fails validation, the Market Operator will notify the Contracting Retailer or the Contracting Wholesaler (as appropriate) of a validation failure in accordance with CSD 0203 (Meter Read Submission: Validation). The Contracting Retailer or Contracting Wholesaler (as appropriate) will rectify the validation failure within the overall time requirements set out in CSD 0202 (Meter Read Submission: Process) (or otherwise as set out in any CSD) and is not entitled to additional time as a result of the validation failure.

4.10.3 On receipt of any notice of a validation failure the Contracting Retailer or the Contracting Wholesaler (as appropriate) shall respond to the Market Operator in accordance with CSD 0203 (Meter Read Submission: Validation). The Contracting Wholesaler and the Contracting Retailer shall also respond to the Market Operator in respect of any notice issued by the Market Operator relating to a Meter Rollover or candidate Meter Rollover in accordance with CSD 0203 (Meter Read Submission: Validation).

#### 4.10.4 **Estimated meter Volumes**

Where a Meter Read is not provided for a Supply Point or where a Meter Read fails validation in accordance with CSD 0203 (Meter Read Submission: Validation) the Contracting Wholesaler and the Contracting Retailer agree that the Market Operator shall be entitled to use an estimated Volume for the purposes of any Settlement Run.

### 4.11 **Volume processing and estimation**

4.11.1 The Contracting Wholesaler and the Contracting Retailer agree that the Market Operator shall calculate or be notified of the Volume and Volume discharged attributable to each Supply Point, meter or Discharge Point (as appropriate) in accordance with CSD 0104 (Maintain SPID Data), CSD 0206 (Trade Effluent Processes) and CSD 0207 (Charge Calculation, Allocation and Aggregation).

### 4.12 **Charge calculation, allocation and aggregation**

4.12.1 The Contracting Wholesaler and the Contracting Retailer agree that the Market Operator shall calculate the Primary Charges payable by the Contracting Retailer for the provision of both Water Services and Sewerage Services for

each Invoice Period in accordance with CSD 0207 (Charge Calculation, Allocation and Aggregation) and CSD 0208 (Creation and update of Wholesaler Tariff Data). The Contracting Wholesaler and the Contracting Retailer agree that the Market Operator shall only carry out calculations using the Primary Charges set out in the Contracting Wholesaler's Wholesale Tariff Document.

- 4.12.2 As set out in Sections 4.2 to 4.4 above, the Supply Points for every Eligible Premises receiving Water Services and/or Sewerage Services from the Contracting Wholesaler must be Registered in the Supply Point Register and the Tariff applicable to each Service Component must be separately identified such that the Primary Charges for each Service Component can be calculated separately.
- 4.12.3 The Contracting Wholesaler and the Contracting Retailer agree that the Market Operator will calculate the Primary Charges for each Service Component separately on the relevant Charging Basis for that Service Component and will not calculate any Non-Primary Charges. All Non-Primary Charges will be calculated by the Contracting Wholesaler and charged to the Contracting Retailer in accordance with the Business Terms.
- 4.12.4 With regard to Trade Effluent Services, the Contracting Wholesaler and the Contracting Retailer agree that the Market Operator will calculate the applicable Volumes associated with each Discharge Point using the relevant Data Items supplied by the Contracting Wholesaler, the meter readings and Calculated Discharges supplied by the Contracting Retailer or will otherwise estimate Volumes and will calculate Primary Charges for each Discharge Point accordingly.

## **4.13 Settlement Timetable and reporting**

### **4.13.1 Planned Settlement Runs**

The Contracting Wholesaler and the Contracting Retailer agree that the Market Operator will calculate the Primary Charges payable by the Contracting Retailer to the Contracting Wholesaler in respect of each Invoice Period by performing the Planned Settlement Runs. The Market Operator will perform at least five (5) Settlement Runs for each Invoice Period being P1, R1, R2, R3, R4 (where applicable) and the Final Settlement Run, RF. The Market Operator will issue the

Planned Settlement Reports in accordance with CSD 0201 (Settlement Timetable and Reporting). For clarity, for each Invoice Period, the Market Operator will issue the following Planned Settlement Reports:

- (a) a provisional Settlement Report (P1) which will be issued sixteen (16) Business Days before the Invoice Period to which the Settlement Report relates;
- (b) a first Settlement Report (R1) which will be issued four (4) Business Days after the end of the Invoice Period to which the Settlement Report relates;
- (c) a second Settlement Report (R2) which will be issued four (4) Business Days after the end of the Month which is the second Month after the Invoice Period to which the Settlement Report relates;
- (d) a third Settlement Report (R3) which will be issued four (4) Business Days after the end of the Month which is the eighth Month after the Invoice Period to which the Settlement Report relates;
- (e) a fourth Settlement Report (R4) which will be issued in relation to the six (6) Invoice Periods following the Go Live Date, on the fourth Business Day of a Month which is fourteen (14) Months after the Invoice Period to which the Settlement Report relates, as set out in the Settlement Timetable; and
- (f) a Final Settlement Report (RF) which will be issued sixteen (16) Months after the end of the Invoice Period to which the Settlement Report relates, subject to section 2.3 of CSD 0201 (Settlement Timetable and Reporting).

#### 4.13.2 Invoicing based on Settlement Reports

Settlement Reports issued by the Market Operator will be the only basis for invoicing Primary Charges pursuant to the Wholesale Contract.

For each Planned Settlement Report issued, the Contracting Wholesaler and the Contracting Retailer agree that the Market Operator will provide an Aggregated Settlement Report and a Disaggregated Settlement Report in accordance with



CSD 0201 (Settlement Timetable and Reporting). The Aggregated Settlement Reports will be the basis for invoicing Primary Charges in respect of Planned Settlement Reports.

Where Pre-Payment of the Primary Charges is to apply, the Contracting Wholesaler will invoice the Contracting Retailer for Primary Charges in accordance with the Aggregated Settlement Report for P1, R1, R2, R3, R4 (where applicable) and the Final Settlement Report, RF.

Where Post-Payment of the Primary Charges is to apply, the Contracting Wholesaler will invoice the Contracting Retailer for Primary Charges in accordance with the Aggregated Settlement Report for R1, R2, R3, R4 (where applicable) and the Final Settlement Report, RF.

For each Unplanned Run undertaken the following shall apply:

- (a) for each Corrective Settlement Run undertaken, the Contracting Wholesaler and Contracting Retailer agree that the Market Operator will provide an Aggregated Settlement Report and a Disaggregated Settlement Report in accordance with CSD 0201 (Settlement Timetable and Reporting). The revised Aggregated Settlement Report will replace the original Aggregated Settlement Report and be the basis for invoicing Primary Charges; and
- (b) for each Post RF Settlement Run and Dispute Settlement Run undertaken the Contracting Wholesaler and Contracting Retailer agree that the Market Operator will only provide a Disaggregated Settlement Report in accordance with CSD 0201 (Settlement Timetable and Reporting) and these Reports will be the basis for invoicing the Contracting Retailer.

4.13.3 The Market Operator shall only issue Settlement Reports to the Contracting Wholesaler and the Contracting Retailer that relate to the calculation of Primary Charges due by the Contracting Retailer to the Contracting Wholesaler and such Settlement Reports shall be the Confidential Information of the Contracting Wholesaler and the Contracting Retailer.

#### 4.13.4 Unplanned Settlement Runs

- (a) Unplanned Settlement Runs context: This Section 4.13.4 sets out a summary of the Unplanned Settlement Runs and related Settlement Reports that the Market Operator may be required to carry out and provide. Unplanned Settlement Runs will either be carried out by agreement of the Contracting Wholesaler and the Contracting Retailer (Corrective Settlement Runs and Post RF Settlement Runs) or following the resolution of a Dispute (Dispute Settlement Runs). For clarity, all Unplanned Settlement Runs are specific to the relevant Trading Parties affected.
- (b) Use of Unplanned Settlement Runs: The Contracting Wholesaler and the Contracting Retailer agree that Unplanned Settlement Runs should only be used where necessary and that the Parties should rely on the next Planned Settlement Run and Settlement Reporting process set out in Section 4.13.1 above wherever practicable in preference to using an Unplanned Settlement Run.
- (c) Materiality threshold: In calculating the Materiality threshold it may be necessary to accommodate a series of Unplanned Settlement Runs for Dispute Settlement Runs and Post RF Settlement Runs, Corrective Settlement Runs will only concern a single Invoice Period. Unplanned Settlement Runs will only be carried out by the Market Operator where the Trading Parties confirm that they reasonably consider the total net difference between the Primary Charges applicable before and after recalculation is equal to or greater than the materiality threshold as set out below for each type of Unplanned Settlement Run. For these purposes, the series "*N*" is the number of runs which are proposed to be carried out:
  - (i) for Corrective Settlement Runs:
    - (A) 1.0% of the value of the Primary Charges due to the Contracting Wholesaler from the Contracting Retailer for the relevant Area for the relevant Invoice Period; and
    - (B) £10,000.00;

- (ii) for Dispute Settlement Runs:
  - (A) 1.0% of the sum of the aggregate value of the Primary Charges due to the Contracting Wholesaler from the Contracting Retailer for the relevant Area over all of the relevant consecutive Invoice Periods; and
  - (B) £10,000.00 x *N*; and
- (iii) for Post RF Settlement Runs:
  - (A) 0.1% of the sum of the aggregate value of the Primary Charges due to the Contracting Wholesaler from the Contracting Retailer for the relevant Area for each of the relevant consecutive Invoice Periods affected; and
  - (B) £3,000.00 x *N*.
- (d) Corrective Settlement Runs: The Contracting Wholesaler and the Contracting Retailer agree that:
  - (i) if either of them identifies a material error in any Planned Settlement Report prior to the issue of an invoice in relation to the sums set out in that Report and the other Party agrees that there is a material error;
  - (ii) then the Contracting Wholesaler and the Contracting Retailer will be entitled jointly to request that the Market Operator carries out a Corrective Settlement Run provided that they make the request prior to the date for issue of an invoice in relation to the relevant Report;
  - (iii) the Market Operator will carry out a Corrective Settlement Run as soon as possible following such notification; and
  - (iv) any Corrective Settlement Run will be a complete recalculation in respect of all the Supply Points. The Settlement Run will take into account both the specific Data Items which have been corrected, and any other changes to SPID Data arising from the normal

course of business since the date on which the Planned Settlement Run was carried out.

- (e) Post RF Settlement Runs: The Contracting Wholesaler and the Contracting Retailer agree that the Market Operator may carry out Post RF Settlement Runs in accordance with Section 4.14.3 where required. For clarity, all Post RF Settlement Runs are specific to the set of combinations of Supply Points and Service Components which are to be re-calculated.
- (f) Dispute Settlement Runs: The Contracting Wholesaler and the Contracting Retailer note that the Market Operator will carry out Dispute Settlement Runs where required pursuant to the Disputes Procedure. For clarity, all Dispute Settlement Runs are specific to the set of combinations of Supply Points and Service Components which are to be re-calculated.

#### 4.13.5 **Costs of Unplanned Settlement Runs**

The Contracting Wholesaler and the Contracting Retailer agree that the Market Operator shall publish its costs of running any Unplanned Settlement Run and providing the related Settlement Report on an annual basis within its list of Additional Services Charges. Such costs shall be shared as follows:

- (a) unless otherwise agreed by the Contracting Wholesaler and the Contracting Retailer, the costs of all Agreed Settlement Runs shall be shared equally between them or equally among them and all other affected Trading Parties;
- (b) the costs of all Dispute Settlement Runs shall be decided by the Trading Disputes Committee or the relevant arbiter or the Expert in accordance with the relevant part of the Disputes Procedure; and
- (c) where any Dispute Settlement Run is required as a result of any Inaccurate Settlement the costs shall be borne by the market in the same proportions as they pay MO Charges at the date on which the error or inaccuracy first arose.

#### 4.13.6 Settlement timetable

The Contracting Wholesaler and the Contracting Retailer note that on or before 1<sup>st</sup> February each Year, the Market Operator will publish a list of the dates on which each Settlement Run will be undertaken and the date on which each Settlement Report will be provided to the Contracting Wholesaler and the Contracting Retailer.

### 4.14 Agreed re-calculations after a Final Settlement Report

#### 4.14.1 Where:

- (a) the Contracting Wholesaler or the Contracting Retailer wish to make a proposal to the other in respect of the suspected inaccuracy of any specific Data Items pertinent to any Final Settlement Report the Contracting Wholesaler or the Contracting Retailer may contact the other with a view to achieving a common understanding of the issue and where possible the Contracting Wholesaler and the Contracting Retailer shall work together to reach agreement as to whether or not there is a data error or omission that has affected the calculation of Primary Charges in respect of the specified Supply Point or Service Component in the Final Settlement Report;
- (b) the Contracting Wholesaler and the Contracting Retailer agree that the Data Item or Items were incorrect or missing at the time the Final Settlement Run was performed and, subject to the conditions of CSD 0105 (Error Rectification and Retrospective Amendments) being met, the Contracting Wholesaler and the Contracting Retailer agree that the relevant Data Owner shall ensure the relevant Data Item is corrected in accordance with CSD 0105 (Error Rectification and Retrospective Amendments).

4.14.2 Following any correction being made under Section 4.14.1 above, the Contracting Wholesaler and the Contracting Retailer may apply to the Market Operator for a Supply Point specific recalculation of the relevant Primary Charges set out in the Final Settlement Report subject to the following conditions:

- (a) each application may include more than one set of combinations of Supply Points and Service Components for one or more Invoice Periods;
- (b) each application shall be made within twenty eight (28) Months of the date of publication of any Final Settlement Report and may apply only to the relevant Final Settlement Report;
- (c) each application shall set out the Final Settlement Report calculation(s) affected by the issue, the relevant Supply Point(s) and Service Components, the Data Item or Items which have been amended and the new agreed values, the reason for the amendment, and any other relevant information that the Market Operator may reasonably request; and
- (d) the Contracting Wholesaler and the Contracting Retailer confirming to the Market Operator they agree to the proposed recalculation(s).

4.14.3 Following receipt of a validly completed application under Section 4.14.2 above, the Contracting Wholesaler and the Contracting Retailer note that the Market Operator shall undertake Post RF Settlement Run(s) within twenty (20) Business Days and will issue a Post RF Settlement Report if, and only if, the Materiality Threshold is met.

4.14.4 To avoid doubt this Section 4.14 does not make any provision for the complete recalculation of any Final Settlement Report and only provides for a recalculation of the Primary Charges for the stated the set of combinations of Supply Points and Service Components for one or more Invoice Periods.

4.14.5 Following receipt of the Post RF Settlement Report, if the Contracting Wholesaler or the Contracting Retailer considers that there is still an inaccuracy in a Data Item for which they had previously agreed to undertake a recalculation under this Section 4.14, and that either party considers the amounts set out in the Post RF Settlement Report are therefore not accurate, it may, within twenty (20) Business Days of receipt of the Post RF Settlement Report, refer the matter as a Trading Dispute to the Trading Disputes Committee.

4.14.6 Nothing shall preclude the Contracting Wholesaler and the Contracting Retailer from requesting an application under this Section in respect of the set of

combinations of Supply Points and Service Components for one or more Invoice Periods pertinent to any Final Settlement Report for which an application has not already been made in respect of that combination.

4.14.7 The Market Operator will report to the Panel on the use of this process.

4.14.8 The Contracting Wholesaler shall not bill or invoice the Contracting Retailer for, or recover charges in respect of, water supplied or sewerage services provided to that Contracting Retailer's Non-Household Customer for any period for which a Final Settlement Report has been provided by the Market Operator.

## 4.15 Assessed and Unmeasured Charges

The Contracting Wholesaler and the Contracting Retailer note that the general requirements in respect of Assessed Charges are set out in the Market Terms including the relevant CSDs: CSD 0101 (Registration: New Supply Points); CSD 0102 (Registration: Transfers); CSD 0103 (Registration: Cancellations and Erroneous Transfers); CSD 0104 (Maintain SPID Data); CSD 0207 (Charge Calculation, Allocation and Aggregation) and CSD 0208 (Creation and Update of Wholesaler Tariff Data).

## 4.16 Data Catalogue

In providing all data required by the Market Terms, the Contracting Wholesaler and the Contracting Retailer shall ensure that they each comply with the requirements of and use the method of communication specified in the CSD 0301 (Data Catalogue) and the Interface CSDs.

## 4.17 Market Dataset

4.17.1 The Market Dataset shall be treated as Confidential Information as defined in Section 16 of the Business Terms (Confidential Information).

4.17.2 The Market Operator shall issue the Market Dataset to the Contracting Wholesaler and the Contracting Retailer in accordance with CSD 0302 (Standing Reports and Data Extracts). The Market Operator may issue the Market Dataset to the Trading Disputes Committee or any arbiter or Expert to assist in resolving any Dispute as detailed in the Disputes Procedure.

## 4.18 Audit

- 4.18.1 Subject to prior consultation with the Panel, the Market Operator shall appoint or remove a Market Auditor. The Contracting Wholesaler and the Contracting Retailer agree to provide the Market Auditor with access on reasonable notice, to such of its systems, information, data, staff and sub-contractors that are relevant to the performance of the Contracting Wholesaler or the Contracting Retailer (as appropriate) of its obligations under the Market Terms, including the Code Subsidiary Documents.
- 4.18.2 The Market Operator may require that the Contracting Wholesaler and/or the Contracting Retailer participates in Market Re-assurance where this has been recommended by the Market Auditor to provide continued assurance of the proper operation of the Market Terms.
- 4.18.3 Where any audit carried out by the Market Auditor identifies that the Contracting Wholesaler and/or the Contracting Retailer have materially or persistently failed to meet the requirements of the Market Terms, the Contracting Wholesaler and/or the Contracting Retailer affected shall:
- (a) provide a written report to the Market Operator confirming the remedial steps that it will take to avoid such failure recurring; and
  - (b) on the request of the Market Operator, provide any update(s) required on its progress in implementing such remedial steps.



## 5. Part E: Resolving Inaccurate Settlement with the Market Operator

### 5.1 Scope

This Part E of the Market Terms sets out the process that applies where the Contracting Wholesaler and/or the Contracting Retailer considers that a Settlement Report is inaccurate for any reason (Inaccurate Settlement) (other than due to any error in or omission of any Data Item which shall be dealt with as a Trading Dispute).

### 5.2 Inaccurate Settlement

5.2.1 If the Contracting Wholesaler and/or the Contracting Retailer considers there has been any Inaccurate Settlement, it may raise an inquiry with the Market Operator in accordance with any relevant Working Procedure.

5.2.2 On receipt of an inquiry relating to a perceived Inaccurate Settlement, the Market Operator will carry out initial investigations into the matter promptly with a view to identifying whether or not there has been Inaccurate Settlement and, if so, the size and the likely root cause of the Inaccurate Settlement. The Market Operator will develop an initial assessment of the Inaccurate Settlement for submission to the Contracting Wholesaler, the Contracting Retailer and any other Trading Parties impacted directly by the Inaccurate Settlement within fifteen (15) Business Days of the matter first being raised with the Market Operator.

5.2.3 If the Market Operator considers, after undertaking its initial assessment and acting reasonably, that there has not been any Inaccurate Settlement, it will write to the Party that raised the matter providing clear information on the reasons for that view. That Party may respond to the Market Operator providing its views and any further relevant information and data.

5.2.4 If the Market Operator considers, after undertaking its initial assessment and acting reasonably, that there has been Inaccurate Settlement then, within a maximum of two (2) Months of the inquiry first being raised with the Market Operator (and as soon as possible where the impact of the Inaccurate Settlement is material), the Market Operator will provide its report into the Inaccurate Settlement to the Contracting Wholesaler, the Contracting Retailer,

any other Trading Parties impacted by the Inaccurate Settlement and the Panel to include at least the following:

- (a) the likely or known cause(s) of the Inaccurate Settlement;
- (b) the scale of the Inaccurate Settlement including the number of Trading Parties affected and the likely value of Wholesale Charges affected;
- (c) the steps it recommends taking to mitigate the impact of the Inaccurate Settlement in the short term (if any are necessary);
- (d) the steps it recommends taking to mitigate the occurrence and/or recurrence of the Inaccurate Settlement; and
- (e) its proposed rectification plan.

5.2.5 The Contracting Wholesaler and the Contracting Retailer acknowledge that the Market Operator will take advice from the Panel in relation to its proposed rectification plan, provide regular updates of the plan to the Panel and report to the Panel on progress against its rectification plan. The frequency of such reports shall be agreed with the Panel taking account of the size and impact of the Inaccurate Settlement and whether or not there is a need for urgency in rectifying the Inaccurate Settlement.

## 5.3 Raising an MO Dispute

5.3.1 If the Market Operator:

- (a) fails to provide its proposed rectification plan within two (2) Months as set out in Section 5.2.4 above;
- (b) considers that no Inaccurate Settlement has occurred and the Contracting Wholesaler and/or the Contracting Retailer disagree;
- (c) fails to implement its rectification plan in a timely manner and/or in accordance with its terms; or
- (d) provides a rectification plan that is unclear, incomplete or otherwise materially defective,

then the Contracting Wholesaler and/or the Contracting Retailer shall be entitled to escalate the matter as an MO Dispute in accordance with Section 18 of the Market Arrangements Code.

## 6. Part F: List of Code Subsidiary Documents

CSD 0001: Market Entry Assurance and Market Re-assurance
CSD 0002: Market Performance Framework
CSD 0003: Volume Transfer and Volume Data Update
CSD 0004: Interim Supplier Allocation Process
CSD 0005: Direction to Supply Allocation Process
CSD 0006: Trading Party Administration and Notification Processes
CSD 0007: Business Continuity Management
CSD 0101: Registration: New Supply Points
CSD 0102: Registration: Transfers
CSD 0103: Registration: Cancellations and Erroneous Transfers
CSD 0104: Maintain SPID Data
CSD 0105: Error Rectification and Retrospective Amendments
CSD 0106: Non-Market Meters
CSD 0201: Settlement Timetable and Reporting
CSD 0202: Meter Read Submission: Process
CSD 0203: Meter Read Submission: Validation
CSD 0204: NOT USED
CSD 0205: NOT USED
CSD 0206: Trade Effluent Processes
CSD 0207: Charge Calculation, Allocation and Aggregation
CSD 0208: Creation and Update of Wholesaler Tariff Data
CSD 0301: Data Catalogue
CSD 0302: Standing Reports and Data Extracts
CSD 0400: Common Interface Technical Specifications
CSD 0401: Transactional Interface for Trading Parties Having a High Volume of Data Transactions

CSD 0402: Transactional Interface for Trading Parties Having a Low Volume of Data Transactions

CSD 0403: Interface for the Provision of Reports from the Market Operator to Trading Parties

CSD 0404: Interface for the Provision of Non-Transactional Data Items from Trading Parties

CSD 0405: Data Query Interface

CSD 0406: Service Management Interface

CSD 0501: Change Management Implementation