

WHOLESALE-RETAIL CODE CHANGE PROPOSAL/CHARGING CHANGE PROPOSAL			ICP Form version 2
For use by the Interim Code Panel			
Change Proposal Reference (To be completed by the Interim Code Panel Secretary)	ICP/WRC007	Version No	1
Submission: Change Proposal/ Charging Change Proposal	Change Proposal		
Title: of Change Proposal/Charging Change Proposal	30 September 2015: Market Architecture Plan (MAP), Cross Border matters		
General Details of the Proposer			
Name of Proposer	Jessie McLeman		
Capacity (for Change Proposals – on behalf of a Party, as an Interim Code Panel member, as the customer representative or on behalf of MOSL or the Authority; for Charging Change Proposals – on behalf of a Wholesaler).	Market Operator Services Limited		
Contact Email; Tel/Mob.	secretariat@mosl.co.uk		
Authorised signature	Secretary to the Interim Codes Panel		
Related Documents			
Reference of any associated Interim Code Panel Change Proposal/Charging Change Proposal			
Documents Accompanying Form	Wholesale Retail Code: - <ul style="list-style-type: none"> • Part 1, Objectives, Principles and Definitions • Part 2, Business Terms • Part 3, Operational Terms and Annex A, Processes B16 and 17 • Part 4, Market Terms • Part 5, Code Subsidiary Documents - <ul style="list-style-type: none"> ○ CSD 0002 ○ CSD 0101 ○ CSD 0103 		

	<ul style="list-style-type: none"> ○ CSD 0104 ○ CSD 0207 ○ CSD 0301 ○ CSD 0302 ● Part 6, Operation Forms <ul style="list-style-type: none"> ○ A/02 ○ A/04 ○ A/05 ○ C/02 ○ C/03 <p>The Wholesale Contract has also been amended and is attached.</p> <p>All documents are presented in track change format only apart from CSD 0207 which is in alternative revision mode.</p>
Proposed Urgency	Urgent/Non-Urgent: URGENT
Reasons for urgency in relation to the pre-Go Live period	The proposed drafting changes set out in this change proposal are intended to be incorporated into the version of the Market Architecture Plan to be published on 30 September 2015.
<p><i>The Interim Code Panel will review this information and make a decision as to whether to take this Change Proposal/Charging Change Proposal forward as urgent in relation to the milestones relevant to the pre-go live period.</i></p>	
<p>Change Proposal/Charging Change Proposal Details</p>	
<p>Description of (i) The enhancement, issue or defect which this Change Proposal seeks to address, or (ii) the modified or new charging method or charging structure required pursuant to this Charging Change Proposal, as required under the Draft Market Arrangements Code Section 6.2.1(b).</p>	
<p>The changes described in this Change Proposal have been developed following a review of matters pertaining to the legal framework and Ofwat’s eligibility guidance with respect to the eligibility of non-household customers to switch their retailer in England and Wales, and following Ofwat’s workshop held in Cardiff in July. The proposed changes cater for non-household customers with eligible premises in England and Wales, including premises which are eligible with respect to either water or sewerage services but not both.</p> <p>The changes described in this Change Proposal are required to enable the registration of Supply Points and the calculation of primary charges, where a non-household customer is receiving both water and sewerage services, but where the premises is eligible with respect to only one of these services (i.e. water or sewerage services, but not both). Such premises will typically exist where one of the services is eligible due to it being provided by an undertaker wholly or mainly in England, and the other is ineligible due to it being provided by an undertaker wholly or mainly in Wales.</p> <p>The purpose of the changes set out in this Change Proposal is as follows:</p> <ul style="list-style-type: none"> ● To provide for the scenario where a new connection and/or new Supply Point is to be registered at an eligible premises which is receiving or will receive both water and sewerage services, but only one of those services is or will be eligible; 	

- To enable the calculation of primary charges for eligible sewerage services based on metered water volumes, and where the water being metered is provided by an undertaker but is not eligible;
- To identify the responsibilities to maintain, repair, exchange, either routinely or where faulty, replace the meter, carry out meter accuracy testing or other verification of the meter or meter supply details as required, and reading of water meters required for the calculation of primary charges for eligible sewerage services, where the water being metered is provided by an undertaker but is not eligible;
- To provide for the scenario where a water Supply Point at a premises ceases to be eligible (in accordance with Ofwat's eligibility guidance), but where the sewerage Supply Point at the premises continues to be eligible and therefore metered water volumes continue to be required for the calculation of primary charges for eligible sewerage services; and
- To provide for the scenario where water services at a premises become eligible (e.g. by meeting the eligibility threshold) and where the sewerage Supply Point at the premises is already eligible and primary charges for sewerage are based on metered water volumes.

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

General Description

Changes to the Wholesale-Retail Code

The following provides a summary of the proposed changes to the Wholesale-Retail Code associated with this Change Proposal. The detailed drafting changes are set out in the relevant documents in tracked change format.

Broadly, the changes are to reflect the application of the law and court jurisdiction to Wales. The detailed process changes recognise the implications of the differences in eligibility criteria as between England and Wales, including at the same premises, and the consequential need to refine the use of terminology in this context.

Part 1, Objectives, Principles and Definitions

Part A, Objectives, Section 1.5.9: addition of "and Wales" to reflect the fact that there should be a seamless customer experience in relation to the Areas of Wholesalers and as between Areas in England and Wales, and Scotland

Part B, Definitions and interpretation. Defined terms which are new or have been amended:

- "Area" - existing definition amended to remove reference to England only, to ensure it applies to England and Wales;
- "Cross Border Meter" – new definition added;
- "Eligibility Guidance" - existing definition amended to add reference to Welsh Ministers' ability to issue regulations/guidance as well as the Secretary of State;
- "Entry Change of Use" – existing definition extended to include changes in eligibility, as a Supply Point could become eligible due to change in consumption;
- "Exit Change of Use" – existing definition extended to include changes in eligibility, as

- a Supply Point could cease to be eligible due to change in consumption;
- "Other Retailer" - existing definition clarified, recognising that the other party may be a party to the Wholesale Retail Code, but not for the purpose of a particular Supply Point pair;
- "Other Wholesaler" - existing definition clarified, consistent with the above;
- "Paired SPIDs" - new definition added;
- "Private Trade Effluent Meter" - amended definition from ICP Trade Effluent Version included for completeness;
- "Private Water Meter" - amended definition subsequent to the ICP Trade Effluent Version to include reference to additional configurations of private water meters;
- "Retail Authorisation" - existing definition amended explicitly to include both retail authorisations in England and restricted retail authorisations in Wales;
- "Supply Point" - existing definition amended to include reference to Section 4.2.2(c);
- "Undertaker Retail Business" - new definition from ICP Draft Exit Regulations added for completeness; and
- "Water Supply Licence" - the definition required amending to refer not only to Retail and Wholesale Authorisations under Section 17A of the 1991 Act (which is England only) but also to Restricted Retail Authorisations and Supplementary Authorisations (for Wales).

Part 2, Business Terms

The majority of the changes in the Business Terms are required to clarify the particular obligations of the contracting parties in the context of Cross Border Meters. The review of Trade Effluent meters and the insertion of Cross Border meters prompted an alignment of the wider textual context and in some cases this has been clarified. There is also insertion of the term "and Wales" in two places. The changes are as follows:

- Section 4.1.3, reference to newly defined term Cross Border Meter is added;
- Section 4.2.2, additional wording inserted to clarify that obligations to procure extends to Private Meters only at Eligible Premises where a Trade Effluent Consent applies, in recognition that this can be done through the consenting arrangements;
- New Section 4.2.3 which introduces an obligation on the Contracting Wholesaler and Retailer to work together and co-operate in relation to Private Water Meters not owned by the Contracting Wholesaler at Eligible Premises where no Trade Effluent Consent applies;
- New Section 4.2.4 which sets out that for Cross Border Meters, a Contracting Wholesaler (which is a Sewerage Wholesaler) shall seek to procure an arrangement, ie outside the Wholesale-Retail Code, with the owner of the meter to maintain, repair, exchange, either routinely or where faulty, replace the meter, carry out meter accuracy testing or any other verification of the meter or meter supply details as required, and to obtain all relevant Meter Data;
- New Section 4.2.5 which sets out that for Cross Border Meters, a Contracting Retailer (which is a Sewerage Retailer) shall seek to procure an arrangement, ie outside the Wholesale-Retail Code, with the owner of the meter to ensure that relevant Meter Reads are obtained;
- Updating of the cross reference to section 4 more generally in section 4.2.6;
- Additional wording in Section 4.4.1 to clarify that the Contracting Retailer owes a duty of care in accessing and reading meters "both inside and" outside the boundary of the Eligible Premises and a clarification that a more general duty of care is owed by the Contracting Retailer in respect of any Wholesaler meter within the boundary of an Eligible Premises.
- Addition of "and Wales" in Section 10.1.7 to clarify that licence revocation can apply to licences in England and Wales;

- Law and seat of arbitration, Section 19.3.1 and 19.3.2: amended to include Wales and Welsh language, as the case may be;
- Interim Judicial Relief, 19.7: additional provisions relating to jurisdiction of England and Wales;
- Guarantee key terms, Schedule 2C, Section 12: additional provisions for courts of England and Wales;
- Letter of credit, Schedule 2D Section 8: provisions for governing laws of England and Wales.

Part 3, Operational Terms

The changes are to reflect the introduction of new processes in Part B in relation to Cross Border meters; and recognition that in relation to gap sites, the other service at a premises may not be eligible. The changes are the following:

- Introduction, Part A, heading F; references to geographic scope of accreditation scheme amended;
- New processes in Part B, B15, B16 and B17: new processes relate to the installation, repair, replacement and exchange of Cross Border meters by the meter asset owner, which the Wholesaler will seek to procure under arrangements with the meter asset owner;
- Clarification in Part C Process C1, Verification of meter details and meter supply arrangements: in respect of Cross Border meters the Wholesaler shall seek to procure that the meter asset owner carries out necessary verification of meter details;
- Amendment to the wording in Part C process C2 Gap Sites, step1B: clarifies that the Other Wholesaler relates to the Eligible Premises.

Part 4, Market Terms

Part D Market Design, 4.2.2 Supply Points and Discharge Points: A new paragraph has been inserted at 4.2.2 (g) to provide an overview of arrangements which pertain in relation to premises supplied by a Wholesaler wholly or mainly in Wales and by a Wholesaler wholly or mainly in England. Parties will need to have regard to the eligibility criteria in considering the registration of Supply Points in the Central Systems. The new paragraph also introduces Cross Border Meters and the arrangements which need to be made to allow market data to be provided to the Market Operator, in accordance with the Code Subsidiary Documents.

Part D Market Design, new sections 4.7.3 (d) and 4.7.4, Cancellation of Registration Transfers: new texts to recognise the Eligibility Guidance pertaining to Wales and that a premises below the threshold may only transfer back to the Undertaker Retail Business.

Part 5 Code Subsidiary Documents

CSD 0002: Market Performance Framework

- Section 3.3.7, Table 1, Market Performance Standard Charges: Cross Border Meters have been excluded from Market Performance Standards and Market Performance Standard Charges in Table 1.

Please note that the scope and levels of Market Performance Standard Charges will be reviewed prior to coming into effect following the conclusion of the Initial Suspension Period.

CSD 0101: Registration: New Supply Points

- Clarification has been included in Section 2.2.8 Step c and the related table in Section 5 Step c, such that when a Wholesaler submits a request for a New Supply Point, no request for confirmation of any services will be sent to the Other Wholesaler if the Wholesaler provides a valid Pairing Reference Reason Code (which includes where the Wholesaler identifies that the other Service Category exists but is not eligible):
- Drafting in Section 2.2.31 and 2.2.32 relating to the addition of meters at a New Supply Point has been updated to allow for Cross Border Meters associated with Sewerage Services Supply Points.

CSD 0103: Registration: Cancellations and Erroneous Transfers

- A new condition and references introduced relating to Registration Cancellation in Section 2.1.1 and 2.2.5, to cater for when the Supply Point may only be transferred to the Undertaker in accordance with the Eligibility Guidance, and the Incoming Retailer is not the Undertaker Retail Business.

CSD 0104: Maintain SPID Data

- Addition of clarificatory drafting in a new Section 3.2.2 to ensure it is clear that the Sewerage Retailer is responsible for Occupancy Status if there is no Water Supply Point (which may be due to water being ineligible or no Water Services being provided).
- Drafting in Section 11.2.3(b) updated to describe the necessary action in relation to meters which require to be registered as Cross Border Meters as a result of a Deregistration.
- Drafting in Section 15.1.3 and 15.1.4 related to addition of meters at a New Supply Point has been updated to allow for Cross Border Meters, associated with Sewerage Services Supply Points.

CSD 0207: Charge Calculation, Allocation and Aggregation

- Inclusion in Section 4.2.2 of Cross Border Meters in the list of meters *K* which are always associated with the metered sewerage Service Component.

CSD 0301: Data Catalogue

- In Section 2.5, extended the data type of D2086 Pairing Reference Reason Code to accommodate longer members of the Valid Set, and in Section 3.2 added NOTELIGIBLE as a new member of the Valid Set for D2086, for premises where the other Service Category exists but is not eligible.
- In Section 3.2, added new Meter Treatment of CROSSBORDER for Cross Border Meters, which is a new member of the Valid Set for D3022.
- In Section 3.2, added a new Cancellation Code of NOTUNDERTAKER for the Outgoing Retailer or Incoming Retailer to Cancel a Transfer because the Incoming Retailer is not the Undertaker Retail Business, which is a new member of the Valid Set for D4005.
- Clarified in Section 4.4 that in T101.W Request New SPID, the Other Wholesaler ID is not required if an appropriate Pairing Reference Reason Code is provided.

CSD 0302: Standing Reports and Data Extracts

- Clarified in Sections 4.1.1 and 4.4.1 that SPIDs which are not paired because the other Service Category exists but is not eligible are not included in the unpaired SPIDs report.

Part 6, Operational Forms

- Amended forms A/02 Section 7, A/04 Section 6 and A/05 Section 3 to indicate Retailer is requesting a new connection for an eligible service, at a premises where the other service is not eligible.
- Amended form C/02 Sections 4 and 5 to indicate Retailer is requesting registration of a gap site for an eligible service, which is at a premises where the other service is not eligible.
- Amended form C/03 Sections 4 and 10 to allow Retailer to indicate when a service needs to be deregistered as it is not eligible, but another service remains which is eligible.

Wholesale Contract

- Governing law, Section 18.2: additional provision for Wales.

Principles and Objectives

Principles	Affected (Y/N)	Description
Efficiency	Y	Changes cater for registration relating to cross border matters and correct calculation of Primary Charges at cross border premises, as well as all other related matters, such as operational processes and other responsibilities, to provide for the efficient operation of the market.
Proportionality	Y	The number of customers affected is not large, but the changes proposed relate to small adjustments to existing processes.
Transparency	Y	Ensures transparency in relation to premises where both water and sewerage services are provided by an undertaker but only one Service Category is eligible.
Simplicity, cost-effectiveness and security	N	
Barriers to entry	N	
Non-discrimination	N	
Customer participation	Y	Supports the legal framework and the eligibility guidance to allow non-household customers to choose their retail supplier.

Customer contact	N	
Seamless markets	N	
No limit on upstream competition	N	
Business Terms Objectives	Y	To make provision in relation to water meters which are required for the calculation of Primary Charges for Sewerage Services, where the water being metered is provided by an Undertaker but is not eligible. Sections affected as above.
Operational Terms Objectives	Y	To make provision for operational processes in relation to water meters which are required for the calculation of Sewerage charges, where the water being metered is provided by an Undertaker but is not eligible.
Market Terms Objectives	Y	Registration and Transfer of Supply Points, and calculation of Primary Charges, where the premises is an Eligible Premises with respect to one Service Category only.
Description of the impact of the Change Proposal/Charging Change Proposal on the following items, as required under the Draft Market Arrangements Code Sections 6.2.1(c), (f) and (g).		
Configured Item	Impacted (Y/N)	Description
Wholesale-Retail Code, Part 1 (Objectives, Definitions and Principles)	Y	See above
Wholesale-Retail Code, Part 2 (Business Terms)	Y	See above
Wholesale-Retail Code, Part 3 (Operational Terms)	Y	See above
Wholesale-Retail Code, Part 4 (Market Terms)	Y	See above
Wholesale-Retail Code, Part 5 (CSDs)	Y	See above

Wholesale-Retail Code, Part 6 (Operational Forms)	Y	See above
Appointment	N	
Licence	N	
Any other industry code, agreement or document (e.g. the Wholesale Contract or the MOSL Articles) (please specify)	Y	Wholesale Contract
Central System	Y	The Central Systems will need to be able to cater for the requirements set out in the CSDs.
Trading Party systems which interface with Central Systems and other relevant Trading Party systems/business processes.	Y	The business processes of relevant trading parties will be affected, ie those registered to cross border sites.
Scottish Core Industry Documents	N	
Impact Assessment		
General Comment Pre-go live, consideration of the timing of adoption and implementation of the change may be relevant.	The proposed changes will ensure that cross border sites can be registered and transferred correctly in the Central Systems and that Primary Charges can be calculated by the Central Systems.	
Cost/Benefit Estimate		
Financial Benefit Estimate (Low: < £10K, Medium: £10K To £100K, High : > £100K)	To be confirmed following the completion of impact assessment.	
Description of any discussions on the topic of the Change Proposal/Charging Change Proposal at the User Forum (as relevant) or otherwise relevant discussions with parties, as required under the Market Arrangements Code Section 6.2.1(h).		
The topic was discussed with industry representatives at a workshop on 27 July 2015, at which an Ofwat representative was also present. Defra and Ofwat have also been consulted on the proposed changes.		
Further Comments		

