

MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL

Form
version 2.3

Change Proposal reference
(To be completed by the TP Sec.)

MCCP279

Version No.

D.3

PART A — SUBMISSION

A.1. GENERAL DETAILS

A.1.a. TITLE Discontinuation of RV

A.1.b. COMPANY CMA

Change Proposals must be authorised by the person designated by the signatory to the Market Code Framework / Accession Agreement

A.1.c. AUTHORISED
SIGNATURE

NAME

Neil Cohen

A.1.d. CONTACT NAME

CONTACT EMAIL;
TEL/MOB.

Neil.cohen@cmascotland.co.uk

A.1.e. ASSOCIATED
MCCP / OCCP

A.1.f. ASSOCIATED
DOCS.

MCCP279 Annex 1 CSD0207 Updates

A.1.g. PROPOSED
URGENCY

NON-URGENT

A.1.h. REASONS FOR
URGENCY

The CMA CEO will review this information and make a decision as to whether to take this MCCP / OCCP forward as urgent as defined under Market Code Part 8.9.1

A.2. MCCP / OCCP DETAILS

A.2.a. ISSUE OR DEFECT WHICH THIS MCCP / OCCP SEEKS TO ADDRESS
Required under Market Code Parts 8.7.1 (ii) (b) and 8.8.1 (ii) (b)

A number of transactions and associated settlement charge calculations rely on the D2042 Live Rateable Value, defined as being the most recent Rateable Value, as published by the Scottish Assessors Association. This parameter was introduced at the start of FY 2017/18 under the auspices of MCCP201.

MCCP214 – CC subsequently introduced the use of the D2042 Live RV into settlement charges via a transitional arrangement that enabled a linear move from charges based on the D2011 Rateable Value (being an appropriate historic value of the RV for the particular Supply Point core) to the D2042 Live Rateable Value. This transition applied over FY's 2018/19 to 2019/20, inclusive.

In addition to this change, MCCP204 – CC and MCCP207 – CC had previously introduced changes to the treatment of RV based charging for vacant premises. These changes applied from FY 2017/18 onwards.

To manage the introduction of each of the above and to accommodate the explicit transition for the move from RV to Live RV, Market Code (and CSD) drafting and the CMA CS both explicitly included the changes to these new charging arrangements. All of these have now been fully established, all transitional arrangements have run their course and the last such transitional period was subject to RF Settlement in 2021-22.

Consequently, the explicit transitional arrangements are now redundant and can be removed, to leave the enduring arrangements and obligations in place. An additional transition to accommodate the addition of the PPDISC SPID Status (as of 2017) was also identified in CSD0207 and in the CMA CS and this transition can also be removed.

A.2.b. DESCRIPTION OF THE NATURE AND PURPOSE OF THE MCCP / OCCP AND HOW IT MEETS THE MARKET CODE / OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS
Required under Market Code Parts 8.7.1 (ii) (c) and 8.8.1 (ii) (c)

General Description

This proposal seeks to remove all the RV-to-Live RV transitional arrangements in the Market Code (and CSDs) and, to the extent compatible with any residual possibility of needing to analyse prior RF settlement – as an Additional Service. in the associated processing and reporting in the CMA CS. The LVI will also be modified to recognise that RV will only be applicable for periods prior to the end of the transition to Live RV.

Additionally, the Market Code (and CSD) and CMA CS references to the transition in vacancy charging are also removed, along with the transition to accommodate the D2025 SPID Status of PPDISC in 2017. Finally, one remaining reference in CSD0207 to the change to the revised treatment for the Non-Domestic Allowance (NDA), dating from 2013, has also been removed. The removal of these transitions in the CMA CS will also be limited to ensure that any Additional Service involving an RF re-run can be accommodated easily.

By so doing, Market Code Principles of simplicity and transparency are maintained, and CMA IT Policies are also met (to remove any redundant processing, to optimise operability and future developability etc) and this approach is consistent with all other changes to the MC and CSDs that have been established since market opening.

It should be noted that all historic processing and CSD drafting is maintained and can be referred to and made use of, should any such need arise. Furthermore, the proposal seeks to balance the desirability of removing redundant components with the possibility that Additional Services may involve RF re-runs and some processing is maintained to avoid the need to re-activate back-ups to

deliver this. Final removal of such residual processing capability can be delivered once the potential for such Additional Services recedes.

Principles and Objectives affected
CMA Guidance Note GN009 may be referred to for assistance with this section

PRINCIPLE	AFFECTED (Y/N)	DESCRIPTION
Proportionality	Y	Market Code arrangements are simplified at modest cost.
Transparency	Y	Documentation and processing are made clearer by removing redundant instances.
Simplicity, Cost-effectiveness, and Security	Y	Documentation, processing, and developments are simplified, and associated risks of error mitigated by removing redundant instances.
Non-exclusivity	N	
Barriers to Entry	Y	Reduction of complexity reduces risk of barrier to entry.
Customer Contact	N	
Non-discrimination	N	
Non-detrimental to SW Core Functions	N	
MC / OC OBJECTIVES	N	

A.2.c. IMPACT
Required under Market Code Parts 8.7.1 (ii) (d), (f) and (g), and 8.8.1 (ii) (d) and (f)

CONFIGURED ITEM	IMPACTED (Y/N)	DESCRIPTION
MC / OC	Y	Remove the definition of 'Rateable Value' from Schedule 1.
CSDs	Y	CSD0104 Part 1. See below. CSD0207. See below. CSD0301. See below.
Wholesale Services Agreements	N	
Licenses	N	

CMA Central Systems	Y	Pre-vacancy charging and transitional charging (from RV to Live RV) can be removed. References to the RV on the LVI can be removed.
CMA business processes	N	
Trading Party systems	Y	T6 and T12 submissions and associated notifications need no longer include the RV.
Trading party business processes	N	

A.2.d. DRAFT LEGAL TEXT
Required under Market Code Parts 8.7.1 (ii) (d) and 8.8.1 (ii) (d)

The **Market Code** should be changed as follows: Remove the definition of 'Rateable Value' in Schedule 1.

CSD0104 Part 1 (Maintain SPID Data -SPID Level) Section 5.1.1 Process Steps for Establishing a Pseudo Water Services Supply Point should be changed as follows (red text):

Step e1 License Provider Updates [T006.0]

Within 2 Business Days of receiving confirmation from the CMA that the T003.0 (Partial Registration Application) was accepted, the Licensed Provider shall notify the SPID Data for the Pseudo Water Services Supply Point using the Data Transaction T006.0 (Submit WS SPID Data):

- The Licensed Provider will be aware that a Pseudo Water Services Supply Point is involved from the Free Descriptor field in the T002.1 (Notify New SPID (SW) which will note 'PSEUDO WS SPID'.
- The values for the Customer Classification, **and** SIC Code **and Rateable Value** shall be the same as held on the associated Sewerage Services Supply Point so that the information is aligned.
- For the avoidance of doubt, in the absence of such notification, the Water Services Supply Point will hold **a zero Rateable Value; or** N/A for Customer Classification; and a null value for SIC Code as the CMA does not use Data from Sewerage Services Supply Points to update Water Services Supply Points. It is therefore recommended that the Licensed Provider submits the T006.0 (Submit WS SPID Data) immediately following confirmation of a successful T003.0 (Partial Registration Application) from the CMA.

In the event that Scottish Water complete the Connection prior to the Licensed Provider sending a T006.0 (Submit WS SPID Data) update, the Data Items (~~Rateable Value/~~ SIC Code/ Customer Classification) should be sent using the Data Transaction T012.1 (Submit Chargeable SPID Data). In this case, the effective date in the T012.1 should be the last effective from date held in the Central Systems (which can be seen in the LVI).

The Licensed Provider shall not send Data Transaction T004.2 (Submit Meter YVE Details) as the YVE applicable to the Supply Point will be notified by Scottish Water in the T004.3 (Request Pseudo Meter) at step f below. If the Licensed Provider does send a T004.2, CMA will reject it.

CSD0201 (Settlement Timetable and Reporting) Appendix 3.2 (Field Derivation Information)/Water and Sewer Charges Report should be changed as follows (red text):

Water and Sewer Charges Report

By inspection it can be seen that there will be one or more rows for most SPIDs held on the Central System. Where the SPID has more than one Service Element (SE) there will be one or more rows for each SE. Where a SPID or Service Element data item changes, a row for each period where the SE applies, and no data changes occur will be provided. For instance, premises with a metered supply and a farm trough, with no SE data changes within the Invoice Period, will have a SE for the metered water supply and a SE for the trough. Where there is more than one meter of the same size on the SPID each meter will be reported separately.

~~SPIDs with charges derived from rateable value may have two separate rows for such charges: one related to Rateable Value and one for Live Rateable Value.~~

- ~~• For a SPID that is not in transition from use of the RV to use of a Live RV, for periods after 2018-04-10, only the Live RV related row will appear, and the RV column will not be populated. For periods prior to 2018-04-01, only the RV related row will appear and the Live RV column will not be populated.~~
- ~~• For SPIDs that are in transition from use of an RV to use of a Live RV, both rows will appear, each with charges weighted accordingly; for the RV related row, the Live RV column will not be populated and for the Live RV related row, the RV column will not be populated.~~
- ~~• For non-RV based charge rows, both RV and Live RV will be populated.~~

Field	Description and Derivation
Level 1: Data at Recipient Level	
Recipient Org Id	Identity of the recipient of the file; The Licensed Provider ID or SW or the CMA
Year	The Settlement Year
Period	For an IP Run: The Invoice Period (date and month) For an RF Run: The string "Year"
Settlement Run	The settlement run type e.g. P1, R1, R2, R3, R4 or RF
Extract Type	Code for data extract type: X21 for CMA; X22 for SW; X23 for LPs
Timestamp	The time and date.
Level 2: Data at SPID level	
Postcode Outcode	Postcode Outer Derived from the D5013 for the SPID
SPID	Supply Point Identification, this is the unique identifier allocated to each supply point by the CMA. Derived from the D2001 for the SPID
LP ID	The Licensed Provider Identification or Scottish Water (as SWx) in respect of any SPIDs subject to a Temporary Transfer.
SPID Category	SPID Category provides an abbreviation on whether the SPID is Water only (WONLY), Water with associated Sewerage (WANDS), Sewerage with associated Water (SANDW) or Sewerage only (SONLY).
Rateable Value	The SPID's Rateable Value. Derived from the D2011 for the SPID
Live Rateable Value	The SPID's Live Rateable Value Derived from the D2042 for the SPID
RV Transition Flag	Populated with a Y when the transition from RV to Live RV charging applies and left blank when no such transition applies. Derived from the D2044 for the SPID.

SA Indicator	The SA Indicator is derived from the D2048 SA Indicator and identifies whether any Property Drainage is to be charged on rateable value (and will then be set to RV) or surface area (and will be set to SA). If no Property Drainage applies to the Sewerage SPID, the SA Indicator is set to NA.
Surface Area	The Surface Area used for Property Drainage on an SS SPID, derived from the D2012 Surface Area for that SPID. The field should be blank if Property Drainage does not apply, or if Property Drainage does apply but the D2048 SA Indicator is set to RV and should provide the Surface Area value if the D2048 is set to SA.
Exempt Customer Flag	Populated with a Y when there is an Exempt Customer Flag and when there is none it will be blank in the report. Derived from the D2004 for the SPID
Exemption Percentage	Populated with the percentage exemption derived
Schedule3 Applied	The Schedule 3 discount percentage applied to a supply point. 0 = zero discount 100 = "no charges - free" Derived from the D2003 for the SPID
Section 29e Applied	The 29e discount percentage applied to a supply point. 0 = zero discount 100 = "no charges - free" Derived from the D2006 for the SPID
Un-measurable Indicator	This identifies whether the supply point has been declared as Unmeasurable. Set to "Y" if the indicator is true, if not it will be left blank.
Vacancy Indicator	This declares whether the premises for the SPID are vacant. Populated with a Y when the vacant; when not vacant it will be blank. Derived from the D2015 for the SPID
Consumption Indicator	This identifies a positive Meter Advance Period (used to test for charging during vacancy) Populated with a Y when true, if not it will be left blank.
EWA	For an IP Run: Estimate Weighted Average Unit Rate for the SPID as applicable at the end of the Invoice Period. For an RF Run: Blank.
EWA Changed this period	For an IP Run: Blank For an RF Run: Blank.
Meter Network Flag	Not used
Actual Weighted Average	For an IP Run: Blank For an RF Run: The actual weighted average for a SPID.

CSD0207 (RF Charge Calculation, Allocation and Aggregation) should be modified as identified in Annex 1.

CSD0301 (Data Transaction Catalogue) should be modified as follows:

Section 2 (Data Items). Remove the D2011 Rateable Value

Section 3.2 (Valid Sets). For the D2048 SA Indicator, the description of the value of 'RV' should be changed from 'RV' to 'Live RV'.

Section 3.3 (Error Codes). The DW error code can be changed to 'For Future Use'.

Section 4 (Transactions). For each of the following transactions, the D2011 Rateable Value can be removed:

- T006.0 (Submit WS SPID Data)
- T006.1 (Submit SS SPID Data)
- T006.4 (Notify WS SPID Service Elements)
- T006.5 (Notify SS SPID Service Elements)
- T006.8 (Notify SPID Data)
- T012.10 (Submit SPID Variable Data)

A.3. IMPLEMENTATION DETAILS

A.3.a. PROPOSED IMPLEMENTATION DATE OR LEAD TIME
 Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section A.2.c. Any quoted lead time should commence from date of Approval.

September 2022

A.3.b. ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION

A.4. ANY OTHER COMMENTS

Indicative User Requirements are as follows:

UR 1 Data Items. The D2011 Rateable Value should be discontinued.

UR 2 Transactions. The following transactions should be modified, as follows:

UR 2.1 T006.0 Content. Modify the content for the T006.0 as follows (red text):

Transaction Number	T006.0	
Transaction Name	Submit WS SPID Data	
From	LP	
To	CMA	
DI #	Name	FLAG
D2001	SPID	RQ
D2005	Customer Classification	OP
D2008	SIC Code	OP
D2011	Rateable Value	OP

Description	SPID data related to a WS Supply Point, sent by the LP for a new WS Supply Point.	
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UR 2.2 T006.0 Processing. The T006.0 validation should no longer check the D2011 values, nor update RV when processing the txn.

UR 2.3 T006.1 Content. Modify the content for the T006.1 as follows (red text):

Transaction Number	T006.1	
Transaction Name	Submit SS SPID Data	
From	LP	
To	CMA	
DI #	Name	FLAG
D2001	SPID	RQ
D2005	Customer Classification	OP
D2008	SIC Code	OP
D2011	Rateable Value	OP
Description	SPID data related to a SS Supply Point, sent by the LP for a new SS Supply Point. Note - WS details for these data items takes precedence over those supplied by the SS LP	

UR 2.4 T006.0 Processing. The T006.1 validation should no longer check the D2011 values, nor update RV when processing the txn.

UR 2.5 T006.4 Content. Modify the content for the T006.0 as follows (red text):

Transaction Number	T006.4	
Transaction Name	Notify WS SPID Service Elements	
From	CMA	
To	LP	
DI #	Name	FLAG
D2001	SPID	RQ
D2018	Troughs & Drinking Bowls	RQ
D2020	Outside Taps	RQ
D2014	Farm/Croft	RQ
D2011	Rateable Value	RQ
Description	Notification to the LP of SPID data related to a WS Supply Point	

UR 2.6 T006.5 Content. Modify the content for the T006.0 as follows (red text):

Transaction Number	T006.5	
Transaction Name	Notify SS SPID Service Elements	
From	CMA	
To	LP	
DI #	Name	FLAG

D2001	SPID	RQ
D2016	Property Drainage	RQ
D2048	SA Indicator	OP
D2012	Surface Area	OP
D2017	Road Drainage	RQ
D2014	Rateable Value	RQ
D2045	MT SPID	OP
D2046	MT SPID Flag	OP
Description	Notification to the LP of SPID data related to a SS Supply Point	

UR 2.7 T006.8 Content. Modify the content for the T006.0 as follows (red text):

Transaction Number	T006.8	
Transaction Name	Notify SPID Data	
From	CMA	
To	SW	
DI #	Name	FLAG
D2001	SPID	RQ
D2005	Customer Classification	OP
D2008	SIC Code	OP
D2014	Rateable Value	OP
Description	Notify SW of the data received in T006.0 or T006.1	

UR 2.8 T012.7 Content. Modify the content for the T012.7 as follows (red text):

Transaction Number	T012.7	
Transaction Name	Update Live Rateable Value	
From	SW	
To	CMA	
DI #	Name	FLAG
D2001	SPID	RQ
D2042	Live Rateable Value	OP
D2044	RV Transition Flag	OP
D4006	Effective From	RQ
Description	Update of Live Rateable Value by SW. This transaction may be used for both WS and SS SPIDs. Changes to the D2044 are only valid for days prior to 2020-04-01.	

UR 2.9 T012.7 Processing. The T012.7 validation should no longer check the D2044 values, nor update RVTF when processing the txn.

UR 2.10 T012.8 Content. Modify the content for the T012.7 as follows (red text):

Transaction Number	T012.8	
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Transaction Name	Notify Live Rateable Value	
From	CMA	
To	LP/SW	
DI #	Name	FLAG
D2001	SPID	RQ
D2042	Live Rateable Value	OP
D2044	RV Transition Flag	OP
D4006	Effective From	RQ
Description	Notification of an update of Live Rateable Value and/or RV Transition Flag to an LP or SW for TTRAN SPIDs. This transaction may be used for both WS and SS SPIDs	

UR 2.11 T012.10 Content. Modify the content for the T012.10 as follows (red text):

Transaction Number	T012.10	
Transaction Name	Submit SPID Variable Data	
From	LP/SW	
To	CMA	
DI #	Name	FLAG
D2001	SPID	RQ
D4006	Effective From	RQ
D2005	Customer Classification	OP
D2008	SIC Code	OP
D2011	Rateable Value	OP
D2015	SPID Vacant	OP
D4003	Text Comment Field	OP
Description	Request to update of specific SPID data by an LP or by SW for TTRAN SPIDs. Changes to the D2011 are only valid for days prior to 2020-04-01.	

UR 2.12 T012.10 Processing. The T012.10 validation should no longer check the inclusion of a D2011, nor its value, nor update RV when processing the txn.

UR 2.13 T007.0 and T007.1 Processing – Chargeability Test. with the discontinuation of RV and of the RVTF, this test needs to be modified, such that the check whether the RVTF is True or False (and consequent check that either Live RV or both RV and Live RV are positive) should be discontinued and the check need only search for a positive Live RV.

Commentary: Whilst the D2011 (Rateable Value) needs to be retained for possible use in re-runs of RF settlement, for Additional Services only, this UR assumes that no transactions will need to include this Data Item and can be simplified accordingly. This assumption is based on the last period in which RV contributed to charges was covered by an RF run more than 12 months prior to the proposed delivery date for this proposal.

Commentary II: Currently, a validation check is made to determine whether the SPID was subject to transition from RV to Live RV (i.e if the RVTF is set to True), or not (i.e. RVTF set to False, in which case, the SPID will have moved directly and fully to Live RV). If RVTF is True, then the

Chargeability Test (which ensures that at least one SE exists on a SPID before it becomes Tradable) checks for both positive Live RV and positive RV. The Chargeability Test needs to be modified in a minor way, since references to the RVTF will no longer be possible or relevant.

UR 3 Settlement.

UR 3.1 Settlement Disaggregated Reports. Entries for the D2011 RV and the D2044 RV Transition Flag should be removed.

UR 3.2 Independent Settlement Calculator (ISC). The ISC should be modified in line with the settlement changes to CSD0207 and its download from the CMA CS should reflect the removal of all RV and RV Transition parameters.

Commentary: This requirement removes redundant items from the disagg report and from the CMA's internal settlement checking tool but retains the old RV and RV to Live RV transition (along with the vacant charging transition and pre-PPDISC arrangements to facilitate any Additional Services requiring old RF settlement runs to be provided).

UR 4 Additional Services/Reports. The SPID History Report should not include entries for the D2011 RV nor for the D2044 RV Transition Flag.

Commentary: The SPID History Report is designed to deliver changes to relevant Data Items. Since no changes have been relevant for RV since 2019/20, this Data Item can be removed. For similar reasons, the RV Could possibly be removed from the Chargeable Data for a SPID RA. However, analysis suggests that LP's continue to submit RAs seeking to modify the RV and it is assumed that such submissions support RF re-runs (as Additional Services).

UR 5 LVI. The LVI should be modified as follows:

UR 5.1 Reports/Settlement/Disaggregated. Remove the D2011 RV and the D2044 RVTF

UR 5.2 SPID View. Set the D2011 RV and the D2044 RVTF to NA for all records created on or after delivery of this proposal.

UR 5.3 Submit Transactions. The drop-downs for the T006.0, T006.1, T012.7 and T012.10 should be modified to exclude the D2011 RV, or the D2044 RVTF, as the case may be.

UR 5.4 Additional Services/Reports/SPID History. Remove the D2011 RV and D2044 RVTF.

Commentary: This removes the RV from all pages identifying current status and recent history for SPIDs but retains the RV on those pages identifying the entire SPID history and on the CMA Tariff entry pages, to allow for any Additional Services.

UR 6 Documentation (CMA requirement). The following documents should be updated to reflect the above:

- LVI URS
- Additional Services Schedule.
- LWI 205 (IT Policies). The policy for the timing for possible (i.e discretionary) removal of redundant components from the CMA CS (and other systems in the CMA Estate, as well as from CSDs) should be set out explicitly.

PART B — TP ASSESSMENT

B.1. ASSESSMENT PROCESS			
B.1.a. ASSESSMENT START DATE	2022-02-08	ASSESSMENT END DATE	2022-03-09
B.1.b. IMPACT ASSESSMENT REQUIREMENT	IA REQUIRED		
B.1.c. CONSULTATION REQUIREMENT	TP CONSULTATION NOT REQUIRED		
B.1.d. ASSOCIATED DOCUMENTS (to this Part B)			
B.2. ASSESSMENT DETAILS			
B.2.a. CHANGE SPEC AND IMPACT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)			
B.2.b. CMA INTERNAL SYSTEMS IMPACT			
B.2.c. DRAFT LEGAL TEXT (if different from that originally submitted)			
B.2.d. TP ASSESSMENT Taking into account complexity, importance and urgency, and having regard to whether or not such proposal is within the relevant Objectives and Principles as required under Market Code Parts 8.7.1 (v) and 8.8.1 (iv)			
Impact on Principles and Objectives (if different from that originally submitted)			
Cost Estimate		£25.3k (IA + 33%)	
Benefit Estimate (L: < 10k, M: £10k to £100k, H: > £100k)		Assume: M/H	
B.3. TP DECISION		TP APPROVED	
B.4. FINAL TP VIEWS		Unanimously approved 2022-04-21	
B.5. PLANNED IMPLEMENTATION DATE		2022-09	

WITHDRAWN BY PROPOSER?	No
COMMENTS	
DATE OF WITHDRAWAL	

PART C — COMMISSION APPROVAL	
C.1. DATE FINAL REPORT ISSUED TO COMMISSION	2022-05-10
C.2. APPROVAL STATUS	APPROVED CHANGE
C.3. DATE OF APPROVAL STATUS	2022-06-07
C.4. COMMISSION RESPONSE REFERENCE	

PART D — IMPLEMENTATION	
D.1. IMPLEMENTATION DATE	Sept 2022
D.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	
CSD0104 Part 1. CSD0207.v18 CSD0301. kl	