

Market Code Schedule 7
Code Subsidiary Document No. 0002
Performance Standards

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Change History

Version Number	Date of Issue	Reason For Change	Change Control Reference	Sections Affected
1.0	31/8/2007	Reissue		
1.0a	09/09/2009	Standardise the layout of first two pages		Pages 1 and 2
<u>2.0</u>	<u>Date</u> 21/07/ <u>2011</u>	<u>Revised Performance Standards</u>		<u>All</u>

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1. Purpose and Scope

This document sets out Performance Standards to be applied to the performance of Trading Parties with effect from ~~the Go Live Date~~ 1st April 2011 in accordance with Part 6 of the Market Code.

~~It also sets out Performance Indicators to be monitored by the CMA from the Go Live Date to the Review Date.~~

2. Performance Standards and Performance Standard ~~Changes~~ Charges

2.1 The Performance Standards listed in Table 1 below have been designed to target performance in relation to high-priority tasks where a failure to carry out the task is likely to have a direct impact on the accuracy of Wholesale Charges calculations by the CMA.

2.2 For the purposes of the Market Code a Trading Party will be regarded as having failed a Performance Standard where it has failed to submit the relevant data on time, ~~or where its data submission fails validation or is otherwise rejected by the CMA in accordance with the Market Code.~~ For the avoidance of doubt, only transactions which pass CMA validation will be considered as to whether they contain relevant data or not. The CMA will not take into account any messages, which either fail validation or are otherwise rejected, in the measurement of Performance Standards.

2.3 The Performance Standards R1 to R10 will be calculated monthly for the preceding calendar month. The Performance Standard R11 will be calculated annually in July for the preceding Year.

~~2.3.4~~ Performance Standard Charges shall apply in accordance with Section 6.2 of the Market Code.

2.5 Performance Standard Charges will be applied at three levels. From 1st April 2011, the charges will be:

- Level 1 Charge £10
- Level 2 Charge £25
- Level 3 Charge £40

2.6 The Performance Standard Charges will be designated as CMA Performance Standard Charges or SWLP Performance Standard Charges in accordance with Table 1.

3. Performance Standards Charges - SW

3.1 The CMA will invoice SW quarterly in respect of the Performance Standard Charges to ensure that following the final quarter, the total amount invoiced in respect of the Year will be in accordance with the Market Code Section 6.2.6(a).

3.2 The aggregate amount of Performance Standard Charges payable by Scottish Water in accordance with the Market Code Section 6.2.6(a) is

$$PSC^Y = PSC_{CMA}^Y + PSC_{SWLP}^Y$$

where

PSC^Y are the Performance Standard Charges payable in respect of the Year;

PSC_{CMA}^Y are the CMA Performance Standard Charges payable in respect of the Year; and

PSC_{SWLP}^Y are the SWLP Performance Standard Charges payable in respect of the Year.

In the above expression,

$$PSC_{CMA}^Y = \min \left(\sum_{q=1}^4 PSC_{CMA}^q, 0.15\% \times \sum_{q=1}^4 QR^q \right)$$

$$PSC_{SWLP}^Y = \sum_{q=1}^4 PSC_{SWLP}^q$$

where

PSC_{CMA}^q are the CMA Performance Standard Charges payable in respect of quarter q and

PSC_{SWLP}^q are the SWLP Performance Standard Charges payable in respect of quarter q ; and

QR^q is the sum of the R1 Settlement charges for the quarter q payable to SW as determined at the date of the invoice for the Performance Standard Charges for that quarter.

3.3 In respect of the first quarter, the CMA will invoice SW for the following reconciled CMA and SWLP Performance Standard Charges

(i) $RPSC_{CMA}^{q=1} = \min (PSC_{CMA}^{q=1}, 0.15\% \times QR^{q=1})$; and

(ii) $RPSC_{SWLP}^{q=1} = PSC_{SWLP}^{q=1}$;

3.4 In respect of subsequent quarters Q , the CMA will invoice SW for the following reconciled CMA and SWLP Performance Standard Charges:

(i) $RPSC_{CMA}^Q = \min (\sum_{q=1}^Q PSC_{CMA}^q, 0.15\% \times \sum_{q=1}^Q QR^q) - \sum_{q=1}^{Q-1} RPSC_{CMA}^q$

$$(i) \quad RPSC_{SWLP}^Q = PSC_{SWLP}^Q$$

3.5 For the avoidance of doubt, once a value of QR^q is established for the invoice of CMA Performance Standard Charges for quarter q it will be used unchanged in the calculation for all subsequent quarters of the Year.

4. Performance Standards Charges - LPs

4.1 The CMA will invoice each Licensed Provider quarterly in respect of the Performance Standard Charges to ensure that following the final quarter, the total amount invoiced in respect of the Year will be in accordance with the Market Code Section 6.2.6(b). In particular, the CMA will invoice each Licensed Provider in respect of the CMA Performance Standard Charges payable by the Licensed Provider to the CMA and credit each Licensed Provider with the SWLP Performance Standard Charges payable to the Licensed Provider

4.2 The aggregate amount of Performance Standard Charges payable by each Licensed Provider in accordance with the Market Code Section 6.2.6(a) is

$$PSC^Y = PSC_{CMA}^Y - PSC_{SWLP}^Y$$

where

PSC^Y are the Performance Standard Charges payable by the Licensed Provider in respect of the Year;

PSC_{CMA}^Y are the CMA Performance Standard Charges payable by the Licensed Provider for the Year; and

PSC_{SWLP}^Y are the SWLP Performance Standard Charges payable to the Licensed Provider for the Year; and where

$$PSC_{CMA}^Y = \min \left(\sum_{q=1}^4 PSC_{CMA}^q, 0.15\% \times \sum_{q=1}^4 QR^q \right)$$

$$PSC_{SWLP}^Y = \min \left(\sum_{q=1}^4 PSC_{SWLP}^q, PSC_{CMA}^Y \right)$$

In the above expression:

PSC_{CMA}^q are the CMA Performance Standard Charges payable by the Licensed Provider for quarter q ; and

PSC_{SWLP}^q are the SWLP Performance Standard Charges payable to the Licensed Provider for quarter q ; and

QR^q is the sum of the R1 Settlement charges for the quarter q payable by the Licensed Provider as determined at the date of the invoice for the Performance Standard Charges for that quarter.

4.3 In respect of the first quarter, the CMA will invoice the Licensed Provider for the following reconciled CMA Performance Standard Charges

(i) $RSPC_{CMA}^{q=1} = \min (PSC_{CMA}^{q=1}, 0.15\% \times QR^{q=1})$;

and credit the Licensed Provider with the following reconciled SWLP Performance Standard Charges:

(ii) $RPSC_{SWLP}^{q=1} = \min (PSC_{SWLP}^{q=1}, PSC_{CMA}^{q=1})$;

4.4 In respect of subsequent quarters Q , the CMA will invoice the Licensed Provider for the following reconciled CMA Performance Standard Charges:

(i) $RSPC_{CMA}^Q = \min (\sum_{q=1}^Q PSC_{CMA}^q, 0.15\% \times \sum_{q=1}^Q QR^q) - \sum_{q=1}^{Q-1} RSPC_{CMA}^q$

and credit the Licensed Provider with the following reconciled SWLP Performance Standard Charges:

(ii) $RPSC_{SWLP}^Q = \min (\sum_{q=1}^Q PSC_{SWLP}^q, \sum_{q=1}^Q PSC_{CMA}^q) - \sum_{q=1}^{Q-1} RPSC_{SWLP}^q$

4.5 For the avoidance of doubt, once a value of QR^q is established for the invoice of CMA Performance Standard Charges for any LP for quarter q it will be used unchanged in the calculations for the same LP for all subsequent quarters of the Year.

3. Performance Indicators

The CMA shall monitor performance of Trading Parties against the Performance Indicators listed in Table 2 below in accordance with Part 6 of the Market Code and will provide market level reports breaking the results down as indicated in the "breakdown" column in Table 2.

Table 1 - Performance Standards

No	Context	Party	Success Criteria	Performance Charge	Type	Notes
<u>R1A</u>	<u>Partial Registration</u>	<u>LP</u>	<u>Receipt by the CMA from the LP of a T003.0 (Partial Registration Application) or T009.2 (Error / Notification) within 5BDs of the CMA sending a T002.0 (Notify New SPID) to the LP.</u>	<u>Level 2</u>	<u>CMA</u>	
<u>R1B</u>	<u>Partial Registration</u>	<u>LP</u>	<u>Receipt by the CMA from the LP of a T003.0 (Partial Registration Application) or T009.2 (Error / Notification) within 10BDs of the CMA sending a T002.0 (Notify New SPID) to the LP.</u>	<u>Level 3 – Level 2</u>	<u>CMA</u>	<u>Cumulative on R1A; the net effect being a Level 3 Charge</u>
<u>R2A</u>	<u>New Connection Notifications</u>	<u>SW</u>	<u>Receipt by the CMA of a T007.0 (Notify Connection Complete) within the 2BDs of the effective date contained within the transaction. This applies to the “New” connection type only, and not to “Gap Site” or “Connection Change of Use”</u>	<u>Level 2</u>	<u>CMA</u>	
<u>R2B</u>	<u>New Connection Notifications</u>	<u>SW</u>	<u>Receipt by the CMA of a T007.0 (Notify Connection Complete) within the 6BDs of the effective date contained within the transaction. This applies to the “New” connection type only, and not to “Gap Site” or “Connection Change of Use”</u>	<u>Level 3 – Level 2</u>	<u>CMA</u>	<u>Cumulative on R2A; the net effect being a Level 3 Charge</u>
<u>R3A</u>	<u>Connection Notifications for Gap Site or Connection Change of Use</u>	<u>SW</u>	<u>Receipt by the CMA from SW of a T007.0 (Notify Connection Complete) within 15 BDs of the CMA sending a T002.1 (Notify New SPID) to SW. This applies only to T002.1 transactions with “Gap Site” or “Connection Change of Use” connection type, but not the “New” connection type”</u>	<u>Level 3</u>	<u>CMA</u>	

<u>R4A</u>	<u>New Connection Notifications</u>	<u>LP</u>	<u>Receipt by the CMA of a T007.1 (Notify Connection Complete) within the 2BDs of the effective date contained within the transaction. This applies to the "New" connection type only, and not to "Gap Site" or "Connection Change of Use"</u>	<u>Level 2</u>	<u>CMA</u>	
<u>R4B</u>	<u>New Connection Notifications</u>	<u>LP</u>	<u>Receipt by the CMA from the LP of a T007.1 (Notify Connection Complete) within 6BDs of the effective date contained within the transaction. This applies to the "New" connection type only, and not to "Gap Site" or "Connection Change of Use"</u>	<u>Level 3 – Level 2</u>	<u>CMA</u>	<u>Cumulative on R4A; the net effect being a Level 3 Charge</u>
<u>R5A</u>	<u>Connection Notifications for Gap Site or Connection Change of Use</u>	<u>LP</u>	<u>Following the T002.0 (Notify New SPID) to the LP, the LP responds with a T007.1 (Notify Connection Complete) within 15 BDs. This applies only to T002.0 transactions with "Gap Site" or "Connection Change of Use" connection type, but not the "New" connection type". This measure is only applicable to Sewerage SPIDs for which there is not a related Water SPID.</u>	<u>Level 3</u>	<u>CMA</u>	
<u>R6A</u>	<u>Disconnection / Reconnection</u>	<u>SW</u>	<u>The T015.0 (Declare Disconnection/ Reconnection) is received by the CMA within the 2BDs of the effective date contained within the transaction.</u>	<u>Level 2</u>	<u>CMA</u>	
<u>R6B</u>	<u>Disconnection / Reconnection</u>	<u>SW</u>	<u>The T015.0 (Declare Disconnection/ Reconnection) is received by the CMA within the 6BDs of the effective date contained within the transaction.</u>	<u>Level 3 – Level 2</u>	<u>CMA</u>	<u>Cumulative on R6A; the net effect being a Level 3 Charge</u>
<u>R7A</u>	<u>Late Meter Reads</u>	<u>SW</u>	<u>The T005.0 (Meter Read) for a physical meter or T017 (Notify Swap Meter) is received by the CMA within 2BDs of the effective date contained within the transaction in respect of I,F,O,X,Y reads.</u>	<u>Level 2</u>	<u>CMA</u>	

<u>R7B</u>	<u>Late Meter Reads</u>	<u>SW</u>	<u>The T005.0 (Meter Read) for a physical meter or T017 (Notify Swap Meter) is received by the CMA within 10BDs of the effective date contained within the transaction in respect of I,F,O,X,Y reads.</u>	<u>Level 3 – Level 2</u>	<u>CMA</u>	<u>Cumulative on R7A; the net effect being a Level 3 Charge</u>
<u>R7C</u>	<u>Late Meter Reads</u>	<u>SW</u>	<u>The T005.0 (Meter Read) for a physical meter is received within 10BDs of the effective date contained within the transaction in respect of C reads.</u>	<u>Level 1</u>	<u>CMA</u>	<u>Domestic meters</u>
<u>R7D</u>	<u>Late Meter Reads</u>	<u>SW</u>	<u>The T005.0 (Meter Read) for a physical meter is received within 60BDs of the effective date contained within the transaction in respect of C reads.</u>	<u>Level 2 – Level 1</u>	<u>CMA</u>	<u>Cumulative on R7C; the net effect being a Level 2 Charge</u>
<u>R8A</u>	<u>Extremely Late Meter Reads</u>	<u>SW</u>	<u>For bi-annually read physical meters success if the T005.0 (Meter Read) is received within 160BDs of the effective date contained within the transaction and (for all meter read types) or if the T017.0 (Notify Swap Meter) is received by the CMA within 160BDs of the effective date contained within the transaction in respect of I reads.</u>	<u>NC * Level 3 , where NC = truncate (BusinessDayslate /160)</u>	<u>CMA</u>	
<u>R8B</u>	<u>Extremely Late Meter Reads</u>	<u>SW</u>	<u>For monthly read physical meters success if the T005.0 (Meter Read) is received within 40BDs of the effective date contained within the transaction and (for all meter read types) or if the T017.0 (Notify Swap Meter) is received by the CMA within 40BDs of the effective date contained within the transaction in respect of I reads.</u>	<u>NC * Level 3 , where NC = truncate (BusinessDayslate /40)</u>	<u>CMA</u> <u>SWLP</u>	<u>NC * Level 2 forms CMA Performance Charges</u> <u>NC * (Level 3 - Level 2) forms TP Performance Charges</u>
<u>R9A</u>	<u>Late Meter Reads</u>	<u>LP</u>	<u>The T005.1 (Meter Read) is received by the CMA within 10BDs of the effective date contained within the transaction in respect of C and R reads.</u>	<u>Level 1</u>	<u>CMA</u>	

R9B	Late Meter Reads	LP	The T005.1 (Meter Read) is received by the CMA within 15BDs of the effective date contained within the transaction in respect of U reads.	Level 1	CMA	
R9C	Late Meter Reads	LP	The T005.1 (Meter Read) is received by the CMA within 60BDs of the effective date contained within the transaction in respect of C, U and R reads.	Level 2	CMA	Cumulative on R9A and R9B; the net effect being a Level 2 Charge
R9D	Late Meter Reads	LP	The T005.1 (Meter Read) is received by the CMA within 2BDs of the effective date contained within the transaction in respect of T reads.	Level 2	CMA	
R9E	Late Meter Reads	LP	The T005.1 (Meter Read) is received by the CMA within 10BDs of the effective date contained within the transaction in respect of T reads.	Level 3 – Level 2	CMA	Cumulative on R9D; the net effect being a Level 3 Charge
R10A	Missed Meter Reads		Success if a bi-annually read meter is read within 160 Business Days(excluding periods of vacancy) of the later of: <ul style="list-style-type: none"> • 31st December 2010 • The last meter read for that meter • The date of submission of an I or O read • The date the last Performance Charge (if any) was applied in respect of measure R10A for this meter. 	Level 3	CMA	
R10B	Missed Meter Reads		Success if a monthly read meter is read within 40 Business Days(excluding periods of vacancy) of the later of: <ul style="list-style-type: none"> • 31st March 2011 • The last meter read for that meter • The date of submission of an I or O read • The date the last Performance Charge (if any) was applied in respect of measure R10B for this meter. 	Level 3	CMA	

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R11	Inappropriate £0 RV		<p>The measure shall be run once annually in the calendar month of July.</p> <p>The measure will separately consider</p> <ul style="list-style-type: none"> i. <u>Water SPIDs (which, may or may not have an associated Sewerage SPID); and</u> ii. <u>Sewerage SPIDs for which there is not an associated Water SPID in the database</u> <p>The measure will consider SPIDs which were <u>tradable or Temporarily Disconnected during the previous Year. The measure will specifically test both:</u></p> <ul style="list-style-type: none"> • <u>Test Day A: The first day the SPID was connected during the previous Year; and</u> • <u>Test Day B: The last day the SPID was connected (including temporary disconnection) during the previous Year.</u> <p><u>For Water SPIDs, the test for success on Test Day X (=A or B) is that either:</u></p> <ul style="list-style-type: none"> • <u>On Day X, the rateable value for the Water SPID is greater than £0; or</u> • <u>Both of the following hold true</u> <ul style="list-style-type: none"> ○ <u>On Day X, the Water SPID did not have any Unmeasurable Service Elements and was not on the meter transition programme; and</u> ○ <u>On Day X, any associated Sewerage SPID which was</u> 	Level 3	CMA	<p><u>Where the SPID is registered to the same LP on both Test Days, failure on either one or both Test Days will be deemed a single Performance Standard failure against the LP.</u></p> <p><u>Where the SPID is registered to different LPs on the two Test Days, failure on either Test Day will be deemed a Performance Standard failure against the relevant LP.</u></p>
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			<p><u>connected on Day X did not have any Unmeasurable Service Elements; did not have either property or roads drainage; and was not on the metering transition programme.</u></p> <p><u>For Sewerage only SPIDs, the test for success on Test Day X is that either:</u></p> <ul style="list-style-type: none"> • <u>On Day X, the rateable value for the Sewerage SPID is greater than £0; or</u> • <u>On Day X, the Sewerage SPID did not have any Unmeasurable Service Elements; did not have either property or roads drainage; and was not on the metering transition programme.</u> 			
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No.	Context	Responsible party	Task	Deadline
A1	New connection	LP	Submit partial registration application	5BD after SPID notified
A2	New connection	SW	Confirm completed connection (WS-SPID)	2BD after connection date
A3	New connection	LP	Confirm completed connection (SS-SPID)	2BD after connection date
A4	Disconnection	SW	Submit disconnection notice to CMA	2BD after disconnection
A5	Meter readings	SW or LP, depending on read type	Submit meter reading to CMA	Depends on read type and configuration (see CSD-0202 for timetable)
A6	New meter	SW	Submit details to CMA	2BD after installation
A7	Meter removal	SW	Submit details to CMA	2BD after removal
A8	Change of meter	SW	Submit details to CMA	2BD after change of meter

Table 2 – Performance Indicators

No.	Context	Responsible party	Task	Deadline	Measurement	Breakdown
B1	New connection	SW	Notify to CMA of pending new connection	One month before connection date	% submitted within time	None
B2	New connection	CMA	Notify SW and LP of new SPID	1BD after notification from SW	% sent to the wrong LP	LP, whether really error
B3	New connection	CMA	Request missing data from data owner	n/a	Frequency	Data owner
B4	Transfer of registration	Incoming LP	Submit registration application	Application window	% submitted within time	LP
B5	Transfer of registration	Incoming LP	Submit registration application	n/a	% with errors	Participant, error type
B6	Transfer of registration	Incoming LP	Request historical consumption data (optional)	n/a	Frequency	LP
B7	Cancellation of transfer	Incoming LP	Request cancellation of transfer	5BD after registration confirmed	Frequency	Reason, LP
B8	Cancellation of transfer	Outgoing LP	Raise objection to transfer	5BD after registration confirmed	Frequency	Reason, LP
B9	Meter readings	SW/LP	Submit meter reading to CMA	n/a	% with errors	Error type, participant
B10	Meter faults	SW/LP	Report meter fault to CMA	n/a	Frequency	Participant
B11	Update SPID data	SW	Declare SP unmeasurable	n/a	Frequency	None
B12	Error rectification	SW/LP	Inform CMA of data error (where retrospective amendment not required)	n/a	Frequency	Participant raising the error
B13	Retrospective amendments	SW/LP	Request retrospective amendment	n/a	Frequency	Participant requesting the amendment
B14	Temporary disconnection	SW	Notify CMA of temporary disconnection	2BD after disconnection	% submitted within time	None
B15	Temporary disconnection	SW	Notify CMA of reconnection	2BD after reconnection	% submitted within time	None
B16	Entry Change of Use	SW	Notify CMA of new SP	n/a	Frequency	None
B17	Exit Change of Use	SW	Notify CMA of exit	n/a	Frequency	None