Guidance Note on Connection Processing 1.0

1. INTRODUCTION

At the December Technical Panel, issues were raised concerning difficulties in meeting the obligations set down in CSD 0101, regarding the connection of SPIDs and their conversion to 'Tradable', such that they can then be taken account of in settlement. This note provides guidance on how to interpret the revised New and Partial SPIDs report (NAPS), so that Trading Parties are best placed to either:

- Make the necessary transactions; and/or
- Request retrospective amendments where applicable.

It should be noted that there is not one single magic formula to make a SPID or pair of SPIDs Tradable; instead suitable transactions and if necessary, retrospective amendments must be made so that the current requirements of the CSDs are met.

This guidance note attempts to clarify the current conditions specified within the CSDs. It then takes some actual examples and proposes possible approaches to adding data to make the SPID Tradable. For each SPID there will generally be alternatives as to how such data can be added. The aim is to provide participants with practical assistance to both clear the backlog of some 20,000 New and Partial SPIDs extant at the beginning of November, together with advice in respect of facilitating the processing of the many gap sites being put through the CS as of early November 2011.

The practical help depends heavily on the revised New and Partial SPIDs (NAPS) report which is now being run. This report is structured in two main parts. Section 2 provides a discussion of the requirements of the CSDs, while Section 3 shows how to read and use the new NAPS report.

The note does not attempt to address any of the issues arising from any proposals to change the current connection process, arising out of matters including, but not limited to, the setting of RV via the T006.0 transaction.

2. DISCUSSION OF CSD REQUIREMENTS

Necessary Conditions for a SPID to become Tradable

The following are the necessary conditions for a SPID to become Tradable from being in a state of New or Partial:

- The SPID must pass the 'Chargeability' criterion (see below);
- It must be connected;
- It must have had a partial acceptance by the LP; and
- It must have a customer name.

In the case of associated SPIDs (Water and Sewerage) there are also conditions in respect of the associated SPID – see below.

The Chargeability Criterion

- The SPID must have at least one service element which is chargeable, (or for historical reasons, be a SPID which is on transition charging) on or before the connection date;
- If either
  - o   any of the SPIDs Service Elements is an RV based Service Element, or
  - o   The SPID is on transition charging,

  then the SPID must have an RV which is greater than zero on or before the connection date.

Note When the statement 'on or before the connection date' is made in this note, the implicit assumption is that the state is not reset before the connection date, which is the date that the actual test is made. In particular, it should be noted that the NAPS report provides, for example, the earliest date on which an RV > £0. If the RV suffers a perverse history, and is reset to £0, then this will not be apparent in the report. This is also the case for other dates in the NAPS report

Becoming Tradable

The test for Tradability is triggered by any one of the following transactions:

- T007.0 - Notify Connection Complete (WS) from Scottish Water
- T007.1 – Notify Connection Complete 9SS) from the LP
- T003.0 – Partial Registration Application from the LP
- T032.0 – Create Update Customer Name from the LP
- T006.0 – Provide Water SPID Data from the LP

Given the current requirements of the CSDs, it is now only in rare circumstances that either the T003.0 Partial Registration Application or the T006.0. Provide Water SPID Data could successfully trigger the test which would allow a SPID to become Tradable.[1]

This means that generally, three of the above four conditions have been met before the final flow is submitted, which both sets the final condition and triggers the test for Tradability. However, if data has been changed via a Retrospective Amendment, then it is possible for all the conditions to have been met without the SPID being Tradable. In this case, it is necessary for one of the Parties to resubmit one of the triggering flows. It is most likely that the successful flows would be either:

- T007.0 - Notify Connection Complete (WS) from Scottish Water
- T032.0 – Create Update Customer Name from the LP

There has been a reasonable degree of practical experience with SW resending in a T007.0; but at present little practical experience of an LP resending a T032.0.

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[1] This has not always been the case. Prior to the introduction of the customer name requirement by the Commission, Partial Acceptance frequently successfully triggered the tradability test.

It should be noted that, given the complexity of the process in making a SPID Tradable, the CMA will not process Retrospective Amendments which aim to complete this final step of "making the SPID Tradable". This can only be done via an appropriate transaction.

Paired SPIDs

The conditions are slightly more complicated where there is a pair of associated Water and Sewerage SPIDs. The basis of the market design was that:

- For Water only SPIDs, or for a pair of associated Water and Sewerage SPIDs which are being brought through the process of New-> Partial -> Connected and Tradable, then the triggering transaction should be a T007.0 Notify Connection Complete (WS) from Scottish Water; and
- For a Sewerage only SPID which is being brought through the process of New-> Partial -> Connected and Tradable, then the triggering transaction should be a T007.1 Notify Connection Complete (SS) from the LP.

In the case of a pair of associated Water and Sewerage SPIDs being brought through the connection process, then it is necessary for both the Water and the Sewerage SPID to satisfy the Chargeability criterion for them to become Tradable (and indeed for them to become connected, see below).

There are of course, other possibilities in respect of paired SPIDs. A full analysis of all the possibilities has not been undertaken or verified – but the table below shows the position as understood on the date of issue of this note. It will be revised as necessary.

Water SPID	Sewerage SPID	Analysis
Partial	Tradable	Water SPID must satisfy the necessary conditions. SW should issue the T007.0.
Partial	Rejected	Currently unclear – at a minimum it is suggested that: SW needs to re-issue the SS SPID to the LP, for it to be accepted and data added to both SPIDs to satisfy the necessary conditions. SW should then issues the T007.0.
Partial	Disconnected	Currently unclear – it may not be possible to make the WS SPID Tradable. But if it is possible, then data should be added to the WS to satisfy the necessary conditions. SW should then issue the T007.0.
Tradable	Partial	The SS SPID must satisfy the necessary conditions. The SS LP should then issue a T007.1
Rejected	Partial	Currently unclear – at a minimum it is suggested that SW needs to re-issue the WS SPID to the LP for it to be accepted and data added to both SPIDs to satisfy the necessary conditions. SW should then issues the T007.0..
Disconnected	Partial	Cannot be made Tradable

Becoming Connected

As noted above, one of the steps for a SPID (or pair of SPIDs) to become Tradable is that it must either already be connected, or become connected by the triggering transaction. The conditions for a SPID to become connected are:

SPID	Transaction	Sufficient Condition
Water only SPID	T007.0	• WS satisfies the Chargeability Criterion
Water and Sewerage SPID pair	T007.0	• Both WS and SS satisfy the Chargeability Criterion
Sewerage SPID	T007.1	• Sewerage SPID Partial • Either no associated Water SPID, or Water SPID already Tradable • SS satisfies Chargeability Criterion • Has a customer Name

Why are SPIDs not becoming Tradable

There are many different reasons why a SPID cannot become Tradable, including:

- Lack of a customer name;
- Lack of an RV;
- Lack of an RV at the connection date;
- Lack of a chargeable element;
- Lack of a Partial Registration acceptance;
- Lack of any of the above in respect of an associated Sewerage SPID;
- If the associated Sewerage SPID is disconnected.

Recent Issues

All of the above reasons have prevented SPIDs from becoming Tradable since market Go-Active. Since the beginning of November 2011, a common , but by no means the only, reason why SPIDs have not become connected is the lack of an RV at the proposed connection date.

It has been observed that the T006.0 Provide Water SPID Data transaction from the LP, which can be used to set the RV when the SPID is Partial (the T012.0 is used when the SPID is Tradable) currently sets the RV with the effective date of the transaction. If a T007.0 Notify Connection Complete message is then subsequently submitted by SW with a connection date prior to the transaction date of the T006.0 and either the Water SPID or an associated Sewerage SPID has an RV based Service Element (such as Unmeasurable, Property Drainage, or Roads Drainage) then this is sufficient to prevent both:

- The SPID becoming connected; and
- The SPID becoming Tradable

This is consistent with the paragraph 'Becoming Connected' above. Some examples of this type are discussed below.

3. USING THE NEW NAPS REPORT

T*he New NAPS Report*

To facilitate the connection process for SPIDs, the CMA has created a revised "New and Partial SPIDS" (NAPS) report. This is distributed to participants at the beginning of each month. There are small differences between the NAPS report distributed to each participant:

- SW is provided with the complete data set, but not the names of the relevant LPs.
- Each LP is provided with a data set in respect of their SPIDs. Where a Water and Sewerage SPID pair is split across two LPs, each LP is provided with the complete data on both the Water and Sewerage SPID – but not the name of the other LP involved.

Reading the NAPS Report

When using spreadsheet software such as Microsoft Excel to read CSV files, there can be, on occasion, issues with the rounding of SPID numbers. It is thus always safer to read SPID numbers into CSV files as text, rather than as numbers, by using the appropriate 'import' function. For example, with Microsoft Excel 2007 do the following:

- From the Data tab;
  - import From Text,
  - select *delimited*,
  - untick the *Tab* checkbox and tick the *Comma* checkbox.
  - Select the columns W_spid and S_spid and, importantly, apply *Text* as the Column Data Format.

Content of the NAPS Report

The report uses abbreviations in the field names. The following is a list of abbreviations used:

- W = Water SPID

- S = Sewerage SPID

- ti_flag = Transition Metering Programme

- rv = Rateable Value

- se = Service Element

The information in the report is extracted and ordered by SPID core (Spid_core). The crucial condition for extracting SPIDs from the database is that at least one of the two SPIDs (Water or

Sewerage) which can be associated with a SPID core is in the state of new or partial[2]. Information is always provided about both the SPIDs which can be associated with the SPID core.

The report displays the following information:

- Spid_core   The 8 digit SPID core common to associated Water and Sewerage SPIDs

- Water_or_Sewerage_service   "water and Sewerage", "water" or "Sewerage" - depending on which SPIDs are associated with the SPID core

- W_spid,W_spid_status,W_connection_date,W_disconnection_date,W_earliest_ti_flag_date ,W_earliest_pos_rv_date,W_earliest_rv_based_se_date,W_earliest_non_rv_based_se_date, S_spid,S_spid_status,S_connection_date,S_disconnection_date,S_earliest_ti_flag_date,S_ea rliest_pos_rv_date,S_earliest_rv_based_se_date,S_earliest_non_rv_based_se_date,Custom er_name,W_lp,S_lp

The report then displays the following fields in respect of each of the SPIDs (Water and Sewerage in turn)

- [W/S]_spid   SPID (if it exists)

- [W/S]_spid_status   Status of New, Partial, Tradable, Rejected or Disconnected

- [W/S]_connection_date   Connection date if it exists

- [W/S]_disconnection_date   Disconnection date if it exists

Then a range of fields:

- The [W/S]_earliest_...._date fields   These are extracted by the earliest date a specific condition holds true, even if the condition subsequently becomes false[3].

- The [W/S]_earliest_ti_flag_date   Shows the date at which a SPID first had the Transisitonal Metering Programme set. This is important, as this is taken as the CS assumes that settlement will require a positive RV (even if the flag date is after April 2011);

- [W/S]_earliest_rv_based_se_date   Shows the date at which a SPID first had an RV based Service Element. Again, this is important, as the CS will require a positive RV for connection

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[2] Consideration could be given to additionally including SPIDs which have been rejected by the LP.
[3] The perverse conditions noted above.

- [W/S]_earliest_non_rv_based_se_date   Shows the date of the earliest non-RV based Service Element, such as a meter or taps and troughs. *Note, a metered Service Element will not show against the corresponding Sewerage SPID even if the RTS of the meter is non-zero.*

Finally the report shows:

- Customer_name   This is held in common against both LPs

- W_lp   Water SPID LP (not shown to SW)

- S_lp   Sewerage SPID LP (not shown to SW)

Worked Examples

The following table shows a (slightly modified) extract from the NAPS report. The modification has been done primarily to make the extract fit within this report. The name of the LP has been obscured, and the data in the columns has been slightly truncated to allow a fit onto a single page of A4. The changes include:

- The names of the column heading have been slightly adjusted;
- In the second column which shows "Services": "water and Sewerage" has been abbreviated as "W"; Likewise "water" as "W" and "Sewerage" as S
- The words "partial", "tradable" and "disconnected" have been abbreviated

However, in all respects – the data is correct as of the date of extract.

Following the table extract, individual suggestions are made against each SPID core as to how to make the SPID(s) tradable. It should be noted that the final examples in the table relate to SPIDs which have been processed in November 2011.

Worked Examples

SPID CORE	Services	Water SPID	Status	W Conn date	W Disconnection Date	Earliest TI Flag	Earliest RV>0	Earliest RV based SE	Earlies non RV based SE	Sewerage SPID	Status	S Conn date	S Disconnection Date	Earliest TI Flag	Earliest RV>0	Earliest RV based SE	Earlies non RV based SE	Customer name	Water LP	Sewerage LP
10004250	WS	100042500100	part	n/a	n/a	n/a	2008-11-04	n/a	n/a	100042500250	trad	2005-02-19	n/a	n/a	2000-01-01	2000-01-01	n/a	present	LPA	LPA
10061928	WS	100619280103	trad	2005-02-19	n/a	2008-03-31	2000-01-01	2005-02-19	n/a	100619280200	part	n/a	n/a	n/a	n/a	2011-03-23	n/a	present	LPA	LPA
10087124	WS	100871240100	new	2010-12-08	n/a	2010-12-08	n/a	n/a	n/a	100871240250	trad	2005-02-19	n/a	2010-12-08	2000-01-01	2000-01-01	n/a	present	LPA	LPA
10088428	WS	100884280103	trad	2005-02-19	n/a	2008-03-31	2000-01-01	2005-02-19	n/a	100884280200	part	n/a	n/a	n/a	n/a	2010-03-17	n/a	present	LPA	LPA
10121175	WS	101211750105	disc	2005-02-19	2008-03-31	2008-03-31	2000-01-01	n/a	n/a	101211750202	new	n/a	n/a	n/a	n/a	2010-12-08	n/a	present	LPA	LPA
20000170	WS	200001700102	part	n/a	n/a	n/a	2008-08-28	n/a	n/a	200001700252	part	n/a	n/a	n/a	2010-07-19	2010-07-20	n/a	present	LPA	LPA
20009901	WS	200099010102	new	2010-04-14	n/a	n/a	n/a	n/a	n/a	200099010252	new	2010-04-14	n/a	n/a	n/a	2010-04-09	n/a	none	LPA	LPA
20010035	S	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	200100350209	part	n/a	n/a	n/a	n/a	2010-03-12	n/a	none	xxx	LPA
20010037	WS	200100370102	part	2010-03-17	n/a	n/a	2011-11-25	n/a	n/a	200100370252	part	2010-03-17	n/a	n/a	2011-11-25	2010-03-17	n/a	present	LPA	LPA
20010053	WS	200100530150	new	2010-03-17	n/a	2010-03-17	n/a	n/a	n/a	200100530207	new	2010-03-17	n/a	2010-03-17	n/a	2010-03-17	n/a	none	LPA	LPA
20023644	WS	200236440101	part	2011-03-08	n/a	2011-03-08	2011-09-19	n/a	n/a	200236440251	part	2011-03-08	n/a	2011-03-08	2011-09-19	2011-03-07	n/a	present	LPA	LPA
20023645	W	200236450109	part	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	none	LPA	xxx
20023646	WS	200236460104	new	2011-03-08	n/a	2011-03-08	n/a	n/a	n/a	200236460201	new	2011-03-08	n/a	2011-03-08	n/a	2011-03-07	n/a	none	LPA	LPA
20029068	WS	200290680102	new	2011-11-23	n/a	n/a	n/a	n/a	n/a	200290680252	new	2011-11-23	n/a	n/a	n/a	2011-11-28	n/a	none	LPA	LPA
20029070	S	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	200290700207	part	n/a	n/a	n/a	2011-11-29	2011-11-28	n/a	present	xxx	LPA
20029181	WS	200291810105	new	n/a	n/a	n/a	n/a	n/a	n/a	200291810202	new	n/a	n/a	n/a	n/a	2011-12-01	n/a	none	LPA	LPA
20029217	W	200292170150	new	n/a	n/a	n/a	2011-12-07	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	none	LPA	xxx
20029219	S	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	200292190250	new	n/a	n/a	n/a	n/a	2011-12-05	n/a	none	xxx	LPA

SPID CORE	COMMENTS
10004250	The Sewerage SPID is already Tradable. The Water SPID has been registered by the LP. The LP has added the customer name. The Water SPID has an RV; but requires (i) a chargeable Service Element (T006.2 from SW) and (ii) a connection date (T007.0 from SW) If the Service Element added by SW is an RV based Service Element, then the connection date should be after the later of the effective from date of the Service Element, and the date of the RV. If the Service Element added is non-RV based, then the connection date can be after the date of the Service Element.
10061928	The water SPID is already Tradable; The Sewerage SPID has been registered by the LP. The Sewerage SPID has an RV based Service Element, but no RV. Suggest an R/A of the water and Sewerage SPIDs to bring the RVs into alignment; and then a connection flow T007.1 from the LP on or after 2011-03-23.
10087124	The Sewerage SPID is already Tradable; The Water SPID has not been registered by the LP, and needs a T003.1 flow from the LP. The SPIDs need a retrospective amendment to bring the RVs into line with the Sewerage SPID. Since there is already a connection date for the Water SPID, the tradability test needs to be retriggered, either by a fresh T007.0 from SW on the existing date, or by a T032 Customer Name update from the LP
10088428	The water SPID is Tradable; The Sewerage SPID has been registered by the LP. The SPIDs need an RA to bring the RVs into alignment (the Sewerage SPID has no RV); and then a T007.1 connection trigger from the LP with a connection date of 2010-03-17 or later.
10121175	The Water SPID has been disconnected, so the Sewerage SPID cannot be made Tradable. When the deReg flow becomes available, the Sewerage SPID should be dereg.ed
20000170	Both Water and Sewerage SPIDs have been registered by the LP. The Water SPID has an RV dating back to 2008-08-28, but no Service Elements. The Sewerage SPID has an RV dating back to 2010-07-19, and an RV based Service Element from the following day. This difference reflect the fact that the two SPIDs were added the CS some two years apart. Since there is no connection date, they will now both have to share the same connection date. This cannot be before the date that the Service Elements were added to the Sewerage SPID unless these Service Elements are RAd. The Water SPID needs Service Elements added, and depending on the choice of connection date, the RVs may need RAd as well. Finally, a 007.0 connection flow from SW (there is a customer name present)
20009901	Neither the Water nor the Sewerage SPIDs have been registered by the LP. A connection was made on 2010-04-14, and there is a Sewerage RV based Service Element dating back before the connection date. There is no Water Service Element (RV or non RV based), and one needs added. The RV needs added and backdated to the connection date. Finally, the addition of a customer name should trigger the change to Tradability.
20010035	A Sewerage only SPID which has been registered by the LP. There is an RV based Service Element which dates back to 2010-03-12, but no RV. It is therefore likely that the RV should be added an RAd abck to 2010-03-12, allowing the LP to add a customer name, and then complete the connection with a T007.1 at a date after the Service Element date.
20010037	Both Water and Sewerage SPIDs have been registered by the LP. The connection data 2011-03-17 is matched by Transition Indicators from the same date. But the RV was not added until November. That is why when the customer name was added in November, the SPID did not go Tradable. It will be necessary for there to be an RA to backdate the RV, and then a retrigger of the Tradability (T007.0 with existing date or T032.0)
20010053	Neither the Water or Sewerage SPIDs have been registered by the LP. There are RV based charging methods (Transition Indicators, Property & Roads Drainage)

	contemporary with the connection date. An RV will need to be added and RAd back to the connection date, then a customer name to be added which should trigger the Tradability test.
20023644	Both Water and Sewerage SPIDs have been registered by the LP. The connection data 2011-03-08 is matched by Transition Indicators from the same date. But the RV was not added until August. That is why when the customer name was added in November, the SPID did not go Tradable. It will be necessary for there to be an RA to backdate the RV, and then a retrigger of the Tradability (T007.0 with existing date or T032.0)
20023645	A Water only SPID which has been registered by the LP. Service elements need to be added. An RV would be necessary **if** an Unmeasurable Service Element was added. A customer name is also needed. Connection date to be after the date of the RV **if** an Unmeasurable Service element added.
20023646	Neither the Water nor Sewerage SPIDs have been registered by the LP. Both SPIDs are connected with a date of 2011-03-08. Both SPIDs have a Transition Indicator on the same day as the connection date; additionally the Sewerage SPID has an RV based Service Element effective from the day before the connection date. An RV will need to be added and backdated to at least the connection date. The addition of a customer name should then trigger Tradability.
20029068	Neither the Water nor Sewerage SPIDs have been registered by the LP. An interesting case. It has a non-RV based service element (a meter), which meant that it was Chargeable on 2011-11-23 - the connection date. This was necessary for the connection to be accepted. Note that a meter with an RTS>0 is acceptable to the Sewerage SPID as a chargeable item, although it doesn't show on the NAPS[4] report as a non RV based service element. Since the RV based service element has been added <u>after</u> the connection date, this should not affect the move to Tradability. After the SPIDs are registered by the LP, the addition of the customer name should trigger the change to Tradability.
20029070	A Sewerage only SPID which has been registered by the LP. It has an RV based service element, and an RV effective from 2011-11-29. It also has a customer name. A T007.1 from the LP with a date on or after 2011-11-29 should make the SPID tradeable.
20029181	Neither the Water nor Sewerage SPIDs have been registered by the LP. RV based Service Elements have been added to both the Water and Sewerag SPIDs. Both an RV and a customer name will need to be added. Either a T007.0 with a connection date after the transaction date for the RV, or the RV will need to be back dated by an RA, and a connection date no earlier than 2011-12-01– the earliest date on which RV service elements were added to both SPIDs..
20029217	This is a Water only SPID. The SPID is still new and needs to be registered by the LP. An Unmeasurable Service element has been added. Both an RV and a customer name will need to be added. Either a T007.0 with a connection date after the transaction date for the RV, or the RV will need to be back dated by an RA, and a connection date no earlier than 2011-12-07 – the date of the RV service elements.
20029219	This is a Sewerage only SPID. The SPID is still new and needs to be registered by the LP. RV based service elements have been added. Both an RV and a customer name will need to be added. Either a T007.1 with a connection date after the transaction date for the RV, or the RV will need to be back dated by an RA, and a connection date no earlier than 2011-12-05 – the date of the RV service elements.

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[4] In compiling this Guidance note, this small point in respect of the NAPS report has come to light. The CMA will correct this as soon as possible. A water meter with an RTS>0 would therefore show as being a non-RV based Sewerage Service Element for the Sewerage SPID. This is how it is treated in the CS in respect of chargeability for connections.