

MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL

Form
version 2.1

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

MCCP127

Version No.

D.1

PART A — SUBMISSION

A.1. GENERAL DETAILS

A.1.a. TITLE

Linking Supply Points with a third party reference or references

A.1.b. COMPANY

Scottish Water

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

A.1.c. AUTHORISED
SIGNATURE

Jessie McLeman

NAME

Jessie McLeman

A.1.d. CONTACT
NAME

(Author)

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A.1.e. ASSOCIATED
MCCP / OCCP

A.1.f. ASSOCIATED
DOCS.

A.1.g. PROPOSED
URGENCY

URGENT / 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)

Background to issue with current arrangements

The information currently in the market makes it difficult to establish in many cases if a property is unique and therefore if participants are in fact reviewing the intended property. Address data used by participants, other third parties and even the occupier can vary and lead to ambiguity. These ambiguities can in turn result in the creation of duplicate Supply Points, the incorrect deregistration of Supply Points or allocation of attributes, and in gap sites being missed all of which have an adverse effect on market data quality.

While it may be impossible completely to remove all ambiguity, a link between Supply Points registered in the market and a recognised external third party reference will significantly reduce some of the existing scope for ambiguity, confusion and risk of error.

The usefulness of a third party reference can be seen from the way in which market participants currently use the Scottish Assessors Reference. That reference is not a market data item in the Data Transaction Catalogue, yet it is used by market participants in a number of interactions. It is used, where available, to support certain processes in the Operational Code and Scottish Water aims to provide the reference, where available, in a notes field when submitting a gap site to the CMA; and where the configuration at a site is being reviewed to ensure all participants are reviewing the same premises. Feedback is that market participants find the information a key reference. However being in a notes field it cannot be used or analysed in a structured way.

The principle of providing such a reference as a market data item has been discussed by the Technical Panel on a number of occasions and more recently was discussed in a paper to the Market Participants Forum in April 2013. Market participants appreciated the merits of such an approach, recognising that the details require further investigation.

This Change Proposal seeks to take the work to the next stage allow the Technical Panel to reach a decision.

There will be a group of properties for which a reference may not be available, and for those an explanation by means of standardised classifications might be appropriate, for example some agricultural Supply Points. There may also cases where an existing Supply Point, as registered in the market may comprise multiple external references, reflecting the services supplied, such as larger complexes and rules would need to be developed to cater for situations encountered. However while there will be exceptions, for the majority of premises it is expected here will be a suitable reference. It is noteworthy that changes are being considered in other markets to allow unique property references to be captured as part of the market data set.

This Change Proposal proposes that the Market Code be amended to allow for the creation of a new market data item or items to provide a cross reference between new and existing Supply Points and appropriate external recognised third party reference or references, where such references are available.

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

Nature and purpose of the MCCP

The purpose of this Change Proposal is to amend the Market Code such that the Central Systems can accommodate an agreed external reference or references as a market data item at the point of the creation of new Supply Points and as an additional market data item associated with the existing Supply Points.

Identification of a suitable reference

The principle external reference currently used by Market Participants is the Scottish Assessors' Reference (SAA reference).

However, the Scottish Government has invested in the use of the One-Scotland Gazetteer reference and it seems sensible to investigate the use of the latter as a market data item due to the additional functionality it is designed to deliver. One Scotland Gazetteer forms part of a programme developed in partnership with all Scottish local authorities and is managed by the Improvement Service with the Convention of Local Authorities (COSLA) and the Society of Local Authority Chief Executives (SOLACE). It is Scottish Government-backed programme to help councils deliver more convenient and responsive public services.

The One Scotland Gazetteer (OSG) data provides a Unique Property Reference Number (UPRN) which acts a common key for addresses and information related to them across the Scottish public sector. The OSG UPRN therefore is cross referenced to items such as the Scottish Assessors' References and is reflected in selected Ordnance Survey data products. The OSG addresses and their UPRNs will be created during the pre-build stages of the statutory planning processes, with implications for use in the new connections processes.

In the case properties being demolished, we understand the future intention is to provide a link to the demolition warrant. If adopted by the Technical Panel, references could at later stages be incorporated into the deregistrations and disconnections processes.

As part of the feasibility assessment, the CMA is requested to undertake an initial feasibility analysis of the implications of using the One Scotland Gazetteer reference or the Scottish Assessors' References or both; and the impact on the market processes and central systems of using either or both. If the

Implementation approach

Scottish Water has built up a significant number of matches between Supply Points and Scottish Assessors' References. These will need further validation and but it provides a good basis for updating the central systems. Additionally, Scottish Water is moving internally to use of Address Base Premium, a product from Ordnance Survey, for its own address point data, thus encapsulating the One Scotland Gazetteer unique property reference number.

While a good proportion of cross references will be available should the Technical Panel agree to go down this route, it would be very ambitious and challenging to have agreed available references in the

central systems on day 1. Therefore a suitable implementation approach needs to be agreed.

The following outline approach is proposed;

- The Market Code and central systems are amended to allow third party references to be supplied by Scottish Water at the time a gap site Supply Point is established in the market. It is suggested there be a mandatory provision of either the appropriate reference or a standardised explanation for supply points that have no reference, eg troughs.
- The new connections processes are also amended to allow for a reference to be supplied where available.
- Provision is made in the Market Code and thereby the Central Systems to allow a reference or references to be added to existing Supply Points, using the Maintain SPID Data processes. This will allow the base to be updated over time, with a view to the establishment of a mandatory link, or explanation for all Supply Points at a time in the future to be decided.

Please note this proposal at this stage makes no recommendations in respect of changes to addresses, address standards and associated requirements as set out in the Market Code. The link between OSG references and addresses offers scope for linkages which could be useful to the market. This matter could be considered further as part of the initial assessment process.

The Technical Panel is invited to request the CMA to undertake an initial feasibility assessment for capturing an appropriate external reference or references to associate with new and existing Supply Points; and an implementation approach. The feasibility assessment will form the basis for further detailed work and supporting legal drafting of the market documents.

It is appreciated that user requirements will need to be captured as part of the feasibility analysis and it is suggested that a user group meeting of market participants is arranged to provide input to that.

Principles and Objectives affected

| PRINCIPLE | AFFECTED (Y/N) | DESCRIPTION |
|--|----------------|--|
| Proportionality | | |
| Transparency | Y | The third party references cited are publicly available. |
| Simplicity, Cost-effectiveness, and Security | Y | By enhancing data quality the scope for error and therefore cost is reduced. |
| Non-exclusivity | Y | Use of public references means this proposal is non-exclusive. |
| Barriers to Entry | | The proposal does not create any barriers but provides a link to additional information sources which should assist market participants. |
| Customer Contact | | |
| Non-discrimination | | |

| | | |
|--------------------------------------|--|--|
| Non-detrimental to SW Core Functions | | |
| MC / OC OBJECTIVES | | |

| 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 | | As below |
| CSDs | | As below |
| Wholesale Services Agreements | | |
| Licenses | | |
| CMA Central Systems | | Yes |
| CMA business processes | | |
| Trading Party systems | | Trading parties already use references but the extent to which these are captured in business processes and as structured data will vary; the impact of the change will depend on the outcome of the assessment. |
| Trading party business processes | | As above. |

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

At the December 2013 meeting of the Technical Panel, there was some discussion about the extent of validation of references that would be required or appropriate. After some consideration, the proposal is that it would be appropriate to have validation in the central systems to identify a duplicate reference, such that duplicate references would not be allowed into the system. Additionally validation is proposed to require that the SAA Reference must be in the format as published on the Scottish Assessors web portal; and the UPRN reference must be an integer. Compared to the versions of the documents published in December, changes have been made to the User Requirements document, UR1.5, UR2.2.4, UR2.2.5, and UR4.2.2.3; CSD0301; and CSD0302 (namely to update the UPRN to be an Integer.)The proposed changes to the legal texts are attached to this change proposal and are as set out below. The changes in this version of the MCCP compared to the previous version relate to validation as noted above; ;

- Market Code main document, Two new definitions are proposed, namely of the reference published by the Scottish Assessors Association; and the UPRN used by the One Scotland Gazetteer;
- CSD 0101 New Connections and New Supply Points;
- CSD 0104, Maintain SPID data;
- CSD 0301 Data Transaction Catalogue;
- CSD 0302 Standing Reports and Data Extracts.

The associated Indicative User Requirements Document is also attached.

Additionally it is anticipated that the Operational Code forms will need to be reviewed. This has been updated since the last Technical Panel and related OCCP047 is being presented to the 3rd Party References Working Group on the 1st April.

Changes to the documentation in this B.4 version as compared to presented to the previous February TP are as follows:

- URs updated to match the CMA preferred structure and formats.
- Changes to the Data Item names
- Updating of the code list related to where the SAA Reference Number and/or UPRN is not available
- Change to the transaction number proposed (previously a new transaction T037, now part of the T012 transaction range)
- Addition of requirement for a CMA developed script able to load the matched SAA data following the conclusion of the CMA SAA project
- Updates to the names and transaction numbers in the URs now reflected in the associated CSDs
- Minor change to CSD0302 standing Reports and Data Extracts; removing the data items from the individual xMDS reports and adding them to the address block, therefore having the same effect as adding the data items to the X31, X32, X33 and X34 as previously defined.

The intention, principles and functionality of what has previously been proposed has not changed.

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.

Will depend on outcome of assessments.

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

A.4. ANY OTHER COMMENTS

At the December 2013 meeting of the Technical Panel, the Chairman asked for a clearer statement of the benefits of the proposal.

In summary the main benefits of providing the proposed third party references are as follows;

- Improvement in the quality of market data by providing unique references which show clearly and without ambiguity the premises under consideration.
- Significant reduction in the risk of duplication. Ambiguity in addresses has led to the creation of duplicate Supply Points and additional work and cost in establishing the properties of a premises and its characteristics, cost to both Licensed Providers and Scottish Water. The provision of unique references is expected significantly to reduce the scope for the creation of new duplicate Supply Points and should allow for the identification of duplicates in the existing base over time as legacy data is matched to the references.
- While not part of this proposal per se, the proposal provides a basis for moving to the address standard provided by the One Scotland Gazetteer / UPRN. The addresses provided by Ordinance Survey are intended to conform with British Address Standards. From an analysis undertaken on a sample of addresses, there seems to be a high level of compliance with address standards. The addresses used by the Scottish Assessors do not always comply with address standards.
- The use of OSG / UPRN should provide a basis for the whole life management of premises, from planning consent through to demolition.

The cost benefits will to some extent depend on the costs when they are known but the CMA has advised that for this specific systems development, the costs are expected to be moderate.

To illustrate the above points, there is merit in reviewing some of the learning from the Commission's data alignment project. Scottish Water was asked to review circa 8,500 premises as candidates for deregistration. Out of that, nearly 4k premises were rejected by Scottish Water following its review, at some cost to Scottish Water and the Licensed Provider presenting the candidate sites. The reasons for rejection varied but ambiguity of address and premises contributed to the issues. If the premises concerned all had agreed SAA references and UPRN references, the review process would have been much smoother and less costly.

The more significant cost to the market will be the cost of matching the legacy sites to the correct references. The CMA is undertaking the work of matching premises to SAA references, as part of its 'Assessor Project'. If this Change Proposal is not agreed, a large part of the value of those matches will be lost. The gap sites arising from the CMA's project should be identified and presented to the market, but the value of having the remaining agreed matches in the central systems will be lost. Market participants will want to validate the work done by the CMA, which will have an additional cost, but the work of the CMA provides for a very good basis for that.

It should be noted that this proposal does not include any recommendations about changes to addresses held in the central systems as a result of establishing a cross reference between premises and the references concerned. That requires further reflection and analysis, and it is suggested should be undertaken separately.

In summary, if the proposal is not implemented, there will continue to be difficulties with establishing

the uniqueness of properties. While the proposal will not provide for a solution in all cases, such as farms, it provides for considerable improvement on existing arrangements.

PART B — TP ASSESSMENT

B.1. ASSESSMENT PROCESS

| | | | |
|--|------------|------------------------------|------------|
| B.1.a. ASSESSMENT START DATE | 2013-06-20 | ASSESSMENT END DATE | 2014-04-17 |
| B.1.b. IMPACT ASSESSMENT REQUIREMENT | | IA NOT 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 SPECIFICATION AND IMPACT (if different from that originally submitted)

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B.2.b. DRAFT LEGAL TEXT (if different from that originally submitted)

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B.2.c. 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 | |
| Benefit Estimate (L: < 10k, M: £10k to £100k, H: > £100k) | |

B.3. TP DECISION TP APPROVED

B.4. FINAL TP VIEWS

B.5. PLANNED IMPLEMENTATION DATE March 2015

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|------------------------|----|
| WITHDRAWN BY PROPOSER? | No |
| COMMENTS | |
| DATE OF WITHDRAWAL | |

PART C — COMMISSION APPROVAL

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|---|-----------------|
| C.1. DATE FINAL REPORT ISSUED TO COMMISSION | 2014-04-22 |
| C.2. APPROVAL STATUS | APPROVED CHANGE |
| C.3. DATE OF APPROVAL STATUS | 2014-05-09 |
| C.4. COMMISSION RESPONSE REFERENCE | |

PART D — IMPLEMENTATION

| | |
|---|------------|
| D.1. IMPLEMENTATION DATE | 2015-03-31 |
| D.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.) | |
| CS Release 4.2 Market Code v27 CSD0101 v6.0 CSD0104 v5.0 CSD0301 v8.0 CSD0302 v5.0 | |