

MARKET CODE CHANGE PROPOSAL			Draft Form Version 1.2	
Market Code Change Proposal Ref (Assigned by CMA)		MCCP011	Version Number (Assigned by CMA)	Version 2.1b
Title of the change		Amend text concerning CMA charges		
1. GENERAL DETAILS		Proposers are reminded that Change Proposals must be countersigned by the Proposer's Contract Manager or the person designated by the signatory to the Market Code Framework /Accession Agreement		
Company:	CMA		Org ID if assigned:	
Signature:			Date:	16 April 2008 (revised 11 th June 2008)
		Name:	Jeremy Atkinson	
Contact details for the Proposal - the contact should be able to deal with queries regarding this Market Code Change Proposal and need not be the same person who has countersigned the Change Proposal				
		Name:	Jeremy Atkinson	
		Email Address:	Jeremy.Akinson@cmascotland.co.uk	
		Telephone and or Mobile:	01786 468 860	
Number of Associated Documents	02	Name or link to documents	MCCP011 Annex Market Code Changes v1.0a MCCP011 Annex Schedule21 v1.1b	
If the MCCP will also affect the Operational Code, an OCCP must also be raised				
Indicate if there is an associated OCCP			OCCP Ref: CMA use only	
URGENT – IF PROPOSER HAS INDICATED THIS MCCP IS URGENT, STATE REASONS HERE The CMA Chief Executive will review this information and make a decision as to whether to take this MCCP forward as urgent as defined as under Market Code Part 8.7.1 (ii) (e)				
2. MARKET CODE CHANGE PROPOSAL DETAILS				
A	ISSUE or DEFECT WHICH THIS MARKET CODE CHANGE PROPOSAL SEEKS TO ADDRESS required under Market Code Part 8.7.1 (ii) (b)			
The Market Code needs to be amended to reflect the use of weighted SPIDs in calculating CMA charges for Licensed Providers. This proposal weights the SPIDs in proportion to the meter related charges at each SPID.				

B	DESCRIPTION OF NATURE AND PURPOSE OF THE CHANGE AND HOW IT MEETS THE MARKET CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS required under Market Code Part 8.7.1 (ii) (c)								
<p>The Proposer should indicate which principles the change supports and whether there is any adverse effect on any principle(s).</p> <table border="0"> <tr> <td>a) Proportionality</td> <td>e) Barriers to entry</td> </tr> <tr> <td>b) Transparency</td> <td>f) Customer contact</td> </tr> <tr> <td>c) Simplicity, cost-effectiveness and security</td> <td>g) Non-discrimination</td> </tr> <tr> <td>d) Non-exclusivity</td> <td>h) Not detrimental to Scottish Water's core functions</td> </tr> </table>		a) Proportionality	e) Barriers to entry	b) Transparency	f) Customer contact	c) Simplicity, cost-effectiveness and security	g) Non-discrimination	d) Non-exclusivity	h) Not detrimental to Scottish Water's core functions
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d) Non-exclusivity	h) Not detrimental to Scottish Water's core functions								
<p>Weighted SPIDs are used for the purpose of calculating each Licensed Provider's share of CMA charges. The change reflects work initiated by LFIG and continued by the Technical Panel in 2008. Ancillary amendments associated with the annual reconciliation of charges are necessary and are defined within the legal text in Section D.</p> <p><u>Non-discrimination</u></p> <p>Technical Panel members have agreed that the proposals support the principle of non-discrimination between LPs by ensuring that their CMA charges better reflect their market share.</p> <p><u>Proportionality</u></p> <p>The calculation methodology captures the requirement of fairness without being unduly complex.</p> <p><u>Simplicity, cost-effectiveness and security</u></p> <p>The derivation of the data from the existing R1 report is administratively more straight forward than the current method.</p> <p>There is no adverse effect on any of the above Principles.</p>									
C	IMPACT – required under Market Code Part 8.7.1 (ii) (d), (f) and (g)								
<p>The Proposer should indicate the sections of the Market Code affected, whether the Operational Code or CSDs, Wholesale Services Agreement or License is impacted and whether there are likely to be implications on:</p> <table border="0"> <tr> <td>a) Central Systems</td> <td>c) CMA Interfaces/ Processes</td> </tr> <tr> <td>b) Trading Party's systems</td> <td>d) Trading Party's business processes</td> </tr> </table>		a) Central Systems	c) CMA Interfaces/ Processes	b) Trading Party's systems	d) Trading Party's business processes				
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<p>The change has no effect on Trading Parties' business or computer systems. The change will simplify the CMA processes.</p>									
D	DRAFT LEGAL TEXT – required under Market Code Part 8.7.1 (ii) (d)								
<p>Draft legal text is attached. It incorporates:</p> <ul style="list-style-type: none"> • changes to Sections 7.3, and 7.11; • changes to Schedule 1 (Definitions) of the Market Code; • A new Schedule 21 for the Market Code. 									
<p>3. IMPLEMENTATION DETAILS - PROPOSED IMPLEMENTATION DATE OR LEAD TIME</p>									
<p>Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section C. Any quoted lead time should commence from date of approval.</p>									
<p>The Implementation Date will be the date of the next release of the Market Code following Approval by the Commission</p>									

4. ANY OTHER COMMENTS

Version 2.1 of this change request separate the attachments into two files; one for the changes to the Market Code and one for the new Schedule 21

Schedule 21 has been updated to explicitly define the term “Meter Related Wholesale Charges”

The full text of the objectives and principles for the Market Code are set out in The Water Services (Codes and Services) Directions 2007 which can be downloaded from the Commission’s website (http://www.watercommissioner.co.uk/view_Directions.aspx)