

Market Code Schedule 7

Code Subsidiary Document No. 0002

Performance Standards

Version: ~~2-23~~

Date: 201~~23~~-0~~34~~-~~30~~12

Document Ref: CSD0002

## 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     |
| 2.0            | 21/07/2011        | Revised Performance Standards                          |                          | All               |
| 2.1            | 2011-12-01        | Revised performance standards, and typographical fixes | MCCP090                  | Table 1           |
| 2.2            | 2012-03-30        | Clarification that Deregistration is out of scope      | MCCP052 and MCCP079      | Table 1           |
| <u>3</u>       | <u>2013-04-12</u> | <u>Accredited Entities</u>                             | <u>MCCP 111</u>          | <u>Table 1</u>    |

## Table of Contents

|   |   |
|---|---|
| 1. Purpose and Scope                                      | 4 |
| 2. Performance Standards and Performance Standard Charges | 4 |
| 3. Performance Standards Charges - SW                     | 4 |
| 4. Performance Standards Charges - LPs                    | 6 |
| Table 1 - Performance Standards                           | 8 |

## 1. Purpose and Scope

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

## 2. Performance Standards and Performance Standard 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. 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.
- 2.4 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 1<sup>st</sup> 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)  $RPSC_{CMA}^Q = \min \left( \sum_{q=1}^Q PSC_{CMA}^q, 0.15\% \times \sum_{q=1}^Q QR^q \right) - \sum_{q=1}^{Q-1} RPSC_{CMA}^q$

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

- 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

$$PSC^Y = PSC_{CMA}^Y - PSC_{SWLP}^Y \text{ where}$$

$PSC^Y$  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 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

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

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

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

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

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

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

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

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.

Table 1 - Performance Standards

| No  | Context   | Party | Success Criteria   | Performance Charge | Type | Notes  |
|-----|---|-------|--|--------------------|------|--|
| R1A | Partial Registration                                | LP    | 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.  | Level 2            | CMA  |  |
| R1B | Partial Registration                                | LP    | 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.   | Level 3 – Level 2  | CMA  | Cumulative on R1A; the net effect being a Level 3 Charge |
| R2A | New Connection Notifications                        | SW    | Receipt by the CMA of a T007.0 (Notify Connection Complete) within <del>the 25</del> <u>25</u> BDs, <u>for activities undertaken by Scottish Water and 8 BDs for activities undertaken by an Accredited Entity</u> , of the effective date contained within the transaction.<br>This applies to the “New” connection type only, and not to “Gap Site” or “Connection Change of Use”  | Level 2            | CMA  |  |
| R2B | New Connection Notifications                        | SW    | Receipt by the CMA of a T007.0 (Notify Connection Complete) within <del>the 69</del> <u>69</u> BDs, <u>for activities undertaken by Scottish Water and 12 BDs for activities undertaken by an Accredited Entity</u> , of the effective date contained within the transaction.<br>This applies to the “New” connection type only, and not to “Gap Site” or “Connection Change of Use” | Level 3 – Level 2  | CMA  | Cumulative on R2A; the net effect being a Level 3 Charge |
| R3A | Connection Notifications for Gap Site or Connection | SW    | 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   | Level 3            | CMA  |  |

Formatted Table

Formatted: Font: 10 pt

Formatted: Font: 10 pt

Formatted: Font: 10 pt



| No  | Context   | Party | Success Criteria  | Performance Charge | Type | Notes  |
|-----|---|-------|---|--------------------|------|--|
|     | Change of Use   |       | SW,<br>This applies only to T002.1 transactions with "Gap Site" or "Connection Change of Use" connection type, but not the "New" connection type  |                    |      |  |
| R4A | New Connection Notifications                                      | LP    | Receipt by the CMA of a T007.1 (Notify Connection Complete) within <del>the 25</del> BDs 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"  | Level 2            | CMA  |  |
| R4B | New Connection Notifications                                      | LP    | Receipt by the CMA from the LP of a T007.1 (Notify Connection Complete) within <del>69</del> BDs 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"  | Level 3 – Level 2  | CMA  | Cumulative on R4A; the net effect being a Level 3 Charge |
| R5A | Connection Notifications for Gap Site or Connection Change of Use | LP    | Following the T002.0 (Notify New SPID) to the LP, the LP responds with a T007.1 (Notify Connection Complete) or a T009.2 (Error / Notification) 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. | Level 3            | CMA  |  |
| R6A | Disconnection / Reconnection                                      | SW    | The T015.0 (Declare Disconnection/ Reconnection) is received by the CMA within the 2BDs of the effective date contained within the transaction.   | Level 2            | CMA  | T015.0 (Deregistration) is not taken account of.         |
| R6B | Disconnection /   | SW    | The T015.0 (Declare Disconnection/  | Level 3 – Level 2  | CMA  | T015.0 (Deregistration)                                  |

Formatted Table

| No  | Context                    | Party | Success Criteria   | Performance Charge   | Type        | Notes   |
|-----|----------------------------|-------|--|--|-------------|---|
|     | Reconnection               |       | Reconnection) is received by the CMA within the 6BDs of the effective date contained within the transaction.   |  |             | is not taken account of. Cumulative on R6A; the net effect being a Level 3 Charge                   |
| R7A | Late Meter Reads           | SW    | The T005.0 (Meter Read) for a physical meter or T017 (Notify Swap Meter) is received by the CMA within <u>25</u> BDs, <u>for activities undertaken by Scottish Water and 8 BDs for activities undertaken by an Accredited Entity</u> , of the effective date contained within the transaction in respect of I,F,O,X,Y reads,                             | Level 2  | CMA         |   |
| R7B | Late Meter Reads           | SW    | The T005.0 (Meter Read) for a physical meter or T017 (Notify Swap Meter) is received by the CMA within <u>103</u> BDs, <u>for activities undertaken by Scottish Water and 16 BDs for activities undertaken by an Accredited Entity</u> , of the effective date contained within the transaction in respect of I,F,O,X,Y reads,                           | Level 3 – Level 2  | CMA         | Cumulative on R7A; the net effect being a Level 3 Charge  |
| R7C | Late Meter Reads           | SW    | The T005.0 (Meter Read) for a physical meter is received within <u>103</u> BDs of the effective date contained within the transaction in respect of C reads,   | Level 1  | CMA         | Domestic meters   |
| R7D | Late Meter Reads           | SW    | The T005.0 (Meter Read) for a physical meter is received within <u>60</u> BDs of the effective date contained within the transaction in respect of C reads,  | Level 2 – Level 1  | CMA         | Cumulative on R7C; the net effect being a Level 2 Charge  |
| R8A | Extremely Late Meter Reads | SW    | For bi-annually read physical meters success if the T005.0 (Meter Read) is received within 160 BDs 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 <u>160</u> BDs of the effective date contained within the transaction in respect of I reads, | NC * Level 3 , where<br>NC = truncate<br>(BusinessDayslate /160) | CMA<br>SWLP | NC * Level 2 forms CMA Performance Charges<br>NC * (Level 3 - Level 2) forms TP Performance Charges |

Formatted Table

| No    | Context                    | Party | Success Criteria   | Performance Charge   | Type            | Notes   |
|-------|----------------------------|-------|--|--|-----------------|---|
| R8B   | Extremely Late Meter Reads | SW    | 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 40 BDs of the effective date contained within the transaction in respect of I reads, | NC * Level 3 , where<br><br>NC = truncate (BusinessDayslate /40) | CMA<br><br>SWLP | NC * Level 2 forms CMA Performance Charges<br><br>NC * (Level 3 - Level 2) forms TP Performance Charges |
| R9A   | Late Meter Reads           | LP    | The T005.1 (Meter Read) is received by the CMA within 10 BDs of the effective date contained within the transaction in respect of C and R reads.   | Level 1  | CMA             |   |
| R9B   | Late Meter Reads           | LP    | The T005.1 (Meter Read) is received by the CMA within 15 BDs 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 60 BDs 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 2 BDs 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  |
| R10 A | Missed Meter Reads         |       | Success if a bi-annually read meter is read within 160 <del>Business Days</del> (excluding periods of vacancy) of the later of: <ul style="list-style-type: none"> <li>• 31st December 2010</li> </ul>   | Level 3  | CMA<br><br>LP   |   |

Formatted Table

| No    | Context             | Party | Success Criteria   | Performance Charge | Type      | Notes   |
|-------|---------------------|-------|--|--------------------|-----------|---|
|       |                     |       | <ul style="list-style-type: none"> <li>The last meter read for that meter</li> <li>The date of submission of an I or O read</li> <li>The date the last Performance Charge (if any) was applied in respect of measure R10A for this meter.</li> </ul>   |                    |           |   |
| R10 B | Missed Meter Reads  |       | <p>Success if a monthly read meter is read within 40 <del>Business-Days</del> (excluding periods of vacancy) of the later of:</p> <ul style="list-style-type: none"> <li>31st March 2011</li> <li>The last meter read for that meter</li> <li>The date of submission of an I or O read</li> <li>The date the last Performance Charge (if any) was applied in respect of measure R10B for this meter.</li> </ul>  | Level 3            | CMA<br>LP |   |
| 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> <ol style="list-style-type: none"> <li>Water SPIDs (which, may or may not have an associated Sewerage SPID); and</li> <li>Sewerage SPIDs for which there is not an associated Water SPID in the database</li> </ol> <p>The measure will consider SPIDs which were tradable or Temporarily Disconnected during the previous Year. The measure will specifically test both:</p> <ul style="list-style-type: none"> <li>Test Day A: The first day the SPID was connected during the previous Year; and</li> <li>Test Day B: The last day the SPID was</li> </ul> | Level 3            | CMA<br>LP | <p>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.</p> <p>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.</p> |

Formatted Table

| No | Context | Party | Success Criteria   | Performance Charge | Type | Notes |
|----|---------|-------|--|--------------------|------|-------|
|    |         |       | <p>connected (including temporary disconnection) during the previous Year.</p> <p>For Water SPIDs, the test for success on Test Day X (=A or B) is that either:</p> <ul style="list-style-type: none"> <li>• On Day X, the rateable value for the Water SPID is greater than £0; or</li> <li>• Both of the following hold true <ul style="list-style-type: none"> <li>○ On Day X, the Water SPID did not have any Unmeasurable Service Elements and was not on the meter transition programme; and</li> <li>○ On Day X, any associated Sewerage SPID which was 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.</li> </ul> </li> </ul> <p>For Sewerage only SPIDs, the test for success on Test Day X is that either:</p> <ul style="list-style-type: none"> <li>• On Day X, the rateable value for the Sewerage SPID is greater than £0; or</li> <li>• 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.</li> </ul> |                    |      |       |

Formatted Table