

OPERATIONAL CODE CHANGE PROPOSAL				Draft Form Version 1.2	
Operational Code Change Proposal Ref (Assigned by CMA)		OCCP 014	Version Number (Assigned by CMA)		Version 1.0
Title of the change		First time provision of services to a community			
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:	Scottish Water		Org ID if assigned:		
Signature:			Date:	18 August 2008	
			Name:	Jessie McLeman	
Contact details for the Proposal - the contact should be able to deal with queries regarding this Operational Code Change Proposal and need not be the same person who has countersigned the Change Proposal					
		Name:	James McTernan		
		Email Address:	James.McTernan@scottishwater.co.uk		
		Telephone and or Mobile:	0131 445 6729 07875 873 921		
Number of Associated Documents	00	Name or link to documents			
If the OCCP will also affect the Market, an MCCP must also be raised					
Indicate if there is an associated MCCP		Yes	MCCP Ref:		
			CMA use only		
URGENT – IF PROPOSER HAS INDICATED THIS OCCP IS URGENT, STATE REASONS HERE					
The CMA Chief Executive will review this information and make a decision as to whether to take this OCCP forward as urgent as defined as under Market Code Part 8.8.1 (ii) (e)					
2. OPERATIONAL CODE CHANGE PROPOSAL DETAILS					
A	ISSUE or DEFECT WHICH THIS OPERATIONAL CODE CHANGE PROPOSAL SEEKS TO ADDRESS required under Market Code Part 8.8.1 (ii) (b)				
<p>First time provision of services to a community occurs where Scottish Water is required by Scottish Ministers as part of its regulatory contract to provide a new water or sewerage network for communities which currently have private water supplies or septic tanks. Unlike other new connections for individual premises, this case affects a community as a whole, and is instigated by Scottish Water rather than the customer or Licensed Provider. Currently, there is no process in the Operational Code that covers this situation.</p> <p>In planning a first time provision project, Scottish Water is required to approach all properties in the affected community in order to determine which properties wish to take a connection, and the resulting requirement for capacity in the network and treatment works. Unlike other new connections, therefore, the initial contact with the community is from Scottish Water, and is not carried out at the request of a Licensed Provider.</p> <p>These new connections are also carried out at Scottish Water's expense, which is again different from other new connections. Once connected, both household and non-household customers are required to pay charges for the service consumed. In the case of non-household customers this would done through a Licensed Provider.</p>					

This Operational Code Change Proposal provides for two new processes, one for the first time provision of a water connection to Non-Household Customer within an affected community and the other for the first time provision of a sewerage connection to a Non-Household Customer within an affected community.

Scottish Water will provide information to the CMA on Non-Household Customers who decide to take connections through the existing gap site process in CSD0101, *Registration: New Connections & New Supply Points*, Section 3.4 *Where Scottish Water becomes aware of a Gap Site*. This will not require any change to the CMA's systems or processes, or those of any other market participant.

Annex 1 contains the draft legal text to amend the Operational Code, and Annex 2 contains an explanatory flow chart which sets out the overall process in a first time provision project.

B	DESCRIPTION OF NATURE AND PURPOSE OF THE CHANGE AND HOW IT MEETS THE OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS required under Market Code Part 8.8.1 (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>The current Operational Code does not provide a mechanism for dealing with first time provision at Scottish Water's request of connections to Non-Household Customer within an affected community, and the proposal remedies this by introducing a proportional and transparent process, which is simple and cost effective.</p>									
C	IMPACT – required under Market Code Part 8.8.1 (ii) (f)								
<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>Changes are required to Scottish Water's business processes but to no other Trading Party's processes or systems.</p>									
D	DRAFT LEGAL TEXT – required under Market Code Part 8.8.1 (ii) (d)								
<p>See Annex 1.</p>									
<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 Operational Code following Approval by the Commission.</p>									
<p>4. ANY OTHER COMMENTS</p>									
<p>None.</p>									

The full text of the objectives and principles for the Operational 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/Comp/ServiceDirections.asp>)

Annex 1: Proposed text of Operational Code processes

First time water provision to a community

Process 1A – First time provision of a water connection to a community

Purpose and Scope of Process 1A:-

This process sets out the operational arrangements where Scottish Water is required as part of its regulatory contract to provide a new water system to a community. In these cases, Scottish Water approaches all properties in the area to discuss making a connection to the new water Network at Scottish Water's expense.

Potential Non-Household Customers within affected communities may accept a connection to the Water Network as part of this project. Should a potential Non-Household Customer not accept a connection within the agreed regulatory timetable for the affected community any connection at a later date would be treated in accordance with Process 1.

Any potential Non-Household Customer which accepts a connection will be asked to appoint a Licensed Provider. When Scottish Water is notified that a Licensed Provider has been appointed, it will from that time forward communicate with the Licensed Provider. Should Scottish Water not be notified that a Licensed Provider has been appointed, a Licensed Provider will be allocated through the Gap Site Process in the Market Code.

Step 1

Scottish Water identifies a first time water provision project and notifies all Licensed Providers by electronic means not less than 1 month in advance of the start date chosen to implement the project. The information will specify the communities and geographical areas affected (by full post code) and the nature of the work.

Step 2

Scottish Water approaches all affected properties within the community to explain the purpose and structure of the project. In contacting affected properties Scottish Water may carry out mail drops and hold public meetings. In these cases, potential Non-Household Customers will in general be treated similarly to the wider public.

Step 3

Scottish Water discusses possible first time water provision with a potential Non-Household Customer, and provides them with a unique reference number.

Where the potential Non-Household Customer declines the connection, no further action is taken.

Where the potential Non-Household Customer agrees to the connection, Scottish Water will ask them to appoint a Licensed Provider.

Step 4

Scottish Water will issue a request for a new Supply Point(s), related to the connection, to the Central Market Agency in accordance with the Market Code no less than 1 week ahead of the estimated date of connection.

In providing this information to the Central Market Agency, Scottish Water will follow the process in Section 3.4 *Where Scottish Water becomes aware of a Gap Site*, in CSD0101, *Registration: New Connections & New Supply Points*.

If Scottish Water has been notified of the appointment of a Licensed Provider, the identity of the Licensed Provider will be included in the request to the Central Market Agency. If Scottish Water has not been notified of an appointment, a Licensed Provider will be allocated as set out in Section 5.4.11, *Gap Site Allocation Process*, in the Market Code.

Step 5

Scottish Water carries out the connection on an agreed date and notifies the Central Market Agency of this new connection in accordance with the Market Code.

First time sewerage provision to a community

Process 2A – First time provision of a sewerage connection to a community

Purpose and Scope of Process 2A:-

This process sets out the operational arrangements where Scottish Water is required as part of its regulatory contract to provide a new sewerage system to a community. In these cases, Scottish Water approaches all properties in the area to discuss making a connection to the new sewerage Network at Scottish Water's expense.

Potential Non-Household Customers within affected communities may accept a connection to the Sewerage Network as part of this project. Should a potential Non-Household Customer not accept a connection within the agreed regulatory timetable for the affected community any connection at a later date would be treated in accordance with Process 2.

Any potential Non-Household Customer which accepts a connection will be asked to appoint a Licensed Provider. When Scottish Water is notified that a Licensed Provider has been appointed, it will from that time forward communicate with the Licensed Provider. Should Scottish Water not be notified that a Licensed Provider has been appointed, a Licensed Provider will be allocated through the Gap Site Process in the Market Code.

Step 1

Scottish Water identifies a first time sewerage provision project and notifies all Licensed Providers by electronic means not less than 1 month in advance of the start date chosen to implement the project. The information will specify the communities and geographical areas affected (by full post code) and the nature of the work.

Step 2

Scottish Water approaches all affected properties within the community to explain the purpose and structure of the project. In contacting affected properties Scottish Water may carry out mail drops and hold public meetings. In these cases, potential Non-Household Customers will in general be treated similarly to the wider public.

Step 3

Scottish Water discusses possible first time sewerage provision with a potential Non-Household Customer, and provides them with a unique reference number.

Where the potential Non-Household Customer declines the connection, no further action is taken.

Where the potential Non-Household Customer agrees to the connection, Scottish Water will ask them to appoint a Licensed Provider. Should the Non-Household Customer require a trade effluent consent, an application should be made through the relevant Process.

Step 4

Scottish Water will issue a request for a new Supply Point(s), related to the connection, to the Central Market Agency in accordance with the Market Code no less than 1 week ahead of the estimated date of connection.

In providing this information to the Central Market Agency, Scottish Water will follow the process in Section 3.4, *Where Scottish Water becomes aware of a Gap Site*, in CSD0101, *Registration: New Connections & New Supply Points*.

If Scottish Water has been notified of the appointment of a Licensed Provider, the identity of the Licensed Provider will be included in the request to the Central Market Agency. If Scottish Water has not been notified of an appointment, a Licensed Provider will be allocated as set out in Section 5.4.11, *Gap Site Allocation Process*, in the Market Code.

Step 5

Scottish Water carries out the connection on an agreed date and notifies the Central Market Agency of this new connection in accordance with the Market Code.

Annex 2 – illustrative process for first time provision

The process below provides an illustration of the process at high level, which is illustrated in the flow chart overleaf.

1. An FTP project is initiated.
2. SW publishes the affected area on the LP portal so that LPs are aware of the upcoming project. LPs can then approach business customers in the area.
3. SW identifies all the premises in the affected area. It enters discussions with individual premises owners to determine whether they wish accept a connection the public system. Owners of business premises are informed at this point that they will be required to appoint an LP, how to obtain LPs contact details and what happens if they do not appoint an LP.
4. If the owner of a business premises chooses not to accept a connection the process ends.
5. If the business customer accepts a connection, SW provides a reference number to the premises owner and:
 - 5A: SW informs the Retail Connections Team (RCT) of the upcoming connection(s) and reference numbers(s) and
 - 5B: The connection work takes place.
6. If the business customer appoints an LP, the LP informs RCT of the reference number of the customer.
7. When the connection work is complete SW inform RCT of the connection(s) and their reference numbers.
 - 7A. If an LP has contacted RCT, RCT apply the “Gap site with LP” process.
 - 7B. If no LP has contacted RCT with a reference number, RCT apply the “Gap site without LP” process

This draft process is illustrated below.

Key to flow chart:

- SWS: Scottish Water Solutions or other contractor
LP: Licensed provider
RCT: Retail Customer Connections
BC: Business customer

