

# COMMISSION CHANGE PROPOSAL

Form  
version 2.1

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

**MCCP202-CC**

Version No.

**D.1**

## PART A — SUBMISSION

### A.1. GENERAL DETAILS

A.1.a. TITLE

Deemed Contract Scheme Amendments

A.1.b. CONTACT  
NAME

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A.1.c. ASSOCIATED  
DOCS.

## A.2. M CCP / OCCP DETAILS

### A.2.a. ISSUE OR DEFECT WHICH THIS M CCP / OCCP SEEKS TO ADDRESS

#### 1. Context

The Commission consulted on and has now introduced a deemed contract scheme in exercise of the powers conferred on it by section 20B of the Water Services etc. (Scotland) Act 2005 (the “Deemed Contract Scheme”).

In addition and as a consequence of the introduction of the Deemed Contract Scheme, the Commission consulted on and amended Condition B1 of the standard licence conditions applicable to Licensed Providers by deleting paragraphs 7 and 8 and certain related definitions.

We have now reviewed the Market Code and relevant CSDs to identify any knock on consequential changes that should be made to recognise this updating of the deemed contract framework.

#### 2. Process

In accordance with section 8.7.2 of the Market Code the Commission may propose Commission Changes where such changes are necessary in the interests of securing the orderly participation of Trading Parties in the provision of Services and are consistent with the Market Code Principles. Given the following factors the Commission considers that it is appropriate to propose the following changes as a Commission Change:

- 2.1 the Commission is required to make a scheme by statute (section 20B of the Water Services etc (Scotland) Act 2005 and has consulted widely on the subject;
- 2.2 the new scheme has a number of consequential effects, including to the Market Code, which should raise no IT systems or other cost issues for Trading Parties or CMA Scotland as a consequence of these changes; and
- 2.3 it is important to avoid confusion through allowing outdated terminology to remain on the face of the Market Code and therefore supports orderly participation in the market to make these changes which are consistent with the Market Code Principles particularly as to transparency and simplicity.

### A.2.b. DRAFT LEGAL TEXT

Required under Market Code Parts 8.7.1 (ii) (d) and 8.8.1 (ii) (d)

#### Section 5.3.6 Provider of Last Resort

Amend as follows:

(ii) the CMA shall Register the POLR Supply Points so allocated to the relevant Incoming Licensed Provider(s) in accordance with CSD 0003 (Provider of Last Resort) with the Designated Time being:

(a) in the event of termination including that under section 10.7.1 (viii), the date of termination specified in the termination notice issued by Scottish Water to the Licensed #provider pursuant to Clause 20.2 (Termination for Licensee Default) of the Wholesale Services Agreement agreed between the Licensed Provider and Scottish Water, or

(b) in all other circumstances, the date of issue of the Termination Notice;

(iii) where any Licensed Provider is required pursuant to ~~the Deemed Contract Scheme its Licence~~ to provide Water Services or Sewerage Services ~~in Designated Circumstances~~, the Licensed Provider shall be responsible for all Supply Point(s) Registered to it by the CMA from the Designated Time in accordance with this Section 5.3.6; and

Schedule 1 Definitions, Interpretation and Hierarchy

Amend as follows:

Add the following definition:

“Deemed Contract Scheme” the scheme made by the Commission from time to time pursuant to section 20B of the Act;

A.3. IMPLEMENTATION DETAILS

A.3.a. TP ACTION REQUIRED

NONE

A.3.b. REQUIRED IMPLEMENTATION DATE

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

A.4. ANY OTHER COMMENTS

## PART B — IMPLEMENTATION

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| B.1. IMPLEMENTATION DATE | 2016-08-16 |
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| B.2. IMPLEMENTATION DETAILS<br>(MC version, CSD versions, CMA Central Systems release number, etc.) |  |
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Market Code v33