

COMMISSION CHANGE PROPOSAL

Form
version 2.1

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

MCCP206 – CC

Version No.

D.2

PART A — SUBMISSION

A.1. GENERAL DETAILS

A.1.a. TITLE

SW Credit Terms

A.1.b. CONTACT
NAME

Charles Yates

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TEL./MOB.

Charles.yates@watercommission.co.uk
07834 789341

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
<p>The WICS undertook consultations in July 2016 and November 2016, regarding Scottish Water counterparty risk and credit terms. The consultation concerned the possibility of modifying Wholesale Service Agreements (WSAs) such that the period for pre-payment might be increased and the requirement for Licenced Providers to maintain deposits in Escrow could be removed.</p> <p>Following these consultations, the WICS has determined that changes to credit arrangements along these lines should be implemented and draft WSAs to this effect will be developed in due course.</p> <p>In parallel with the finalisation of WSA drafting, implementing this change requires modified pre-payment arrangements under the Market Code. Specifically, the P1 settlement run for a given month will now be undertaken a month earlier than currently and CSD drafting changes are given below, accordingly.</p> <p>So far as implementation is concerned, the CMA will run P1s as per the current requirements up to and including the P1 for April 2017 (scheduled to be run in March 2017). The new timing for P1s will commence for the May 2017 Invoice Period onwards; requiring an additional P1 for May 2017 also to be run in March 2017.</p>
A.2.b. DRAFT LEGAL TEXT Required under Market Code Parts 8.7.1 (ii) (d) and 8.8.1 (ii) (d)
<p>CSD0201 Changes: Section 2.4, first bullet point, should be amended as follows;</p> <ul style="list-style-type: none"> • P1 – the preliminary Settlement Run(s), the Settlement Reports for which will be issued 16 BDs before the start of the month prior to the Invoice Period in which the Settlement Day falls;
A.3. IMPLEMENTATION DETAILS
A.3.a. TP ACTION REQUIRED
NONE
A.3.b. REQUIRED IMPLEMENTATION DATE
2017-03-14
A.3.c. ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION
Revised WSAs must be in place.
A.4. ANY OTHER COMMENTS
<p>Indicative User Requirements for the CMA are as follows:</p> <p>UR 1 Settlement Calendar. The Settlement Calendar should be amended such that all P1 settlement runs should be undertaken at least 18 Business Days prior to the start of the month prior to the relevant Invoice Period (and then published within 2 BDs).</p> <p>UR 2 Implementation. The first Invoice Period for which UR 1 should apply should be May 2017. NOTE: This implies that a P1 will be required for both April 2017 and May 2017 to be run in March 2017.</p>

PART B — IMPLEMENTATION

B.1. IMPLEMENTATION DATE	2017-03-16
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B.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	
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CSD0201 v6