

COMMISSION CHANGE PROPOSAL

Form
version 2.1

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

MCCP222 – CC

Version No.

B.6

PART A — SUBMISSION

A.1. GENERAL DETAILS

A.1.a. TITLE

Criteria for Live RV Data Updates

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A.2. MCCP / OCCP DETAILS

A.2.a. ISSUE OR DEFECT WHICH THIS MCCP / OCCP SEEKS TO ADDRESS

Live Rateable Value and the transition arrangements are due to go live for charging on the 1st April 2018. MCCP214-CC is due to deliver in the February 2018 release which enables this change. As part of this change there are a number of specific scenario's which affect the maintenance of Live Rateable Value and the RV Transition Flag which are not published or part of any existing Market document.

Additionally, there is currently no provision in the Market documents for Scottish Water to proactively process configuration changes (Entry Change of Use) changes (such as Splits/Merges) as the CSD only refers to Gap Sites identified by Scottish Water.

The MCCP-CC therefore specifies 2 changes:

Change 1

This MCCP - CC defines the criteria for SPIDs which will be subject to transition arrangements and the specific criteria for how Live Rateable Value will be maintained, detailing the circumstances that change Live Rateable Value and the specific updates to be applied to data in the Central Systems for each of these circumstances.

This change identifies a change to CSD0104 (Maintain SPID Data Part 1 - SPID Level Data) so that it is clear to all market participants under what circumstances a modification to Live Rateable Value will impact transition (either 'ending transition' or 'amending transition') and what effective dates apply to updates to Live Rateable Value and/or RV Transition Flag. 'Ending transition' for a SPID means terminating the transition glide path for RV based charges at the SPID, and moving to full Live Rateable Value based charging. 'Amending transition' for a SPID means the LP re-calculating the transition glide path based on a change to the underlying data which impacts RV based charges for the SPID.

This is a drafting change only and no systems changes outside of those previously proposed in other MCCPs are required. As this is a temporary requirement only for the period of transition to Live Rateable Value the drafting proposes a modification to Section 5.6 (Process for a Change to Service Elements), so that when transition ends this change can be reversed with the minimum of effort.

Change 2

This MCCP - CC identifies a change to Section 3 of CSD0101 to incorporate a Scottish Water initiated Entry Change of Use process; currently there is only provision for LP initiated changes. This is to cater for the requirement where Scottish Water identifies configuration changes to existing SPIDs which results in associated new SPID creation – a typical example is the split of an existing SPID into multiple SPIDs or the merge of multiple SPIDs into a single SPID. The Licensed Provider impacted by the change (i.e. who owns

the existing SPID affected) will be directly allocated any new SPIDs created.

A new Section 3.3 (Where Scottish Water becomes aware of an Entry Change of Use), has been added.

Again, there are no systems changes required at the CMA. This change does place an obligation on Scottish Water and for Licensed Providers (for Sewerage only SPID) to align SPID Connection Dates with Live Rateable Value dates to ensure continuity of charging.

A.2.b. DRAFT LEGAL TEXT
Required under Market Code Parts 8.7.1 (ii) (d) and 8.8.1 (ii) (d)

Change 1

CSD0104 should be modified by the addition of the following in Section 5.6 step a (red text):

Step a Update CMA with Changes to Service Elements [T012.1, T012.3, T012.7]

A Licensed Provider should use Data Transaction T012.1 (Update Chargeable SPID Data) to provide the CMA with updates to Service Elements, and should send these updates within 2 Business Days of becoming aware of the change.

The relevant data is listed in Section 4.3 of the Data Transaction Catalogue.

Within 2 Business Days of becoming aware of a change in the existence of sewerage service elements on a SPID, Scottish Water shall notify the CMA of the change using Data Transaction T012.3 (Update Sewerage Service Elements).

Scottish Water should use Data Transaction T012.7 (Update Live Rateable Value) to provide the CMA with updates to the Live Rateable Value and/or updates to the RV Transition Flag, and should send these updates within 2 Business Days of becoming aware of the change. **Any such updates will be based on the following:**

The scenarios in the table below outline those SPIDs which will have the RV Transition Flag set to FALSE. All such SPIDs will be subject to Live Rateable Value based charging from 1st April 2018. All other SPIDs will be subject to Live Rateable Value transition arrangements from 1st April 2018 through to 31st March 2021 unless their transition arrangements are terminated as a result of one of the criteria outlined below.

This section relates to the transition rules applicable to the use of Live Rateable Value and outlines which SPIDs where transitional arrangements will/will not apply. There are a number of tables which detail the specific criteria for data updates and dates to be used when a change affects the Live Rateable Value / RV Transition Flag or an RV based service element on a SPID subject to transition arrangements.

The scenarios in the table below outline those SPIDs which will have the RV Transition Flag set to FALSE.

All other SPIDs will be subject to Live Rateable Value transition arrangements from 1st April 2018 through to 31st March 2021 unless their transition arrangements are terminated as a result of one of the criteria outlined below.

Circumstances in which SPIDs will not be under transitional charging arrangements on 1 April 2018	Transition Status	RV Transition Flag - Value
SPIDS modified by premises SPLITS / MERGES during 2017-18	No transition	FALSE
SPIDs modified by premises reconstruction / redevelopment during 2017/18	No transition	FALSE
SPIDs where an Apportionment Note update has been applied in 2017/18	No transition	FALSE
New SPIDS added to market during 2017-18	No transition	FALSE
SPIDs not subject to a Live Rateable Value	No transition	FALSE

The table below outlines SPID update criteria applicable between 1st April 2018 and 31st March 2021 for SPIDs subject to transition arrangements, and details how changes to Live Rateable Value impact on transition arrangements. Such changes may result in a change to the RV Transition Flag, potentially removing a SPID from transition arrangements i.e. ending transition for that SPID. The effective date applicable to both a change in Live Rateable Value and the RV Transition Flag (where applicable) in each circumstance is outlined.

SPID update criteria for Live Rateable Value changes to SPIDs in transition (post 31 March 2018)	Transition Status Update	Change to RV Transition Flag	RV Transition Flag - Value	Live Rateable Value/RV Transition Flag - Effective date to be used
Live Rateable Value modified as a result of premises SPLITS / MERGES	Ends transition	Yes	FALSE	Valuation Notice Issue Date
Live Rateable Value modified as a result of premises reconstruction / redevelopment*	Ends transition	Yes	FALSE	Valuation Notice Issue Date*
Live Rateable Value modification as a result of the removal or addition of an Apportionment Note	Ends transition	Yes	FALSE	Valuation Notice Issue Date
New premises (SPIDs) added to market	No transition	No	FALSE	Valuation Notice Issue Date**
Live Rateable Value modified as a result of an Appeal Settlement at a premises	Amends Transition	No	TRUE	Valuation Notice Issue Date
Other Live Rateable Value modifications (excluding those circumstances detailed above)	Amends Transition	No	TRUE	Valuation Notice Issue Date

* Premises subject to redevelopment / reconstruction are identified by their description at the Scottish Assessor Association and a

reduction in Live Rateable Value of over 95% of the premises usual Live Rateable Value.

** The Valuation Notice Issue Date may not be the first date that a Live Rateable Value is applied to a SPID. Newly created premises (SPIDs) can have a default Live Rateable Value / Rateable Value assigned to them effective from the Connection Date of the SPID if there is no Live Rateable Value available whilst the premises are subject to the rating process.

The table below outlines SPID update criteria applicable between 1st April 2018 and 31st March 2021 for SPIDs subject to transition arrangements, where changes to SPID data other than Live Rateable Value which impact Rateable Value/Live Rateable Value based charges. Such changes may result in a change to the RV Transition Flag, potentially removing a SPID from transition arrangements i.e. ending transition for that SPID, or may result in the need for the LP to re-calculate the transition glide path i.e. amending transition for that SPID. The effective date applicable to both a change in SPID data and the RV Transition Flag (where applicable) in each circumstance is outlined.

<u>SPID update criteria for SPID data other than Live Rateable Value changes to SPIDs in transition which impact Rateable Value/Live Rateable Value based charges (post 31 March 2018)</u>	Transition Status Update	RV Transition Flag Update	RV Transition Flag - Value	Live Rateable Value/RV Transition Flag - Effective date to be used
Change to Rateable Value (Licensed Provider data item)	Amends transition	No	TRUE	Licensed Provider determined
Change to Vacancy Status	Amends transition	No	TRUE	N/A***
Modification to Service Elements on a SPID core	Ends transition	Yes	FALSE	01/04/2018 or effective date of service element change (whichever is later)
Modification to Charitable Exemption Scheme status (including % exemption)	Amends transition	No	TRUE	N/A***
Modification to Schedule 3 agreement	Amends transition	No	TRUE	N/A***

*** Changes in Vacancy, Schedule 3 or Charitable Exemption status or values do not result in a change to the Live Rateable Value / RV Transition Flag but will impact the transition glide path from the effective date of the change applied. Vacancy changes do not impact transition glide path on drainage only SPIDs.

Change 2

CSD0101 should be modified by the addition of the following new Section 3.3:

3.3 Where Scottish Water becomes aware of an Entry Change of Use

Entry Change of Use may relate to SPID creation as a result of configuration changes or a change of use of existing SPIDs.

Where such a change of use requires the alignment of Live Rateable Value across existing SPIDs and resulting new SPIDs (for example splits/merges), there may be a requirement to backdate the new SPID Connection Date to the appropriate Live Rateable Value date to ensure continuity of charging. Where a new

SPID is for Sewerage Services only it is the Licensed Provider's responsibility to ensure that the connection date of the SPID is aligned with any backdating requirement or Live Rateable Value date.

3.3.1 Description of the Process Diagram Steps

Step a: Identify site subject to configurations change / Entry Change of Use

On identifying a site subject to Entry Change of Use, Scottish Water shall endeavour to identify any information regarding the premises from its records, including assessing whether a site visit will be required to verify the Services at the Supply Point(s).

Step b: Request Supply Point(s) [T001.0]

Scottish Water will submit the T001.0 (Request New SPID) to the CMA, the submission will reflect that the New Supply Point(s) arises from an Entry Change of Use, whether the Supply Point(s) relates to both Water and Sewerage Services, or only one of those Services. New SPID requests as a result of a change to an existing SPID configuration/change of use (i.e. Split / Merge) will be notified to the Licensed Provider who owns the existing SPID impacted by the change. The Licensed Provider shall be identified in the T001.0 request.

Step c: Create Supply Points and issue SPIDs [T002.0, T002.1]

The CMA will issue the SPIDs within 1 Business Day of receipt of the T001.0, using, Data Transaction T002.1 (Notify New SPID) to Scottish Water and Data Transaction T002.0 (Notify New SPID) to the relevant Licensed Provider(s).

- i. In the case of a Licensed Provider, this notification will constitute a request to submit a T003.0 or a T009.2 (see Step d below).
- ii. In the case of Scottish Water, this notification will constitute a request to submit the supporting information for the Supply Point for which they are the Data Owner.

Steps d and e: Process Partial Registrations [T003.0, T009.2]

Where a Licensed Provider(s) considers that they are involved in the New Supply Point, they shall submit a Partial Registration Application using Data Transaction T003.0 within 1 Business Day of receiving the T002.0 (Notify New SPID).

Where a Licensed Provider considers they are not involved, that Licensed Provider shall submit notification of such to the CMA within 1 Business Day of the CMA issuing the T002.0 (Notify New SPID) using the Data Transaction T009.2 (Error/Notification). The CMA will then seek clarification from Scottish Water using Data Transaction T009.1 (Error/Notification), who shall correct the notification of the Licensed Provider for that

Supply Point(s) within 1 Business Day by issuing another T001.0 which shall include the Supply Point(s) and the appropriate Licensed Provider. In the event that Scottish Water has no other information than that already notified to the CMA, they shall advise the CMA of this and the CMA shall escalate the matter to the Licensed Provider's Contract Manager.

Steps f-p: Provide Data and Make SPID Tradable

These processes are common to both New Connections and New Supply Points and are described in Section 4

CSD0101 Appendix 1 (Registration Data Checks at a New Connection/New Supply Point) should also be amended, such that the last check (SPID Data Complete and Consistent) should be amended, as follows (red text);

- Check that a Partial Registration has been received for the SPID;
- Check the SPID has at least one Service Element acting on the Connection Date, and if any such Service Element is dependent on the Rateable Value **and/or Live Rateable Value**, that a non-zero Rateable Value **and/or Live Rateable Value** has been successfully submitted;
- Check that a Customer name has been submitted
- Check that a Connection Date has been submitted

In the case that a WS has an associated SS which is New, Partial or Rejected both the WS and the associated SS must pass the above tests. If the tests are passed the SPID(s) become Tradable.

A.3. IMPLEMENTATION DETAILS

A.3.a. TP ACTION REQUIRED

CONSULTATION WITH TP / NONE

A.3.b. REQUIRED IMPLEMENTATION DATE

2018-02-01

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

This Commission Change builds on MCCP214 – CC, with minor amendments as detailed in MCCP219 and assumes prior approval of MCCP215.

A.4. ANY OTHER COMMENTS

PART B — IMPLEMENTATION

B.1. IMPLEMENTATION DATE	2018-02-01
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B.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	
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