

MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL

Form
version 2.1

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

OCCP070

Version No.

B.3

PART A — SUBMISSION

A.1. GENERAL DETAILS

A.1.a. TITLE Engaging customers to understand future needs

A.1.b. COMPANY Scottish Water

Change Proposals must be authorised by the person designated by the signatory to the Market Code Framework / Accession Agreement

A.1.c. AUTHORISED SIGNATURE NAME Richard Lavery

A.1.d. CONTACT NAME Richard Lavery CONTACT EMAIL; TEL./MOB. richard.lavery@scottishwater.co.uk

A.1.e. ASSOCIATED MCCP / OCCP

A.1.f. ASSOCIATED DOCS. Senior Stakeholder Group paper 21/01/2022

A.1.g. PROPOSED URGENCY NON-URGENT

A.1.h. REASONS FOR URGENCY

The CMA CEO will review this information and make a decision as to whether to take this MCCP / OCCP forward as urgent as defined under Market Code Part 8.9.1

A.2. MCCP / OCCP DETAILS

A.2.a. ISSUE OR DEFECT WHICH THIS MCCP / OCCP SEEKS TO ADDRESS Required under Market Code Parts 8.7.1 (ii) (b) and 8.8.1 (ii) (b)

When designing new or replacement assets, it is essential for Scottish Water to understand the demands that these assets will be required to meet across their lives. While the needs of households and the majority of small and medium sized businesses are relatively stable and therefore easier to predict, changes in the needs of larger business and industrial sites can have a significant influence on the scale and scope of the investment solution. Getting this right can enable Scottish Water to make the best use of customers' money and can help identify potential changes in investment plans or customer behaviour, which would offer mutual benefit.

Licensed Providers are the initial point of contact for business customers. Scottish Water from time to time needs to or would benefit from contacting specific groups of business customers directly. There are a few scenarios where this direct access to engage with business customers would benefit customers, Scottish Water and Licensed Providers (or the market generally), such as:

- Understanding customer demand and the future needs of business customers for water/wastewater services to support Scottish Water planning and future investment decisions
- To consider solutions to specific localised capacity pressures on the network such as water scarcity or flooding

A paper was taken to the Senior Stakeholder Group (SSG) on the 21st January 2022 highlighting the need for Scottish Water to, at appropriate times engage directly with specific groups of business customers. The SSG were supportive and it was agreed to formalise the change in the market framework.

A.2.b. DESCRIPTION OF THE NATURE AND PURPOSE OF THE MCCP / OCCP AND HOW IT MEETS THE MARKET CODE / OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS Required under Market Code Parts 8.7.1 (ii) (c) and 8.8.1 (ii) (c)

General Description

The purpose of the change is to formalise the discussion and paper presented to the SSG on the 21st January 2022 enabling Scottish Water to engage directly with specific groups of business customers in appropriate circumstances and following engagement with Licensed Providers.

The Operational Code currently makes the following provision:

Non-Household Customer Contact

In general, Non-Household Customers will deal with their Licensed Provider rather than Scottish Water. In particular, the Licensed Provider will generally be the initial point of contact, although some Processes will involve Scottish Water coming into contact with Non-Household Customers following that initial contact between the Non-Household Customer and the Licensed Provider. In a limited number of cases Scottish Water may, with the approval of the Licensed Provider, make initial contact with the Non-Household Customer.

Amending this section of the Operational code to formalise the principles outlined, that in the appropriate circumstances Scottish Water is able to engage directly with specific groups of business customers.

Updated Operational Code wording is provided below in A.2.d

Principles and Objectives affected

PRINCIPLE	AFFECTED (Y/N)	DESCRIPTION
Proportionality	Y	Change will benefit customers and ensure Scottish Water can undertake its core function.
Transparency	Y	The proposed change formalises with the market that Scottish Water can contact business customers directly where appropriate.
Simplicity, Cost-effectiveness, and Security	N/A	
Non-exclusivity	N/A	
Barriers to Entry	N/A	
Customer Contact	N/A	
Non-discrimination	N/A	
Non-detrimental to SW Core Functions	N/A	

MC / OC OBJECTIVES		
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A.2.c. IMPACT Required under Market Code Parts 8.7.1 (ii) (d), (f) and (g), and 8.8.1 (ii) (d) and (f)		
CONFIGURED ITEM	IMPACTED (Y/N)	DESCRIPTION
MC / OC	Y	Operational Code changes included below
CSDs	N	No
Wholesale Services Agreements	N	No
Licenses	N	No
CMA Central Systems	N	No
CMA business processes	N	No
Trading Party systems	N	No
Trading party business processes	N	No

A.2.d. DRAFT LEGAL TEXT Required under Market Code Parts 8.7.1 (ii) (d) and 8.8.1 (ii) (d)
<p>Non-Household Customer Contact</p> <p><i>In general, Non-Household Customers will deal with their Licensed Provider rather than Scottish Water. In particular, the Licensed Provider will generally be the initial point of contact, although some Processes will involve Scottish Water coming into contact with Non-Household Customers following that initial contact between the Non-Household Customer and the Licensed Provider. In a limited number of cases Scottish Water may, with the approval of the Licensed Provider, make initial contact with the Non-Household Customer In a limited range of circumstances and with the prior approval of the Licensed Provider, Scottish Water can engage directly with Non-Household Customers. The Licensed Provider will determine its level of involvement throughout the contact. Where the Licenced Provider does not respond to Scottish Water’s request for approval to engage directly with Non-Household Customers within 20 Business Days, Scottish Water may engage directly with the Non-Household Customer without the Licensed Provider’s approval.</i></p>
A.3. IMPLEMENTATION DETAILS

A.3.a. PROPOSED IMPLEMENTATION DATE OR LEAD TIME Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section A.2.c. Any quoted lead time should commence from date of Approval.
To be implemented in the next change to the Operational Code
A.3.b. ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION
A.4. ANY OTHER COMMENTS

PART B — TP ASSESSMENT			
B.1. ASSESSMENT PROCESS			
B.1.a. ASSESSMENT START DATE	2022-04-21	ASSESSMENT END DATE	2022-04-21
B.1.b. IMPACT ASSESSMENT REQUIREMENT	IA NOT REQUIRED		
B.1.c. CONSULTATION REQUIREMENT	TP CONSULTATION NOT REQUIRED		
B.1.d. ASSOCIATED DOCUMENTS (to this Part B)			
B.2. ASSESSMENT DETAILS			
B.2.a. CHANGE SPECIFICATION AND IMPACT (if different from that originally submitted)			
B.2.b. DRAFT LEGAL TEXT (if different from that originally submitted)			
B.2.c. TP ASSESSMENT Taking into account complexity, importance and urgency, and having regard to whether or not such proposal is within the relevant Objectives and Principles as required under Market Code Parts 8.7.1 (v) and 8.8.1 (iv)			

Impact on Principles and Objectives (if different from that originally submitted)	
Cost Estimate	
Benefit Estimate (L: < 10k, M: £10k to £100k, H: > £100k)	
B.3. TP DECISION	TP APPROVED
B.4. FINAL TP VIEWS	Unanimously approved on 21/4/2022
B.5. PLANNED IMPLEMENTATION DATE	June

WITHDRAWN BY PROPOSER?	No
COMMENTS	
DATE OF WITHDRAWAL	

PART C — COMMISSION APPROVAL

C.1. DATE FINAL REPORT ISSUED TO COMMISSION	
C.2. APPROVAL STATUS	APPROVED CHANGE / REJECTED
C.3. DATE OF APPROVAL STATUS	yyyy-mm-dd
C.4. COMMISSION RESPONSE REFERENCE	

PART D — IMPLEMENTATION

D.1. IMPLEMENTATION DATE	yyyy-mm-dd
D.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	