

MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL

Form
version 2.3

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

MCCP266

Version No.

D.1

PART A — SUBMISSION

A.1. GENERAL DETAILS

A.1.a. TITLE Settlement CSDs

A.1.b. COMPANY CMA

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

Neil Cohen

A.1.d. CONTACT NAME

CONTACT EMAIL;
TEL/MOB.

Neil.cohen@cmascotland.co.uk

A.1.e. ASSOCIATED
MCCP / OCCP

A.1.f. ASSOCIATED
DOCS.

Annex 1: CSD0207 Drafting.

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)

Two CSDs deal with the detailed calculations associated with settlement: CSD0207 includes all calculations for annual settlement for a Tariff Year (RF Settlement), whilst CSD0205 includes the monthly settlement for Invoice Periods (P1, R1, R2, R3 and R4).

Since market opening, there has been a drafting anomaly associated with these two CSDs in that, whilst CSD0207 includes a full, comprehensive, and unambiguous statement of the entire RF settlement calculation, CSD0205 was drafted in a more general style and has always lacked such a full and detailed equivalence to CSD0207. Whilst this has not created undue difficulty for market participants, given that IP settlement runs ostensibly seek to smooth out cash-flows month on month, whilst it is RF settlement that ultimately identifies relevant liabilities, this proposal seeks to improve CSD drafting and remove this anomaly.

An additional minor consequence of the variance between CSD0207 and CSD0205 is that some of the reported data items in settlement disagg. reports are described using inconsistent language in CSD0201. This proposal also seeks to improve on these descriptions.

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

To consolidate a full, comprehensive, and unambiguous statement of the existing calculations for both RF and IP settlement in one document.

The preferred approach is to add variations for IP settlement to the statements in CSD0207, converting CSD0207 into a consolidated statement of all settlement calculations. A number of minor drafting improvements for CSD0207 have also been included.

Following on from these changes, some improvement to the descriptions of the data items currently reported in disagg settlement reports, as identified in CSD0201, have also been proposed.

It should be stressed that this proposal seeks only to improve CSD drafting and no change to any aspect of settlement is involved, nor are there any proposed changes to any aspect of the CMA Central Systems.

A summary of the specific changes proposed are as follows:

- Charge calculation, allocation and aggregation has been extended in CSD0207 to include that associated with Invoice Periods. It should be noted that the underlying calculations for IP settlement largely match those for RF settlement, with only the timescales over which certain calculations are done being different, with the following specific IP variations:
 - For RF settlement an Annual Weighted Average unit rate (AWA) is calculated for volumetric charges, whilst for IP settlement an Estimated Weighted Average unit rate (EWA) is calculated.
 - For RF settlement, proportioning of bands and thresholds is achieved via the Yearly Proportion, whilst for IP settlement, an Active Ratio is used.
 - For IP settlement, a meter volume is deemed to be zero for the month if that meter is not active on the start day of the IP period (or the Connection Date of the SPID, if that is later in the Invoice Period).
 - For IP settlement, a meter advance is taken to be that described via the Industry Level Estimate (ILE) if it is part of a Meter Network and the actual advance for either the Main Meter, or any Subtraction Meter (or both) covers a period of less than 365 days.

- For IP settlement, for the purposes of the EWA calculation only, a meter advance is taken as an average advance over the sequence of all advance periods back to at least 365 days, or as near to 365 as can be achieved.
- A TE minimum charge is applied for RF settlement only.
- A number of clauses in CSD0207, marked as 'Not Used' have been removed.
- Where identical clauses have been duplicated, this duplication has been removed and cross-referencing included instead.
- Minor drafting improvements have been included:
 - Section 2.3.30: TDISC and VAC corrections for estimated volumes were missing and have been added and the parameter title has been corrected to match this (from being the 'UEDV' to 'EDV').
 - Sections 2.4.7, 3.4.7, 2.6.8 and 3.6.8: The Daily Unadjusted Meter Based Charge should include a division of the annual calculation by the 'Days In Year' (DIY). This has been added.
- CSD0205 can be discontinued, noting that, with charge calculation, allocation and aggregation consolidated into CSD0207, processes, interfaces and timetables already included in other documents, such as CSD0201 and non-standard charges already described elsewhere, such as in CSD0207, CSD0104 etc, there is now no additional content in this CSD.
- CSD0201, Appendix 3.2 (Field Derivation Information) can be modified, as follows:
 - Level 2 (Data at SPID Level). Improvements to the description of the Estimated Weighted Average (for IP runs).
 - Level 4 (Data at Meter Level). Improvements to the description of volumes for IP runs.

Principles and Objectives affected
CMA Guidance Note GN009 may be referred to for assistance with this section

PRINCIPLE	AFFECTED (Y/N)	DESCRIPTION
Proportionality	Y	No cost is involved.
Transparency	Y	Settlement calculations (in particular, the distinctions between IP settlement and RF settlement) are clarified.
Simplicity, Cost-effectiveness, and Security	Y	Documentation is simplified, at no cost.
Non-exclusivity	N	
Barriers to Entry	Y	Potential new entrants will be able to gain a more comprehensive and detailed understanding of the detail of IP settlement calculations.
Customer Contact	N	
Non-discrimination	N	
Non-detrimental to SW Core Functions	N	
MC / OC OBJECTIVES	N	

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	References to CSD0205 should refer on to CSD0207.
CSDs	Y	CSD0205 will be discontinued CSD0207 will be modified to include details of settlement calculations for both RF and IP settlement. CSD0201 will be modified to include slightly amended descriptions of some items in disag reports.
Wholesale Services Agreements	N	
Licenses	N	
CMA Central Systems	N	
CMA business processes	N	
Trading Party systems	N	
Trading party business processes	N	

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

Market Code: Changes should be made as follows:

- **Section 5.8 (Establishment and Maintenance of the Central Settlement System).** Remove the reference to CD0205.
- **Section 5.16 (Re-assessed Charges).** Remove references to CSD0205 and change the name of CSD0207, as required.
- **Schedule 1 (Defined Terms).** Remove references to CSD0205 and change the name of CSD0207, for the definitions of 'DDV', Pending Permanent Disconnection' 'IPNVC' and 'Volume'.
- **Schedule 1 (Defined Terms).** Remove definitions pertaining only to CSD0205: 'SDNVC', 'SDV', and 'SDVC'.
- **Schedule 18.** Change drafting to 'NOT USED'

CSD0201: Should be modified as follows:

Appendix 3.2, Water and Sewer Charges Report (X21, X22 and X23), Level 2 (SPID Data) should be changed as identified in red text:

EWA	<p>For an IP Run:</p> <p>EstimateThe Estimated Weighted Average Unit Rate for the SPID as applicable at the end of calculated for the Invoice Period.</p> <p>For an RF Run:</p> <p>Blank.</p>
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Actual Weighted Average	<p>For an IP Run:</p> <p>Blank</p> <p>For an RF Run:</p> <p>The aActual wWeighted aAverage unit rate for a SPID as calculated for the Tariff Year.</p>
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Appendix 3.2, Water and Sewer Charges Report (X21, X22 and X23), Level 4 (Meter Data) should be changed as identified in red text:

Estimated Daily Volume (Annualised)	<p>For an IP Run:</p> <p>Only applies to Volumetric Service Elements.</p> <p>Will be populated using the DDVe (where this is applicable for the Invoice Period) and multiplying this by the number of days in the Tariff Year.</p> <p>It will be null where the Estimated Volume field is not populated or where this is the mMain mMeter for a Meter Network.</p> <p>For an RF Run:</p> <p>Blank</p>
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CSD0205: Should be discontinued.

CSD0207: Should be modified as per the attached drafting (Annex 1).

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.

Next available update to the Market Code (following submission to the August Technical Panel).

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

Implementation will only be progressed if CMA testing confirms the accuracy and completeness of the CSD0207 drafting. NOTE: This has now been confirmed.

A.4. ANY OTHER COMMENTS

The CMA ISC URS should be modified, such that reference can be made to CSD0207, instead of a URS Annex that includes an 'update to' CSD0207 and to be made consistent with the revised CSD0207.

PART B — TP ASSESSMENT

B.1. ASSESSMENT PROCESS			
B.1.a. ASSESSMENT START DATE	2021-07-20	ASSESSMENT END DATE	2021-07-20
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 SPEC AND IMPACT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)			
B.2.b. CMA INTERNAL SYSTEMS IMPACT			
B.2.c. DRAFT LEGAL TEXT (if different from that originally submitted)			
B.2.d. 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		No cost (Admin only)	
Benefit Estimate (L: < 10k, M: £10k to £100k, H: > £100k)		Reduced enquiries and enhanced opportunity to review (and modify) IP settlement calculations. Assume: M/H.	
B.3. TP DECISION		TP APPROVED	
B.4. FINAL TP VIEWS		Unanimously approved on 18 August 2022	
B.5. PLANNED IMPLEMENTATION DATE		2022-09.	

WITHDRAWN BY PROPOSER?	NO
COMMENTS	
DATE OF WITHDRAWAL	

PART C — COMMISSION APPROVAL

C.1. DATE FINAL REPORT ISSUED TO COMMISSION	08/09/2022
C.2. APPROVAL STATUS	APPROVED CHANGE
C.3. DATE OF APPROVAL STATUS	2022-09-22
C.4. COMMISSION RESPONSE REFERENCE	CMA CP220922

PART D — IMPLEMENTATION

D.1. IMPLEMENTATION DATE	2022-09-22
D.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	
Market Code v49 CSD0201 v13 CSD0205 Withdrawn CSD0207 v17	