

MARKET CODE CHANGE PROPOSAL

Form
version 3.0

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

MCCP316

Version No.

D.1

SUBMISSION

GENERAL DETAILS

TITLE

Performance Standards Review 2025

COMPANY

CMA

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

AUTHORISED
SIGNATURE

NAME

Damian Sharp, MDA

CONTACT NAME

Damian Sharp

CONTACT EMAIL;
TEL/MOB.

Damian.sharp@cmascotland.co.uk

ASSOCIATED MCCP /
OCCP

ASSOCIATED DOCS.

CSD0002 Performance Standards
CSD0101 Registration: New Connections and New Supply Points
CSD0102 Registration Transfers
CSD0202 Meter Read Submission Process
Performance Standards User Requirements Specification – mark up
(CMA internal use only)

PROPOSED URGENCY

NON-URGENT

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

MCCP / OCCP DETAILS

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)

Changes were implemented to the Performance Standards regime by MCCP308 which took effect from April 2025. Those changes followed a year-long series of meetings of the Performance Measurement Working Group and:

- aligned the Performance Standards with the Market Code so that the initial trigger for performance standards penalties as set out in CSD0002 is the same as the Market Code obligations (except for the deadlines in Performance Standards R9D, R10A and R10B)
- reduced the financial penalty of a late meter read submission (excluding transfer reads) to zero while still recording the relative performance of LPs
- removed the cap from Performance Standards over 4 years with interim increases of the cap to 0.3%, 0.45% and 0.6% of annual settlement from April 2025, April 2026 and April 2027 respectively

The Performance Measurement Working Group continued to address other aspects of the Performance Standards with the aim of incentivising Trading Parties to continue to improve performance and removing anomalies in how some standards are set.

This Change Proposal includes measures to promote consistency in Trading Party market obligations and encourage behaviour which would improve overall market data and settlement accuracy.

There was broad Trading Party support for:

- **CSD0202 and R9B** – increasing the time period for submitting a Customer Read from 5 BD to 10 BD
- **CSD0102, CSD0202 and R9D/R9E** – clarifying the Incoming LP's obligation to take a Transfer Read within +/- 2 BDs of the Registration Start Date (RSD)
- **CSD0102, CSD0202 and R9D** – extending the time period for submitting a Transfer Read to 4 BD from the RSD ensuring that LPs always have at least 2 BDs to validate and submit a Transfer Read taken within the transfer read window
- **CSD0102 and CSD0202** – clarifying the wording of when Estimated Transfer Reads could be used as some LPs had misinterpreted the requirements in the past
- **R10B** – amend the drafting of the treatment of I, O and Y reads to clarify that an LP is not obliged to submit a read for a monthly-read meter if Scottish Water has submitted an I, O or Y read in the same month

There were divergent opinions in the Working Group about the follow changes:

- **CSD0101 and R1A/R1B** – there was consensus that the R1A/R1B penalty should not be applicable where the SPID in question is subsequently deregistered by Scottish Water back to the original Effective From Date. However, there was no agreement over whether this should be implemented by introducing a new SWLP Performance Charge so that Scottish Water would compensate LPs in this scenario. Instead, it is proposed that the CMA would manually review whether to refund relevant Performance Charges to LPs in these circumstances. **This approach was recognised by the Market Participants Forum as a suitable way forward that recognised that the cause of these problems arose outside the Market but were having consequences for LPs.**
- **CSD0102, CSD0202 and R9D/R9E** – allowing a Customer Read to be used instead of an Estimated Read when the LP had tried but failed to obtain a visual read. It was recognised that this would have the benefit of reducing the number of estimated reads but there was concern over whether this would also reduce the number of visual transfer reads with LPs relying on Customer Reads in circumstances where good practice would have secured a

visual read. **It was considered that, if Customer reads were to be allowed, the circumstances in which they were allowed needed to be tightly constrained and well defined.**

- **R10A/R10B** – introducing a Level 0 penalty where the meter concerned was an internal meter at vacant premises. The Commission had invited LPs to present specific evidence that would justify this relaxation and set out the form that evidence should take. **As the Commission had not received evidence to justify the relaxation, this proposal has been deferred until evidence has been gathered and presented.**

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

This MCCP would:

- Increase the time period for submitting a cyclic Customer Read from 5 BD to 10 BD
- Extend the time period for submitting a Transfer Read to 4 BD from the RSD ensuring that LPs always have at least 2 BDs to validate and submit a Transfer Read taken within the transfer read window
- Allow an LP to submit a Customer Read as a Transfer Read in certain circumstances where the LP had previously attempted a visual Transfer Read and had been prevented by external factors. There would be no circumstance in which a Customer Read was allowed in which an Estimated Read would not be allowed.
- Clarify obligations in relation to
 - Timing of transfer reads
 - Estimated transfer reads
 - Submitting reads for monthly meter reads

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

PRINCIPLE	AFFECTED (Y/N)	DESCRIPTION
Proportionality	Y	Adjusts CSD obligations and Performance Standards to incentivise improved market data and allow appropriate timescales for data validation by Trading Parties.
Transparency	N	
Simplicity, Cost-effectiveness, and Security	Y	Keeps CSD obligations and Performance Standards in alignment
Non-exclusivity	N	
Barriers to Entry	N	
Customer Contact	N	
Non-discrimination	N	

Non-detrimental to SW Core Functions	N	
MC / OC OBJECTIVES		

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	N	
CSDs	Y	CSD0002, CSD0101, CSD0102, CSD0202 changes
Wholesale Services Agreements	N	
Licences	N	
CMA Central Systems	Y	Changes to Performance Charges calculations
CMA business processes	N	
Trading Party systems	N	
Trading party business processes	Y	Trading Parties will need to adjust business processes to meet amended obligations

DRAFT LEGAL TEXT

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

See attached mark ups of the following CSDs.

CSD0002 Performance Standards

- Section 5, Table 1

CSD0101 Registration: New Connections and New Supply Points

- Section 2.1.1, step c
- Section 3.1.1, step c
- Section 3.2.1, step c
- Section 3.3.1, step c

CSD0102 Registration Transfers

- Section 2.1.2, step i
- Section 2.2.1, process diagram
- Section 2.3, step i

CSD0202 Meter Read Submission Process

- Section 2.8
- Section 3.1, step a
- Section 3.2

If changes are identified for CSD0301 Data Transaction Catalogue Annex, these will not be provided in this MCCP, but will be provided following the deployment of the associated system updates. This is because the majority of CSD0301 Annex is system generated automatically and can only be updated after associated changes have been incorporated into the relevant system.

IMPLEMENTATION DETAILS

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 0. Any quoted lead time should commence from date of Approval.

2026-03

ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION

None

ANY OTHER COMMENTS

Indicative User Requirement Specification

UR 1 The changes in the mark-up of the Performance Standards User Requirements Specification shall be delivered and take effect from 1 April 2026.

TP ASSESSMENT			
ASSESSMENT PROCESS			
ASSESSMENT START DATE	2025-06-19	ASSESSMENT END DATE	2025-10-16
IMPACT ASSESSMENT REQUIREMENT		IA REQUIRED	
CONSULTATION REQUIREMENT		TP CONSULTATION NOT REQUIRED	
ASSOCIATED DOCUMENTS (TO THIS PART B)			
ASSESSMENT DETAILS			
CHANGE SPEC AND IMPACT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)			
CMA INTERNAL SYSTEMS IMPACT			
DRAFT LEGAL TEXT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)			
CUSTOMER IMPACT (TO BE COMPLETED BY LPS)			
<p>These changes would:</p> <ul style="list-style-type: none"> • improve the accuracy of settlement and billing • incentivise Scottish Water and LPS to improve performance 			
<p>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)</p>			
Impact on Principles and Objectives (if different from that originally submitted)			
Cost Estimate		£xxk (IA + 33%)	
Benefit Estimate (L: < 10k, M: £10k to £100k, H: > £100k)		High	
TP DECISION		UNANIMOUSLY APPROVED BY THE TP ON 16-10-2025	
FINAL TP VIEWS			
PLANNED IMPLEMENTATION DATE		2026-03	

WITHDRAWN BY PROPOSER?	No
COMMENTS	
DATE OF WITHDRAWAL	

COMMISSION APPROVAL	
DATE FINAL REPORT ISSUED TO COMMISSION	2025-12-02
APPROVAL STATUS	APPROVED CHANGE
DATE OF APPROVAL STATUS	2025-12-18
COMMISSION RESPONSE REFERENCE	

IMPLEMENTATION	
IMPLEMENTATION DATE	2026-03-19
IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	
CSD0002 v21 CSD0101 v22 CSD0102 v13 CSD0202 v11	