



Market Training

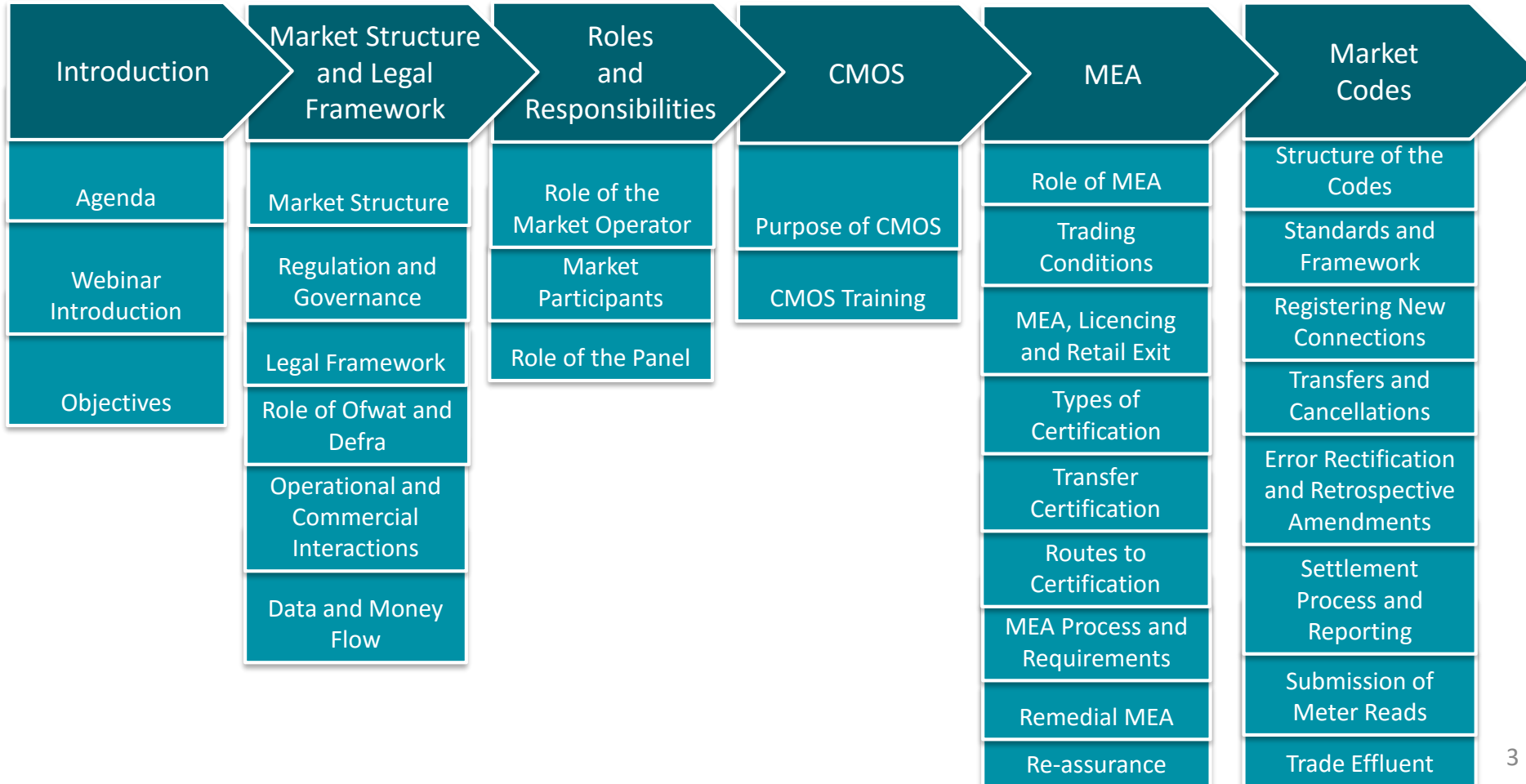
Lauren Mulholland, Emma Taylor, David Nicol



Welcome to the Market webinar



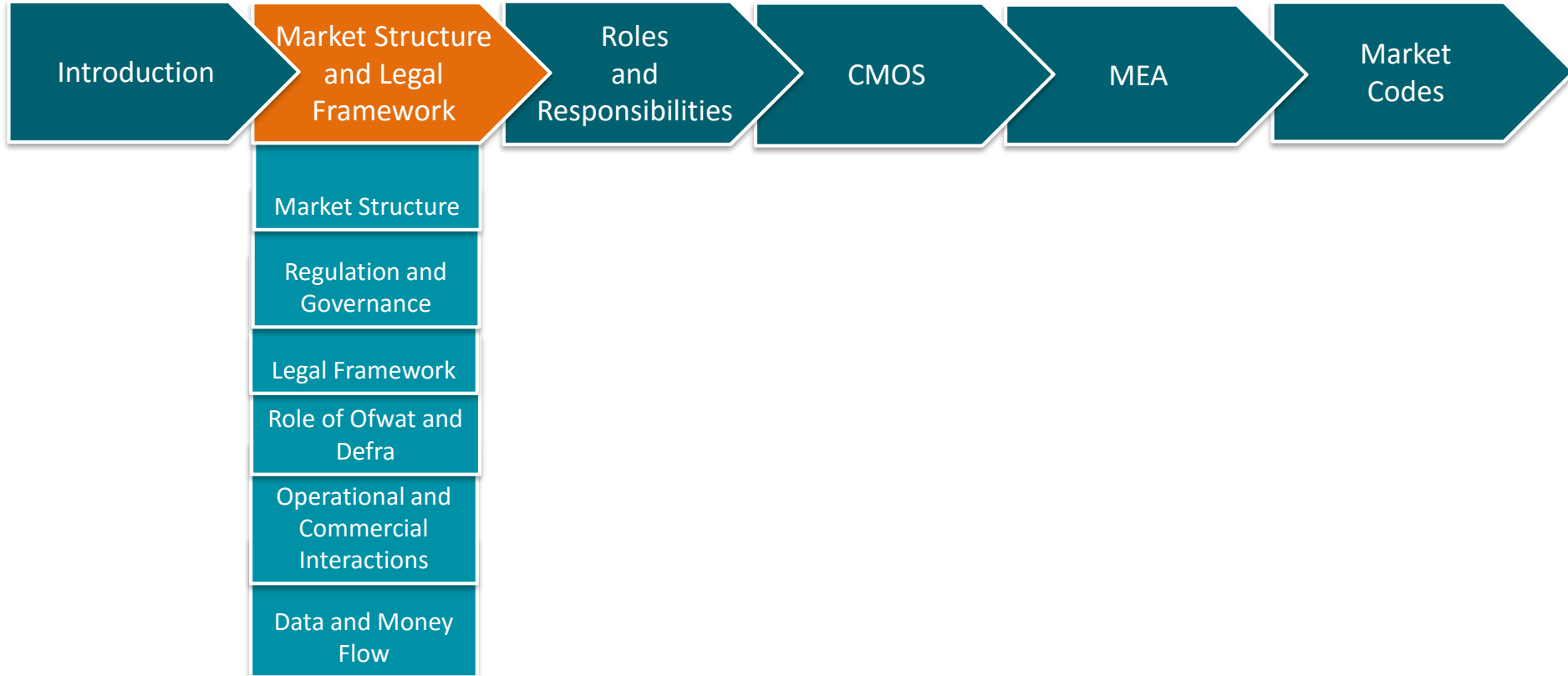
Today's agenda





Objectives

- To provide an understanding of:
 - The structure and functions of the new retail market
 - The role of the Market Operator
 - The objectives and principles of Market Codes
- What this training will **not** do:
 - Replace the need to read the Market Codes
 - Discuss the details of the Market Codes including processes, SLAs, and transactions
 - Provide guidance on the functions of the CMOS and its interfaces

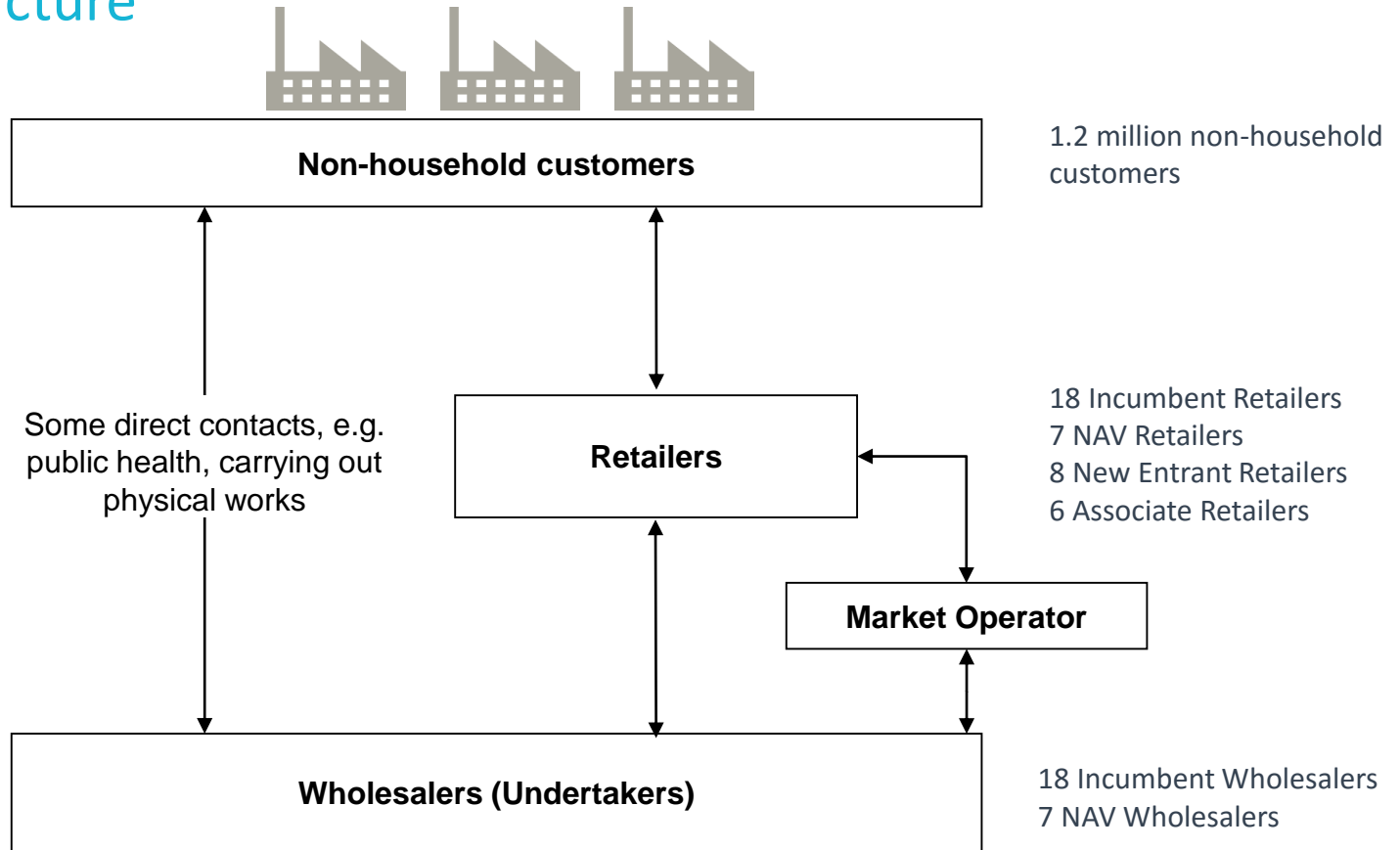




Retail Competition

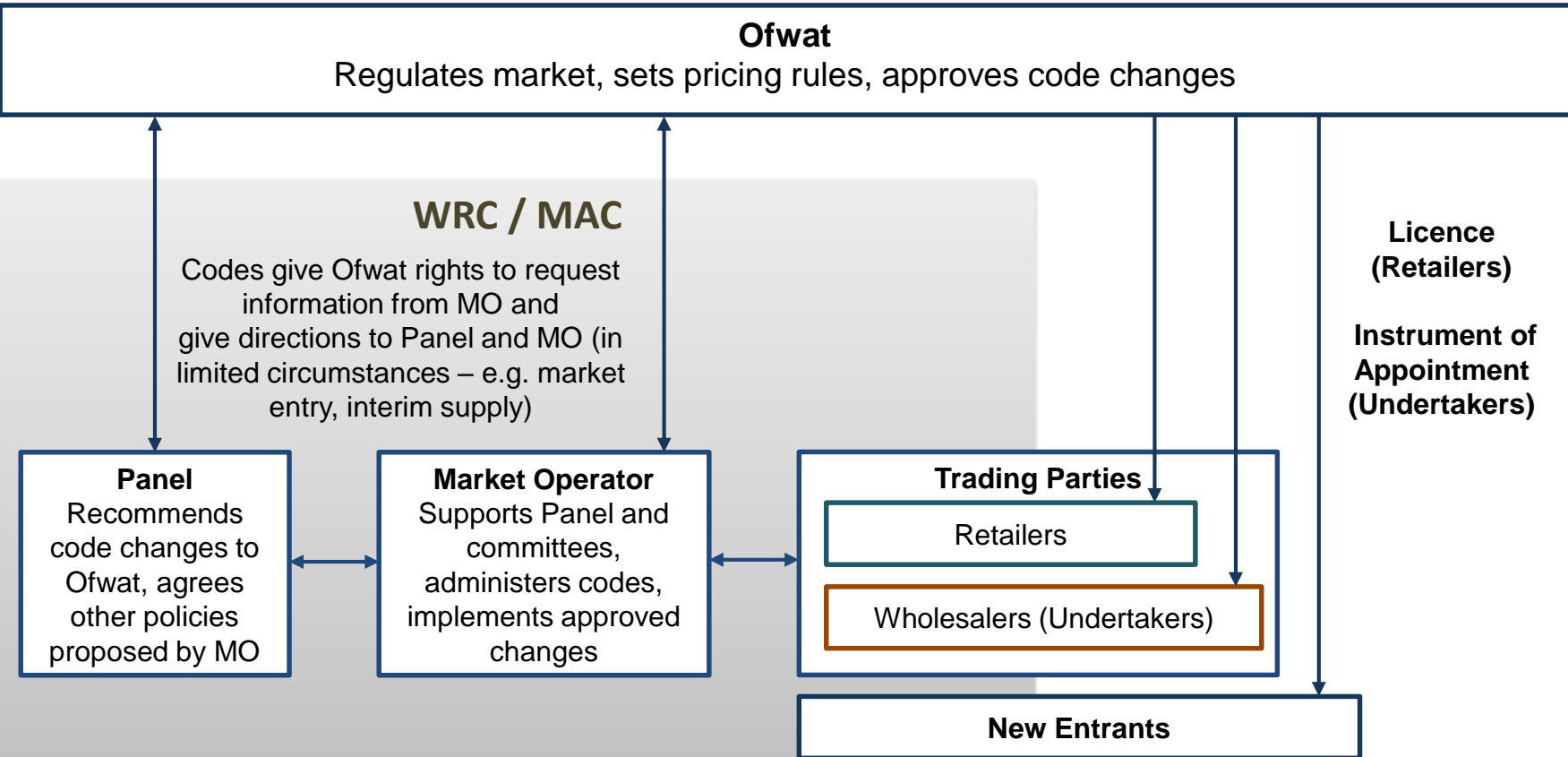
- A retail market will open for non-household customers of water and sewerage services in April 2017
 - Basis is the Water Industry Act 2014 applying to England and Wales
 - Allows eligible customer to chose their supplier

Market Structure

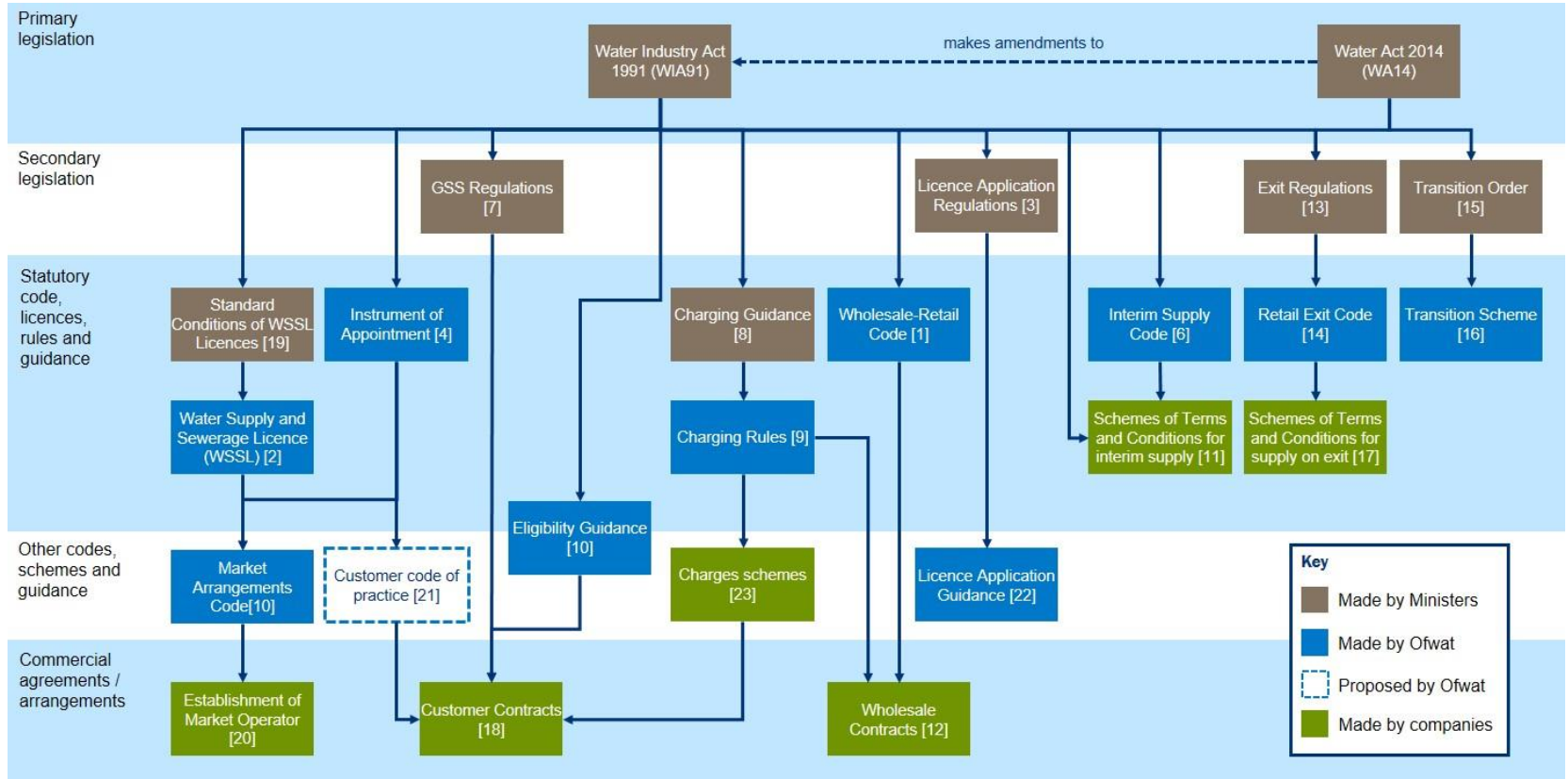




Market regulation and governance



Legal Framework





Role of Defra (Department of Environment, Food, and Rural Affairs)

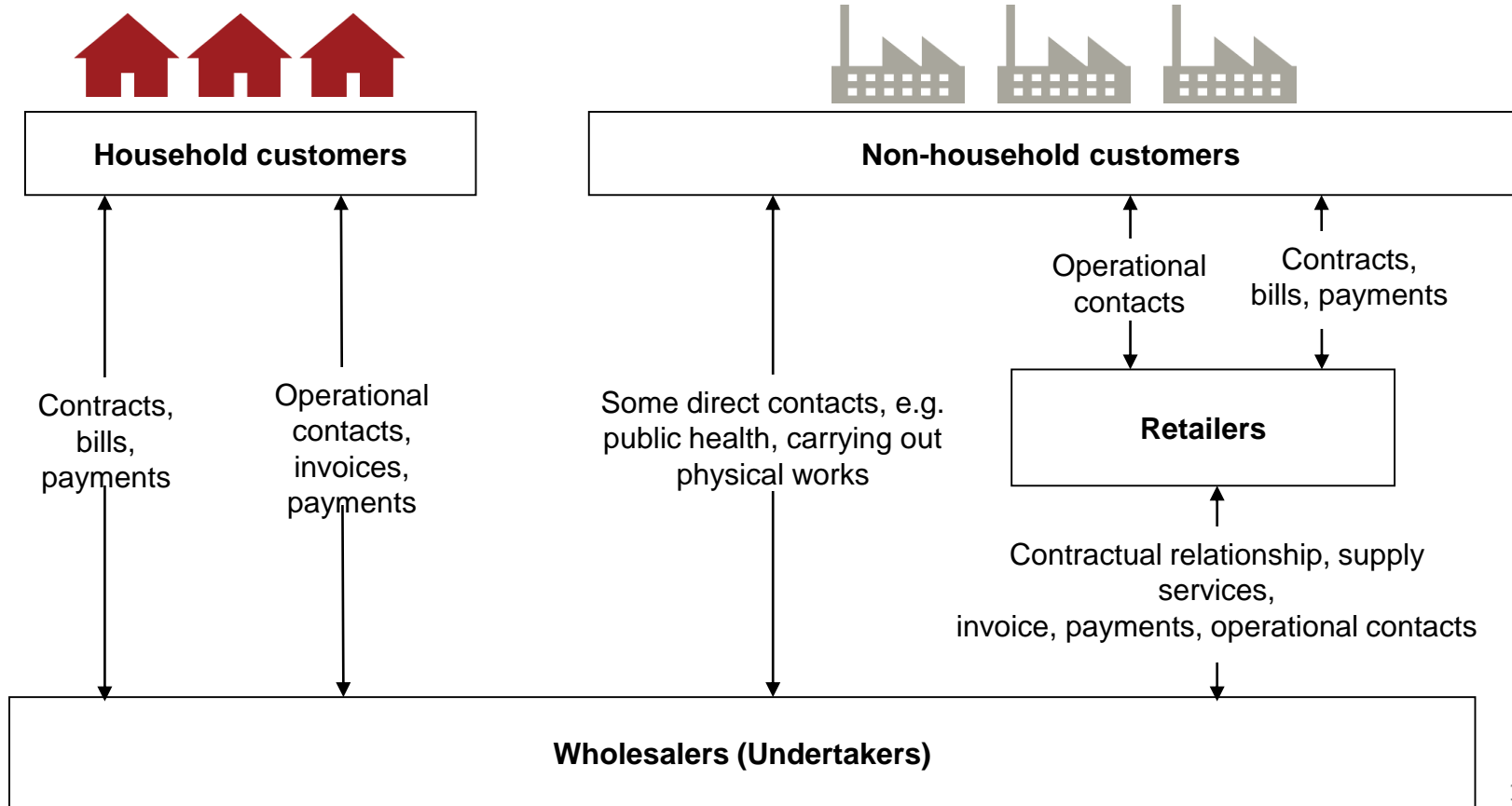
- Defra's work on the framework includes:
 - Being responsible for public policy
 - Charging Guidance
 - Regulations relating to Retail Exits
 - Support for the Secretary of State's decision to open the market or not



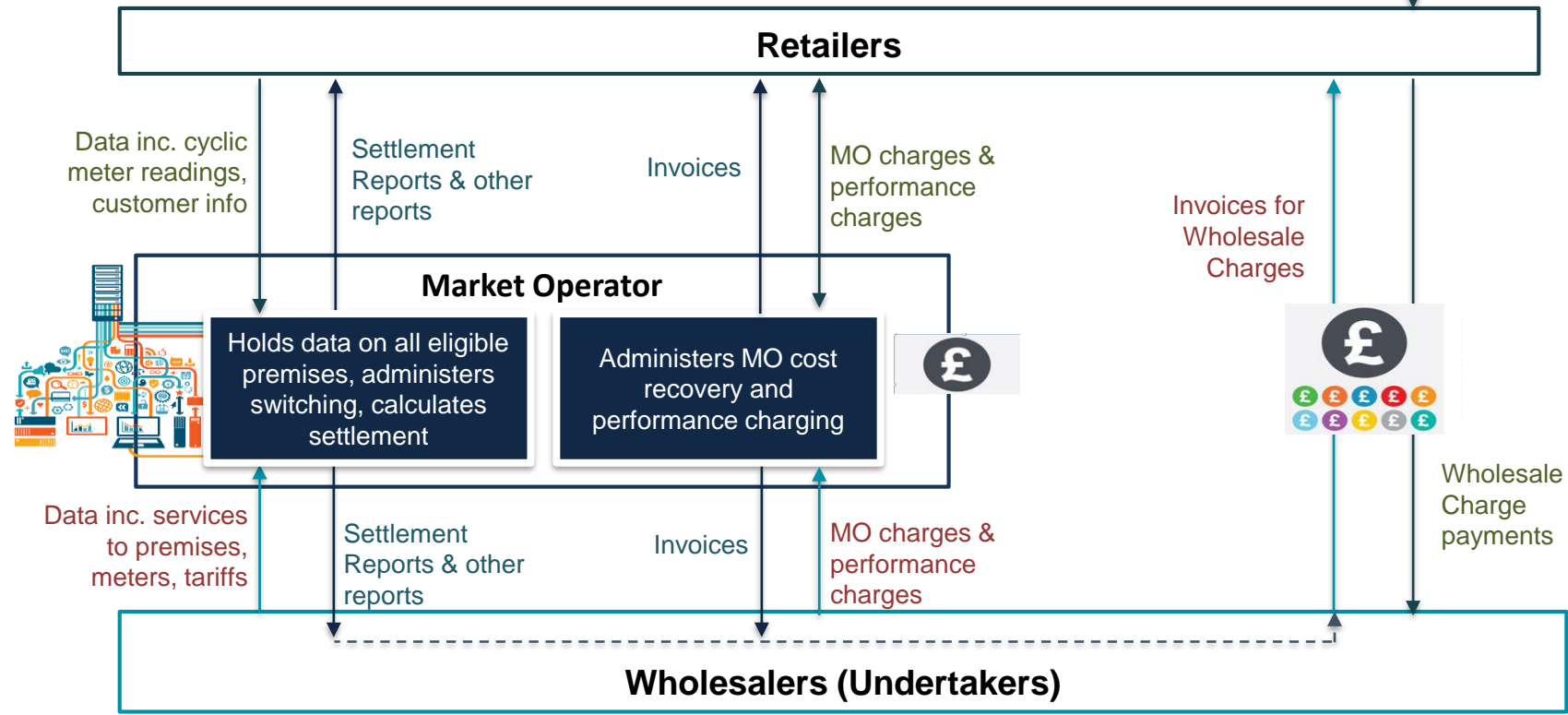
Role of Ofwat – Economic Regulator

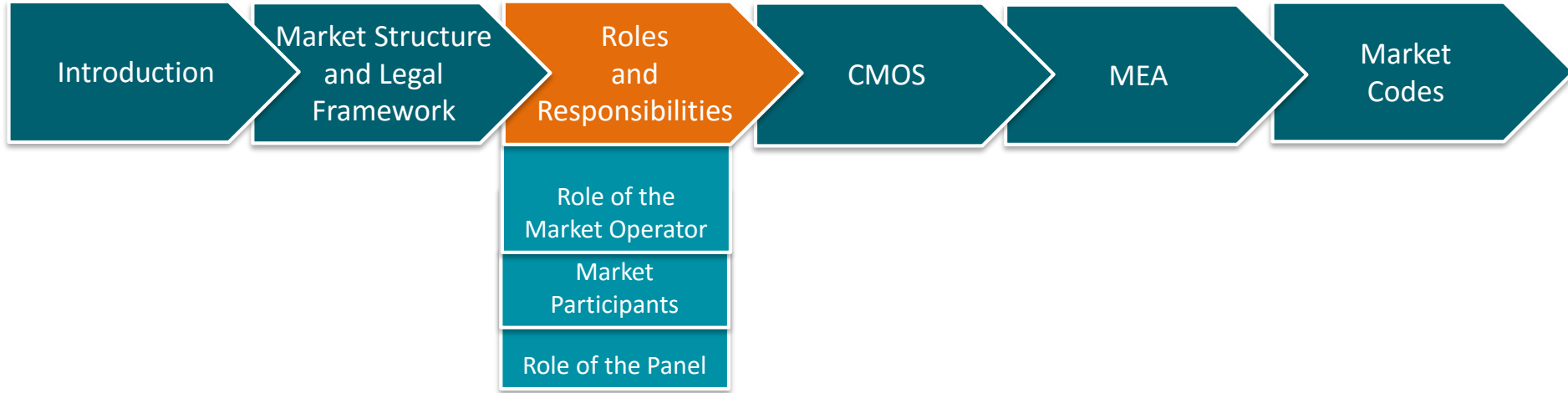
- Ofwat’s work on the framework includes:
 - Licensing and changes to licences and instruments of appointment, including such aspects of transition arrangements
 - Charging rules
 - Guaranteed Standards Scheme (GSS) payments to customers
 - Interim Supplier arrangements
 - Deemed contracts
 - Customer matters
 - Arrangements for small companies
 - Payment and credit cover
 - Eligibility guidance

Operational and Commercial Interactions



Data and Money Flows







Role of the Market Operator

- The Market Operator is a separate company which all trading parties have to become a member of
- The MO operates a central system which contains information that enables the administration of customers switching between retailers and calculation of settlement
- Wholesalers and retailers provide information about premises and services to allow the MO to undertake its functions



Role of the Market Operator

The role of the Market Operator is detailed in the Market Terms and Market Arrangements Code

- The Market Operator will provide the facilities, resources and services required to:
 - Enable the Registration of relevant data
 - Enable the transfer of NHH customers from the Contracting Retailer to another Retailer
 - Enable the calculation of Primary Charges
 - Carry out obligations as set out in the Market Terms and Market Arrangements Code
 - Make provision for any related matters



Role of the Market Operator

- The Market Operator shall (cont'd):
 - Administer the process to allow trading parties to commence and cease trading, i.e. market entry assurance and re-assurance
 - Operate, maintain and develop the processes and systems to allow it to register data and calculate settlement
 - Support the market performance framework, including the performance committee and improvement plans
 - Monitor its own compliance, with remedial actions as appropriate
 - Provide a range of reports to parties as specified
 - Resolve enquiries and issues raised by parties and support the disputes procedure



Role of the Market Operator

- In carrying out its role, the Market Operator will:
 - Exercise all due skill, care and attention recognising the accuracy of data is key to the proper functioning of the competitive market
 - Act independently of the interests of any market participant and act in the best interest of the market as a whole
 - Provide support to Trading Parties, the Panel and any committees
 - Act impartially and show no undue preference
 - Act within the Market Terms and the Wholesale-Retail Code
 - Act promptly
 - Co-operate with the Central Market Agency
 - Co-operate with the Authority in relation to Licence Compliance



Role of the Market Participants

- Wholesalers will provide water and sewerage services to Retailers
 - Wholesalers continue to own their network and treatment assets, for the supply of water and disposal of sewerage
 - Obligations applying to Wholesalers in relation to the above continue
- Retailers will own the relationship with customers
 - Some exceptions e.g. public health or where Wholesalers perform a regulatory function, such as trade effluent consenting, water fittings regulations



Role of the Market Participants

- Wholesale-Retail Code (WRC) is a statutory code
- WRC is given contractual effect through the Wholesale Contract
 - The Wholesale Contract is signed by each Wholesaler and each Retailer who wants to sign up customers in a Wholesaler's area
- Market Arrangements Code is a multilateral code
 - Signed by all Wholesalers and Retailers and by the Market Operator



Role of the Panel

- The composition on the Panel is:
 - The Panel Chairman
 - Three Associated Retailer Panel Members
 - Three Unassociated Retailer Panel Members
 - Three Wholesaler Panel Members
 - Three Independent Panel Members



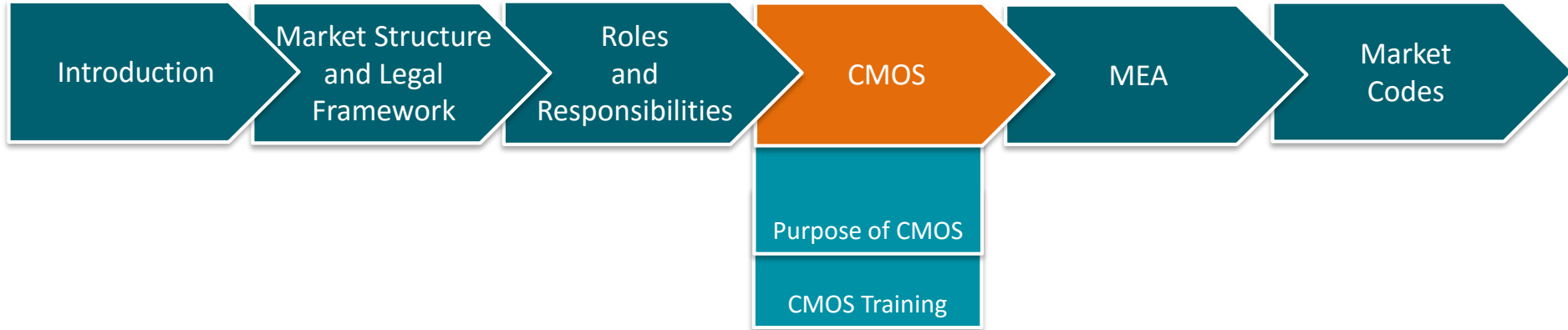
Role of the Panel

- The role of the Panel is detailed in the Market Arrangements Code
- The Panel will carry out the following activities:
 - Keep the Wholesale Retail Code and MAC under review
 - Work with the MO to develop the scope and plan for Market Audits
 - Review and comment on Market Audit Reports
 - Support the MO on request during Market Entry Assurance
 - Comment on MO budget, MO Charges, Additional Services and Additional Service Charges
 - Consider and vote on any Change Proposal and Charging Change Proposal



Role of the Panel Continued

- The Panel will carry out the following activities:
 - Approve market assurance materials
 - Consider performance reports and performance matters
 - Establish Trading Disputes Committee
 - Establish a Market Performance Committee
 - Oversee the admin of the Market Performance Framework
 - Establish the Market Incident Management Plan Committee
 - Establish any Additional Panel Committees
 - Report to Authority on the activities of the Panel and Committees





The Central Market Operating System (CMOS)

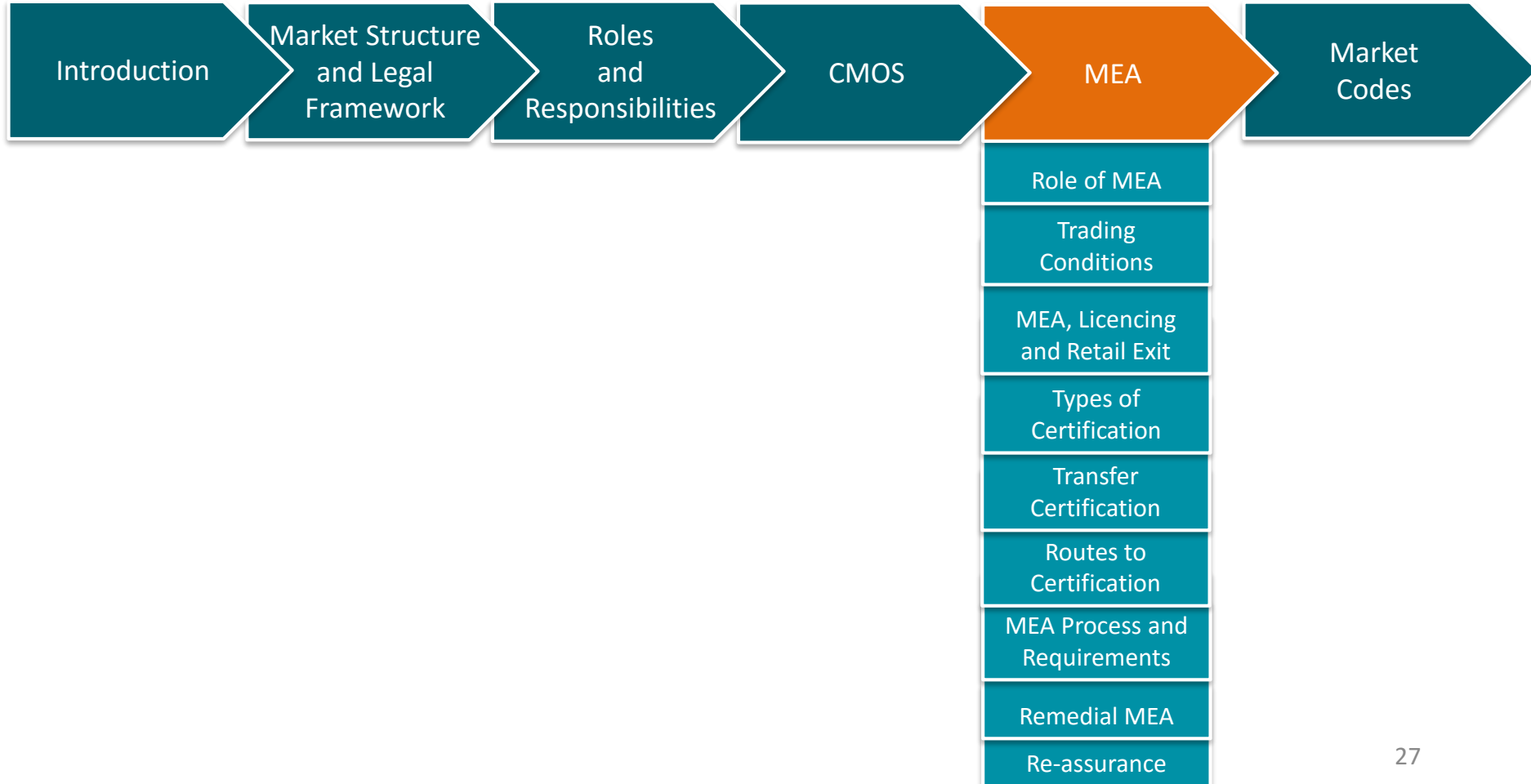
- The MO will operate a central system
- This central system will facilitate the processes of registration, settlement calculation, and switching
- Market Participants will interact with the CMOS to provide data which is necessary for the MO to preform its role including but not limited to:
 - Meter Reads
 - Meter Data
 - Tariff Data
 - Customer Data
- Market Participants can choose to interact with the CMOS using the Low Volume Interface (LVI) or High Volume Interface(HVI)



CMOS Training

Training on the CMOS and its interfaces will be provided for Market Participants including:

- Interface training as part of Market and Interface Training
- User Manuals (published to the MOSL Website)
- Recordings of online CMOS training (published to the MOSL Website)





Trading Conditions

The market codes require that Market Participants wanting to enter the market must fulfil the Trading Conditions before they are able to trade in the market.

One of the five Trading Conditions is:

- Market Participants must complete the Market Entry Assurance process

The Trading Conditions apply to undertakers seeking wholesale MEAC; undertakers seeking retail MEAC; and all retailers who wish to hold a WSSL.

A company must gain MEAC, and satisfy the other Trading Conditions, in order to become a trading party and be granted access to the central market operating system



Market Entry Assurance Certification

- MEAC provides assurance that a company seeking to become a trading party has the required systems, processes and capabilities to fulfil its obligations
- MEAC applies to the business capability of the applicant, meaning the Certification can be transferred from an incumbent undertaker to an associate retailer following approval to exit
- All companies seeking to participate in the new English market are required to achieve MEAC, including those who are not registered in and/or currently do not operate within England
- MEAC must be achieved for a Participant to be allowed to complete the final Initial Data Upload and enter the shadow market
- MEAC can be obtained on the basis of planned implementation of processes required to comply with the Operational Terms



MEA and Licencing

- Retailers who wish to hold a WSSL must pass MEAC before Ofwat will grant the license
- Participants who do not hold MEA Certification will not be granted a WSSL and will be unable to participate in the market or exit the market. They will also be unable to participate in the Shadow Market.
- The WSSL process and MEAC process will run and be managed separately by Ofwat and MOSL respectively
- the outcomes of each process are interdependent thus it is vital that if a company is seeking to attain a WSSL, they seek MEAC for the same business
- Whilst achieving MEAC will factor in Ofwat's decision for granting a WSSL, MOSL certifying a market participant in no way removes the discretion of Ofwat to approve or reject a license application
- Even if all market participants achieve MEAC, this does not affect the discretion of the Secretary of State in deciding to open the new market.



Types of Certification

There are two types of certification:

- Retail certification
- Wholesale certification

Market participants need to achieve MEAC for each of the roles through which they intend to operate in the live market.

Any incumbent water company needs a Wholesale and a Retail MEA Certification, regardless of their size.

Applicants must seek MEAC based upon the capability by which it will operate in the live market.



Delayed Delivery of Capability- Bilateral Only

- The MEA process allows for applicants to deliver aspects of their operational capability after the start of the shadow market
- If an Applicant chooses to delay delivery of this capability then it will need to provide an appropriate level of assurance, within its business solution assessment for the enhanced path, about its plans to obtain certification
- It will also need to undertake planned re-assurance following the implementation of these processes.
- MOSL expects that implementation of these processes might thereby be delayed until December 2016 at the latest
- For the avoidance of doubt this does not apply to the capability that an applicant needs to build to interact with the market operator, which will be tested within Testing



Transfer of Certification

- The option to transfer certification is being provided to help facilitate retail exit
- The timing of exit applications means that an incumbent undertaker must have already entered the shadow market before they can apply to exit. Therefore an incumbent undertaker must have passed MEAC.
- A transfer of a Certification allows for situation where The Certification gained for the business capability an incumbent retailer is transferred to an associate retailer.
- This applies to the transfer of specific and entire capability already certified.
- MEAC can only be transferred one way; from the incumbent retailer who must have already entered the shadow market, to the associate retailer who will use the certified business capability for operation in the market.

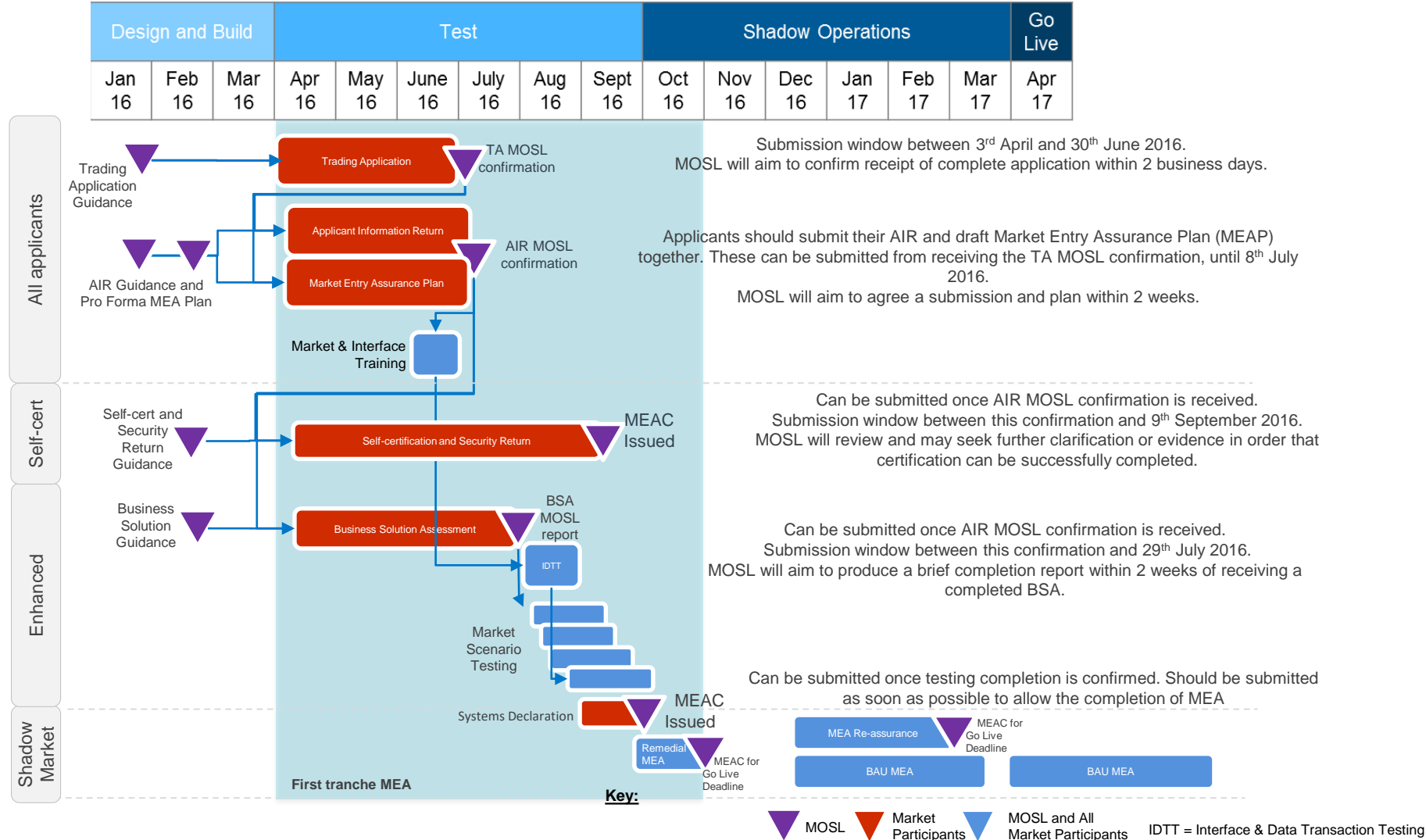


Timing of a Transfer of Certification

- The ability to transfer certification will enable the undertaker to achieve MEAC and then, following a successful exit application, transfer this certification to the associate retailer which will be operating in the market, and which will also have the capability assured under MEAC
- As such, this option only applies in the above circumstances and is time limited. It will disappear after the deadline for exit applications in time for go-live has passed
- For certifications sought after this date, MOSL would expect the retailer seeking to operate to have implemented the required capability before applying for MEAC.

MEA timeline

The integrated level 1 plan provides a broader view of the programme activities including Ofwat licencing processes and Defra retail exit processes





Two Routes to certification

All applicants must complete the first elements of the MEA process but can then follow one of two potential routes to Certification:

- Self-Certification
- Enhanced Option

Applications should decide to progress through the relevant route based on the following criteria:

Self Certification

- Systems and processes mainly manual, AND;
- Small scale operations, AND;
- Use of Low Volume Interface only

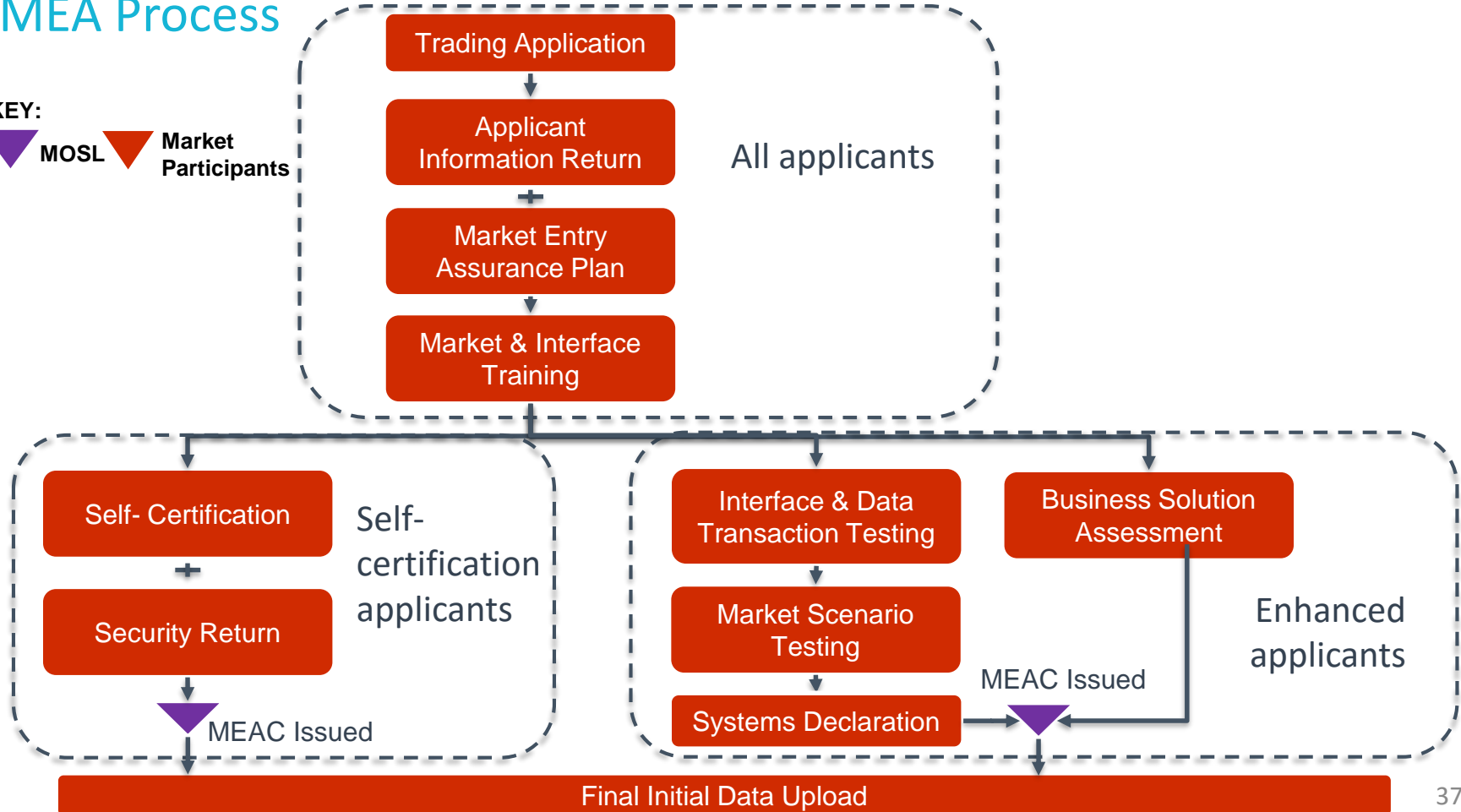
Enhanced

- Systems and processes partially automated
- Medium to large scale operations
- Use of High Volume Interface



MEA Process

KEY:
 MOSL
 Market Participants





Trading Application

- Basic form to be used by all applicants to initiate the MEA Process

Applicant Information Return

- a questionnaire which asks applicants about their preparations for market operations, and how their processes, systems, policies and resources will be developed and operated to ensure ongoing compliance with the market codes
- key applicant decisions are required, such as which route to MEA certification they think they require, their planned approach to the BSA (enhanced applicants only) and proposed approach to testing (enhanced applicants only)

Market Entry Assurance Plan

- A tool to let applicants set out the timing of the rest of their MEA process

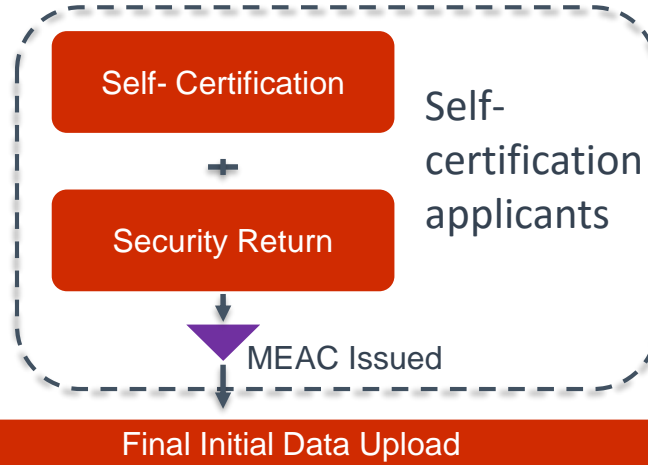
Market and Interface Training

- Training to ensure that all applicants understand the market requirements and the operational interfaces which will be used to communicate with the market operator



MEA Process for Self-Certification

KEY:  MOSL  Market Participants





Self-Certification Declaration

- The Self-Certification Declaration enables applicants, where the risks of attaching to the participants systems and processes are low, to certify their own readiness to participate in the market
- The purpose of the Self-Certification Declaration is to give confidence that the applicant is prepared to participate in the market
- Third party assurance must be provided regarding whether the market participant has undertaken a satisfactory approach to assurance



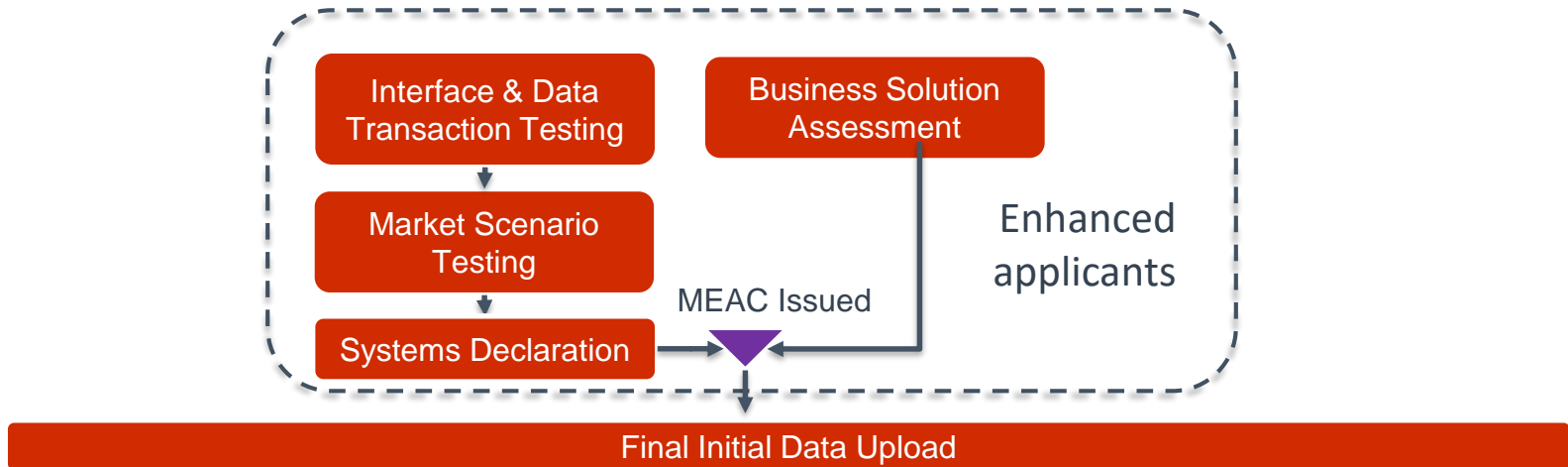
Security Return

- Brief questionnaire aiming to provide additional assurance around the applicant's approach to management of transactional interfaces with MOSL's systems
- applicants must have a thorough understanding of their obligations as set out in the market framework and must have completed the MIT before submitting the documents.
- Addresses some of the security requirements set out in CSD0400, CSD0402 and CSD0007



MEA Process for Enhanced Applicants

KEY:  MOSL  Market Participants





Business Solution Assessment (BSA)

- The purpose of the BSA is to give confidence that the applicant will be prepared to participate in testing and enter the market
- The BSA is a self-assessment where applicants are required to undertake their own assurance to gain confidence they have the required capability to deliver their market obligations
- Companies must provide supporting evidence in the form of a commentary on how they achieved this confidence, a third party assurance report and anything else as appropriate.



Participant Detailed Market Entry Assurance Test Plan

- Successful completion of Market Entry Assurance Testing (MEAT) is required of all market applicants undertaking the “enhanced” path
- The test plan will identify the scope of testing
- Each applicant will need to review the market scenarios to determine which are applicable
- The test plan will enable MOSL to verify the documented approach that applicants are taking
- Test planning should be started prior to submitting an Applicant Information Return (AIR)



Interface & Data Transaction Testing (IDTT)

- IDTT covers the activities that applicants are required to undertake to become an entity on the CMOS
- The Testing plan will identify the scope of testing
- In particular IDTT will have:
 - Established the required administrator and user accounts within the relevant test environment
 - Set up the supply points and all of the associated non-transactional (standing) data entities (tariffs, meters, etc.) required to undertake Market Scenario Testing
 - Uploaded all required test data, which will be created during the design & build test phase, described later in this document



Market Scenario Testing (MST)

- MST provides the technical test of an applicant's ability to transact with the CMOS using its own business processes and systems
- MST runs a set of end-to-end test cases covering key market transactions
- Details of the test scenarios are available on the MOSL Website



Systems Declaration

- The Systems Declaration is a form used to confirm successful internal testing of all systems
- To declare testing completion, an applicant must have undergone IDTT and MST to an acceptable standard
- This is the final stage of the enhanced route of the Market Entry Assurance process



Remedial MEA

- Remedial MEA is a second period of Market Scenario Testing, for applicants who have failed to successfully complete it at the first attempt
- Remedial MEA will only be Market Scenario Testing as applicants should have completed already the earlier stages of MEA



Market Entry Re-assurance

- Re-assurance is the activity of repeating the MEA process
- Only available for Participants who have successfully completed first tranche market entry assurance during the specified timescales, or BAU assurance in the live market;
- For MOSL to gain assurance that companies which have undergone *material* changes are still able to fulfil obligations;
- All trading participants who undertake material changes must go through it, if determined appropriate by MOSL;
- It is necessary for participants who have gained MEA with planned Re-Assurance
- It cannot be used as a first-application route to MEAC.



Triggers for Re-assurance

Market re-assurance must be completed by a Trading Party in the following circumstances:

- There is a material change to that Trading Party's operations, which may impact its ongoing ability to meet the relevant market obligations
- The Trading Party is required to undergo re-assurance due to receiving MEA Certification with planned re-assurance,
- The Trading Party is required to undergo re-assurance as part of a Performance Improvement Plan

MOSL defines a material change as a change which may impact the market participant's ability to fulfil their market obligations.



Market Entry Re-assurance

This table indicates events likely to be deemed a material change for companies, resulting in Market Entry Re-assurance.

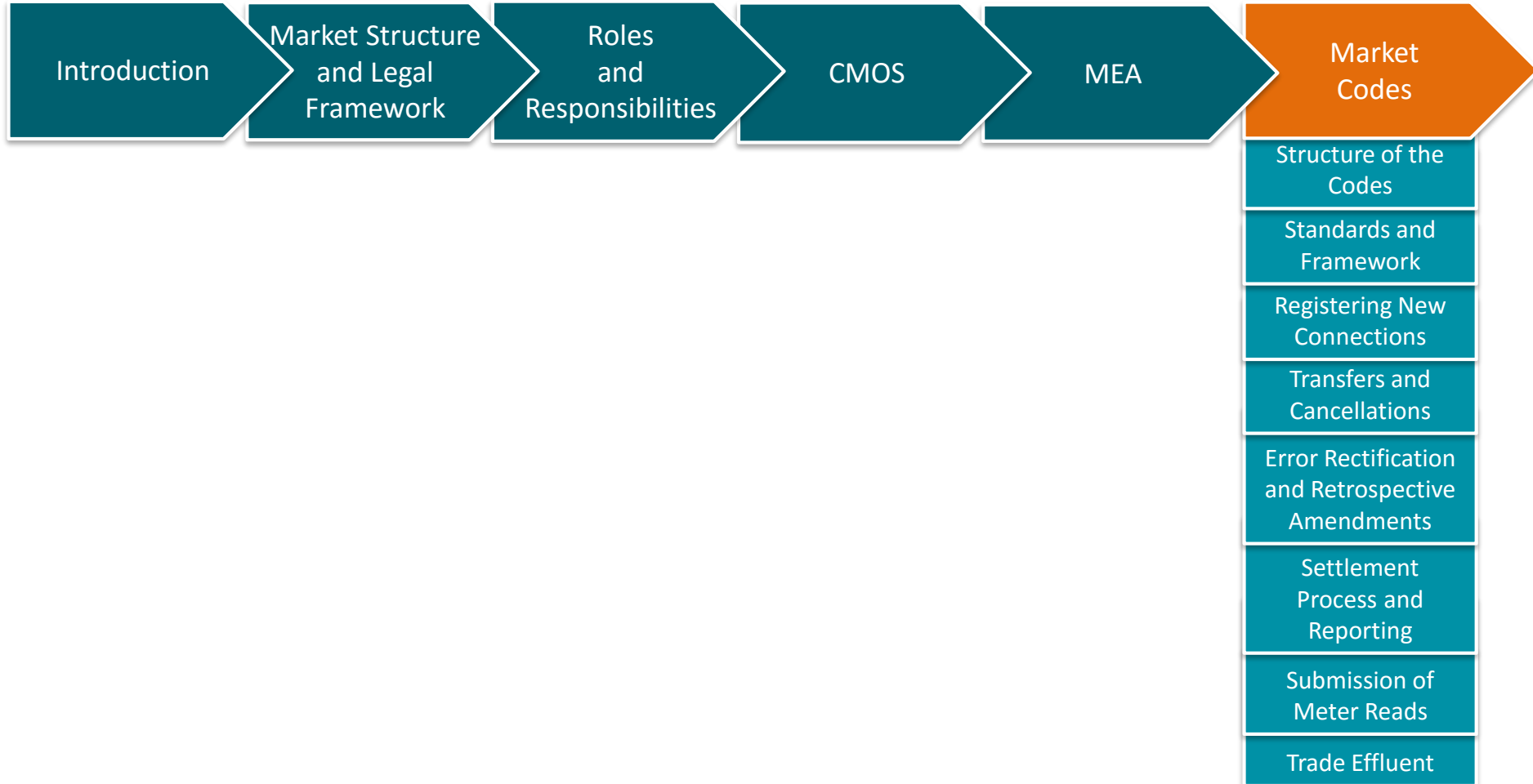
This is not an exhaustive list; companies are required to inform MOSL of any changes which may trigger Re-Assurance

Material Change		MIT	BSA	IDTT	MST
1	Market participant has completed self-certification MEAC but would now like to access the HVI	✓	✓	✓	✓
2	Market participant wishes to use the HVI for additional data transactions, and is familiar with the HVI		✓	✓	✓
3	Significant change in size of customer base through exit, merger or acquisition (assuming the market participant is already familiar with HVI)		✓	✓	✓
4	Market participant hardware platform change where it is already familiar with the HVI			✓	✓
5	Market participant communications change (for example, changes to the network or ISP)			✓	✓
6	Market participant data handling software platform change		✓	✓	✓
7	Market participant data handling software platform upgrade			✓	
8	Significant changes to operational staff, which require induction over and above that normally taken	✓			
9	Changes to business process(es), which are highly relevant to compliance with Market Codes		✓		
10	Data upload changes significantly or is re-uploaded			✓	



MEA Guidance

- The MOSL website has:
 - detailed guidance on the MEA process
 - MEA pro-forma applications and forms





Purpose of Market Training

- Market and Interface Training will **not replace the need for Market Participants to read the Market Codes**
- The following training will provide a summary of the objectives and principles of the Market Codes
- Participants must read the codes to understand details such as:
 - Processes
 - SLAs
 - Duties and requirements
 - Transactions
 - Reporting
 - And any other related information



Purpose of The Codes

- The market requires detailed processes and procedures for all participants to follow
- The Market Codes:
 - Sit alongside the wider policy and regulatory framework
 - Provide for a transparent, predictable, rules-based approach consistent with the principles of the codes
 - Allow Retailers to develop business strategies and plans and to make offerings to customers
 - Allow Wholesalers to develop their approaches
 - Allow customers to exercise their choice of supplier



Structure of The Codes

- Wholesale-Retail Code
 - Business Terms
 - Operational Terms
 - Market Terms
 - Code Subsidiary Documents
- Wholesale Contract
- Market Arrangements Code



Structure of The Codes

- Business Terms
 - They set out the ‘terms of trade’ between Wholesalers and Retailers
 - Very similar to typical commercial terms but they are ‘codified’ for market certainty and consistency
 - They contain:
 - Provisions relating to the supply and the services (Charging and billing, default, termination)
 - Force Majeure
 - Disputes arrangements
 - Confidentiality
 - Data protection



Structure of The Codes

- Operational Terms
 - Processes governing operational interactions between Wholesalers and Retailers-not via the MO
 - Applications for services from Retailers to Wholesalers
 - Notification of information from Wholesalers to Retailers
 - Processes set out steps to be followed and timescales



Structure of The Codes

- Market Terms and CSDs set out:
 - The roles and responsibilities of the Market Operator, Wholesalers and Retailers
 - The Market Design
 - The interactions between Retailers and the Market Operator
 - The CSDs as part of the Market Terms
 - Structure:
 - Part A duties of the Market Operator
 - Part B duties of the Contracting Retailer
 - Part C Duties of the Contracting Wholesaler
 - Part D Market Design



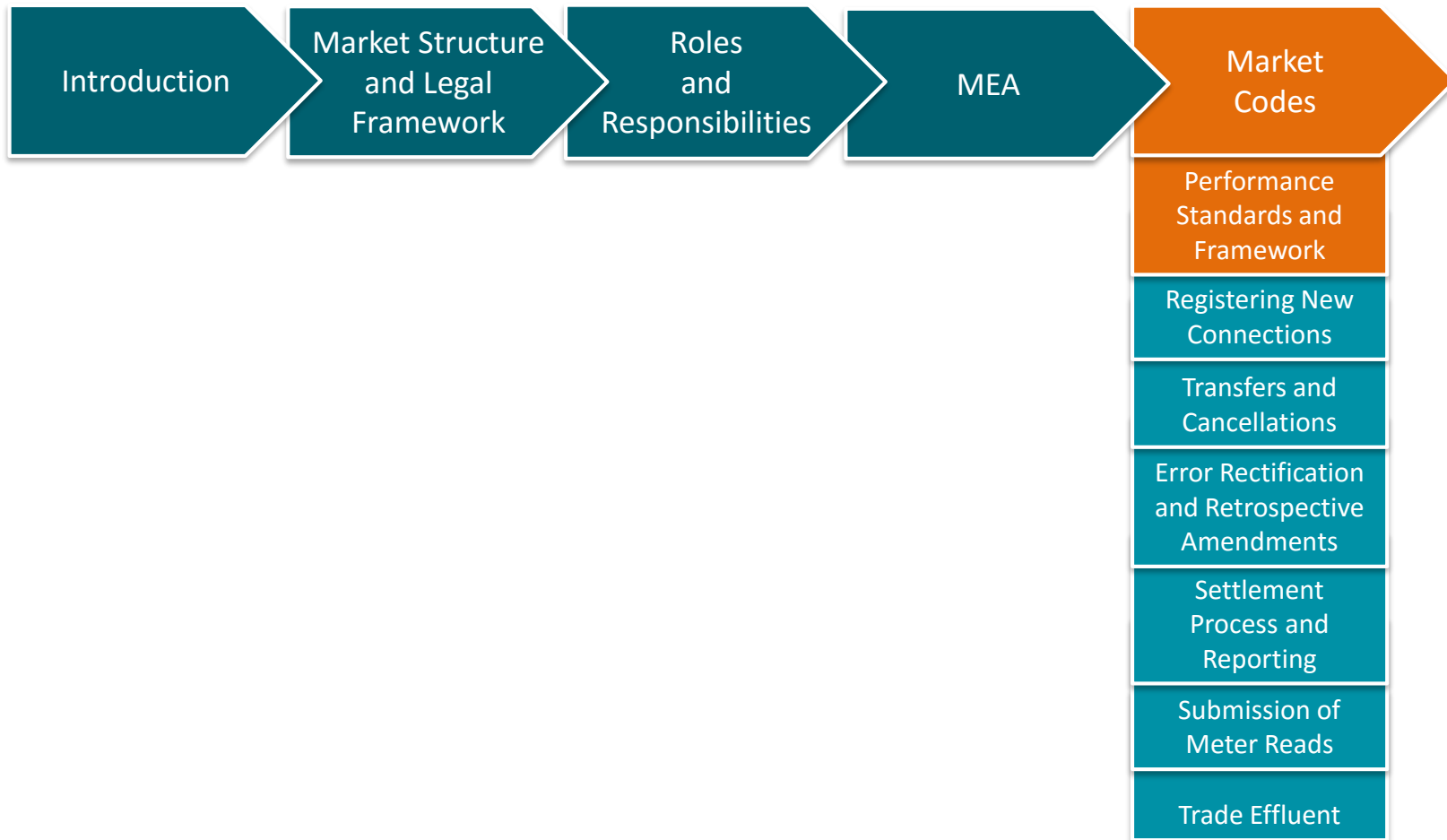
Structure of The Codes

- Wholesale Contract
 - Standard bilateral contract between:
 - A Wholesaler and each licensed Retailer trading in its area
 - Confirms that water and/or sewerage services will be provided by that Wholesaler to that Retailer
 - Incorporates all detailed rules of the WRC into that contract
 - Allows the Wholesaler to charge the Retailer for those services and to be paid accordingly
 - Companies that remain legally integrated are likely to be required to have equivalent written arrangements in place



Structure of The Codes

- Market Arrangements Code
 - A multilateral code, dealing with the arrangements for the governance of the MO company and the market including:
 - Role of the Board, appointment or election of members, and market audit
 - Annual budget process, charges for additional services, invoicing of charges
 - Market governance, membership and role of the Panel, committees of the Panel
 - The code change Process and the forms for proposing changes
 - Establishment of a User Forum
 - MO duties to comply with the WRC





Market Performance Framework

The market requires confidence that the arrangements are effective and participants' actions, systems and processes do not pose significant threats either to the central services or to other parties



- Processes and incentives to promote performance and compliance with obligations under the Wholesale-Retail Code
- Enables appropriate action to be taken to resolve performance failures
- Provides for appropriate action to be taken to resolve performance failures



Market Performance Framework

Processes and Methods

- Market Performance Standards
- Market Performance Standard Charges (initially suspended)
- Operational Performance Standards (no charges)
- Additional Performance Indicators
- Peer Comparison reports
- Market Operator performance reporting
- Trading Party Performance Resolution
- Performance guidance



Market Performance Framework

Performance Standards and Charges

- Standards relate to transactions recorded by the MO from trading parties
- Charges are levied against trading parties for underperformance
- CSD 0002:
 - Details standards
 - Specifies charge levels
 - Identifies if charges are MO credited or Retailer credited
- Invoicing provided for under the MAC
- Application of changes suspended for 12 months from go-live
 - Will still be monitored with shadow calculation and review to be undertaken by 9 months post go-live



Market Performance Framework

Operational Service Standards

- Relate to performance of Wholesalers in relation to some of the processes in the Operational Terms
- Specifically relate to the high volume/critical processes and steps
- Used for:
 - Wholesaler Performance Monitoring and Reporting
 - Triggering Performance Resolution in event of persistent failure
 - Standardised quarterly reporting



Market Performance Framework

Market Operator Performance

- Market Operator shall monitor and report to the Panel on its compliance with WRC and MAC
- Process for MO to confirm remedial steps where performance fails

Peer Comparison

- Regular publication of comparative performance data
- Transparency to encourage continuous improvement in e.g. data quality, operational services



Market Performance Framework

Performance Resolution

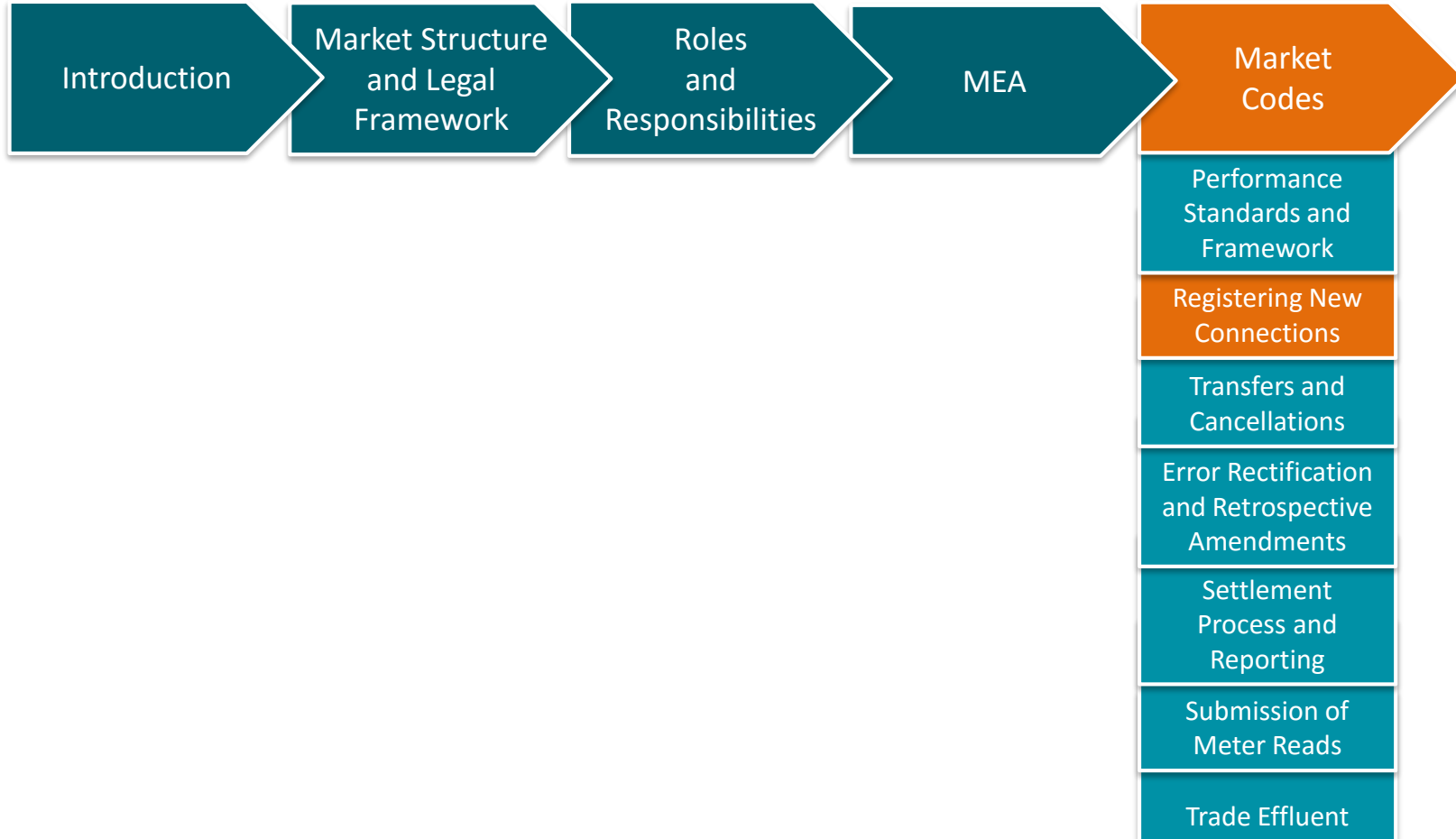
- Triggered by the MO on the basis of monitoring against standards and indicators
- Ensures underperforming Trading Party has robust remedial plan
- Opportunity to provide guidance to help resolve and reduce likelihood of reoccurrence
- Trading Party agrees initial plan with MO
- Can be escalated by MO to Panel/ Market Performance Committee
- Could require a Trading Party to undertake Market Re-Assurance



Market Performance Framework

CSD 0002 details the Market Performance Framework including:

- Processes
- Performance Standards
- Charges
- Reporting
- Guidance
- Any other related information





Registering New Connections

- Registration of New Supply Points with the Market Operator
 - Each newly connected premises must be registered as a new Supply Point ID (SPID) with the MO by the Wholesaler
 - There is a distinction between a SPID and connection- a SPID is a market construct while a connection is a physical construct
 - Water and sewerage Supply Points should be paired correctly
 - For all new SPIDs, the Wholesaler identify the retailer, if no retailer is specified, the MO must run the allocation process
 - To become tradeable, the retailer has to accept the SPID and may not reject a SPID save if a manifest error
 - Non-Market Meters, detailed in CSD 0106, are not registered to a Supply Point and are deductive meters on a meter network



Registering New Connections

- Wholesalers and Retailers should provide the relevant information to allow the SPID to be made Tradable
 - The Market Terms and CSDs specify the data owner responsible for providing each data item
 - The SPID will remain a partial Registration until the SPID Data is validated
 - The data owners are responsible for the accuracy of data and keeping it updated for the period for which they are registered, including the past



Registering New Connections

- Process A1-A5 of the Operational Terms have been suspended until 1st October 2018
 - Market Participants should follow their existing operational processes for New Connections in place of processes A1-A5
 - Market Participants should continue operate in accordance with all other codes (i.e. CSD 0101: Registration: new supply points)



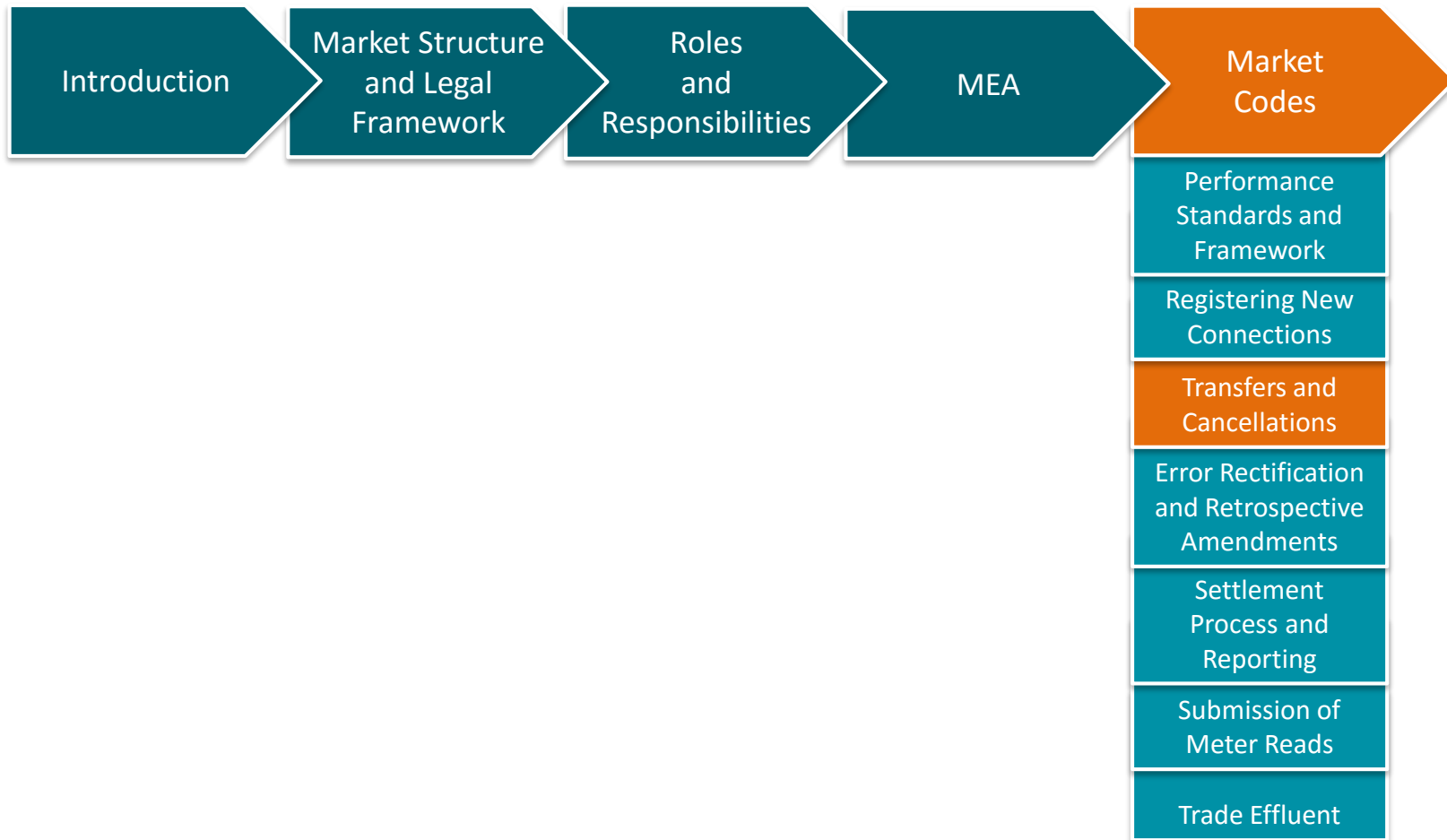
Registering New Connections

CSD 0101 details the Registration of New Supply Points including:

- Processes and Reporting
- Data requirements and Transactions
- Service Level Agreements
- Any other related information

CSD 0104 details the maintenance of SPID Data (after becoming Tradable) including:

- Processes
- Data requirements and Transactions
- Service Level Agreements
- Any other related information





Transfers

- Transfer of individual Supply Points to a new Retailer
 - Where a NHH customer selects an alternative Retailer
 - Each Supply Point must be requested separately
- Orderly Volume Transfer of Supply Points
 - Normally as a consequence of a commercial arrangement between the parties or a retail exit
 - The new party takes over all responsibilities of the previous party including historic responsibilities
- Disorderly Volume Transfer of Supply Points
 - Normally follows Interim Supplier Allocation
 - Interim Supplier Allocation Process will be undertaken as required by the Authority- Supply Points will be allocated to Opted In Retailers



Cancellations

- Cancellation of a Transfer of an individual Supply Point to a new Retailer
 - Allows for the outgoing retailer to submit a cancellation request under defined circumstances
 - Incoming retailer can submit a cancellation request in case of an error
- Erroneous transfer Process
 - The Erroneous Transfer Process can be used to return the Supply point to the old Retailer within three months of the Registration Start date



Registration Transfers and Cancellations

CSD 0102 details Transfer Registration including:

- Processes and Reporting
- Data requirements and Transactions
- Service Level Agreements
- Any other related information

CSD 0103 details Cancellations and Erroneous Transfers including:

- Processes and Reporting
- Allowable circumstances
- Transactions and SLAs
- Any other related information



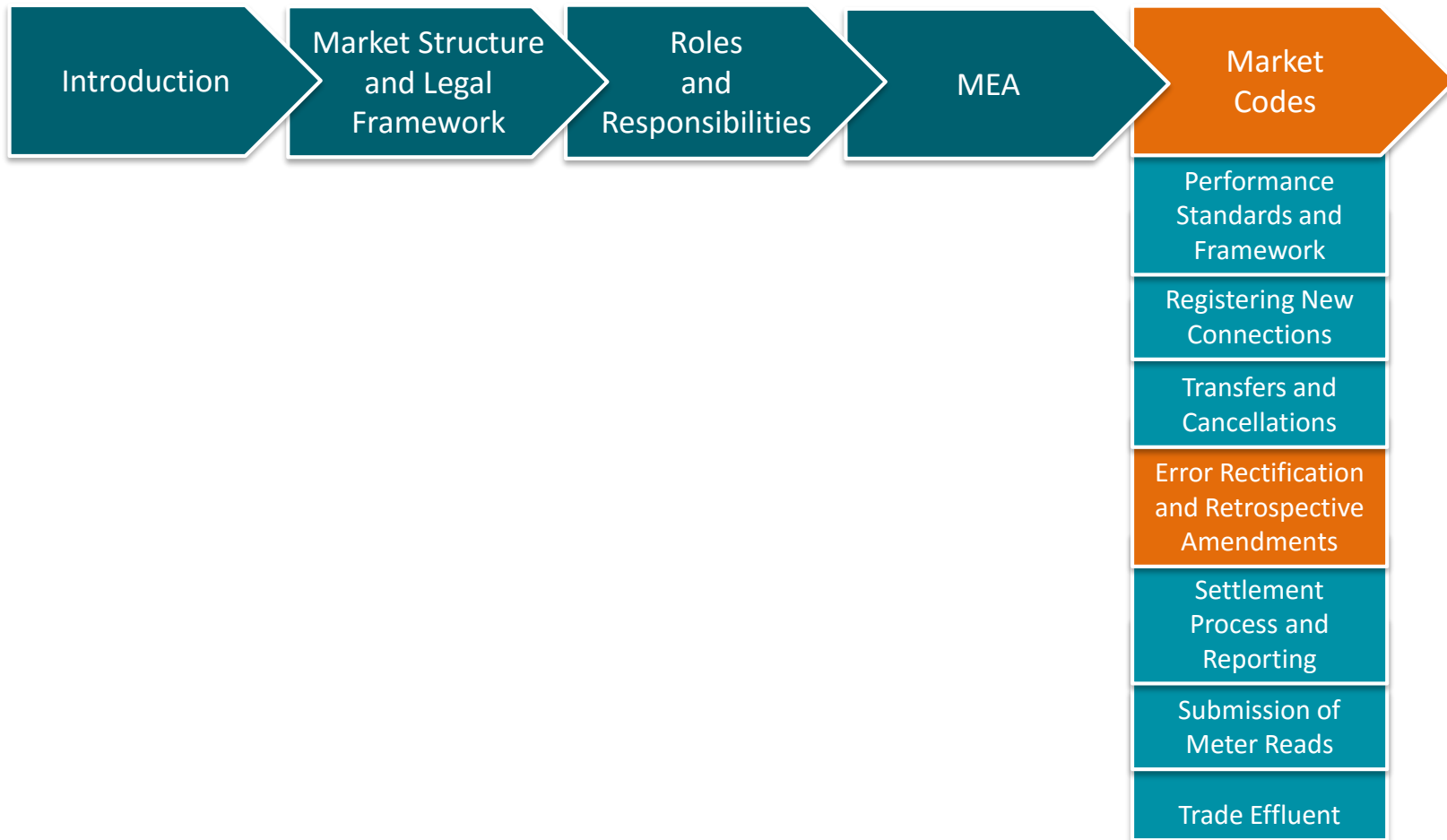
Registration Transfers and Cancellations

CSD 0003 details Orderly Volume Transfers and Data Updates including:

- Processes and Reporting
- Suitable circumstances
- Transactions and SLAs
- Any other related information

CSD 0004 details the Interim Supplier Allocation Process including:

- Opting in/out and temporary suspension
- Reasons for initiation, processes, and Reporting
- Transactions and SLAs
- Any other related information





Data Updates

- Data owners have a duty to ensure that Data Items are accurate, complete and up to date
- CSD 0104 details how to maintain SPID data
- CSD 0301 details all of the data items and transactions
- Where the data is not updated promptly
 - Error Rectification (Non charge affecting Data)
 - Retrospective amendment (Charge affecting Data)
- Data can be corrected by Transactions
 - TCORR transactions correct erroneous Data



Retrospective Amendments- Charge affecting Data

- Immediate Retrospective Amendment
 - Before R2 is run
- Self-Certified Retrospective Amendment
 - Before R3 is Run
 - Internal evidence trail and reference number required
- Wholesaler Tariff Data Retrospective Amendment
 - Where Wholesaler is informed or is aware of an error in their Tariff Data
- Other Trading Party Agreed Retrospective Amendment
 - For everything else
 - Internal evidence trail and reference number required



Error Rectification- Non Charge affecting Data

In practice, very few TCORRS specified for non charge affecting data.

Data can be corrected but not with a historical date.

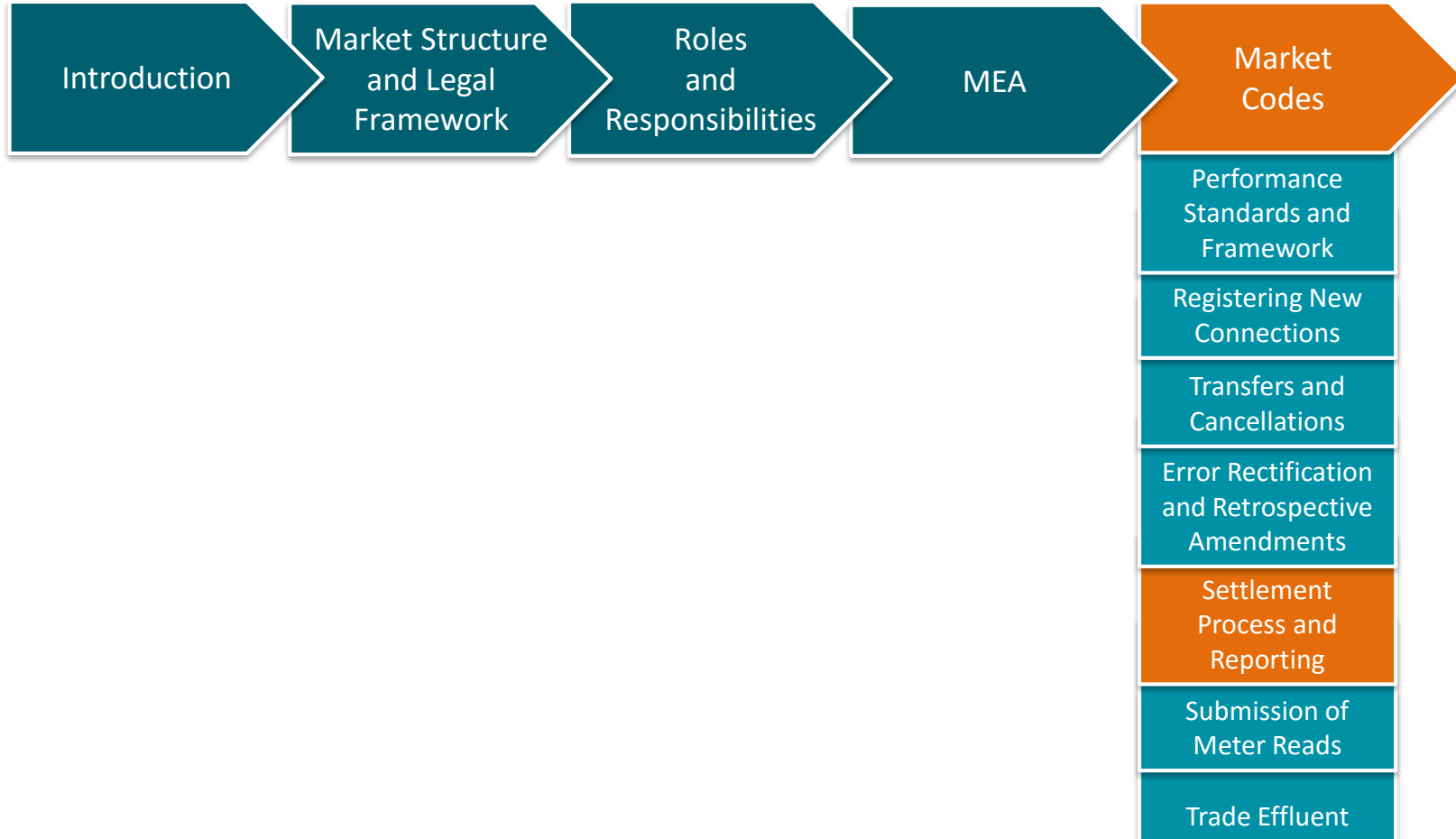
- Immediate Error Rectification
 - Before R2 is run
 - For changes affecting current Month or last two Calendar Months only
 - Use standard transaction
- Self-Certified Error Rectification
 - Internally Authorised by Contract Manager
 - Internal evidence trail and reference number required



Error Rectifications and Retrospective Amendments

CSD 0105 details Error Rectifications and Retrospective Amendments including:

- Processes
- Suitable circumstances
- Transactions and SLAs
- Reporting
- Market Operator Data Correction
- Vacancy Change Application
- Any other related information





Settlement

- MO is responsible for calculating Primary Charges for service components
- MO provides settlement reports to Trading Parties to allow them to invoice
- Trading Parties carry out all invoicing/money settlements
- MO has no responsibility for calculating Non-Primary Charges, for example:
 - Connection charges
 - Operational activities



Settlement Calculation and Tariff Data

- CSD 0207 contains comprehensive algebra for the calculation of Primary Charges as published by companies on February 2015
- Each Service Component can have a different Tariff
- Wholesalers must maintain and verify their own Tariff Data
- Tariffs must match published Wholesale Tariff scheme
- Tariff applicable to Service Components can be changed with effect from any day
- Tariff values can only be changed on the 1st day of the month
- Tariffs have a life cycle of 'New', 'Active', 'Legacy', and 'Retired'



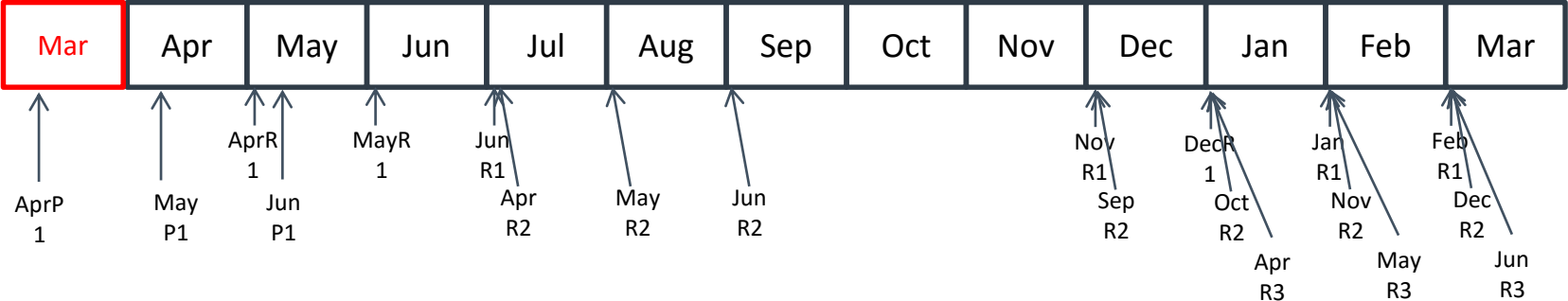
Settlement Timetable and Reporting

- Planned settlement runs for every month
 - P1- Provisional (month before)
 - R1- at the end of the month
 - R2- after two months
 - R3- after eight months
 - [R4]- after fourteen months
 - RF- after sixteen months
- Various Settlement Runs allow for updated data to be taken into account, fill in missing data and correct data

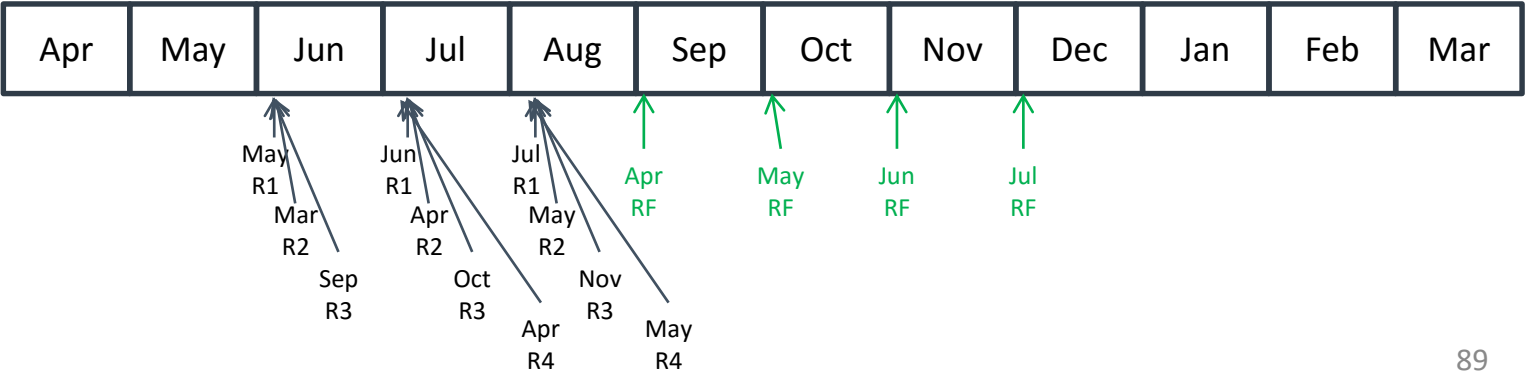
Settlement Calendar

Year 0

Year 1



Year 2





Settlement Timetable and Reporting

- R1,R2,R3,[R4], and RF all must be run
 - After start of the month
 - Published on the 4th Business Day of the month
- Reporting:
 - Aggregated Report (generally the definitive report for invoicing purposes)
 - Disaggregated Report
 - First part (Everything except TE)
 - Second part (TE)
 - Third part (Volumes associated with meter network)
 - Fourth part (Exception report)



Unplanned Settlement Runs

- Corrective Settlement Runs
 - Jointly requested by Wholesaler/Retailer after issue of settlement run, i.e. before invoicing
 - Full settlement re-run for the parties involved
 - Materiality: both 1.0% of Primary Charges and £10k difference
- Dispute Settlement Runs
 - SPID and Service Component Specific
 - Materiality: both 1.0% of Primary Charges and £10k difference per invoice Period. Dispute may span multiple invoice periods
- Post RF runs
 - SPID and Service Component Specific
 - Materiality: both 1.0% of Primary Charges and £10k difference per invoice Period. Dispute may span multiple invoice periods



Resolving Inaccurate Settlement with the MO

- Market Terms allow for where a Wholesaler or Retailer considers there has been inaccurate settlement that is not related to a data matter
- The MO has two months to identify the likely or known cause(s), scale of the issue, proposed mitigation stops and rectification plans
- If the MO considers there is no issue and the Trading Party is not satisfied, the Trading Party may escalate the matter to an MO dispute under the MAC



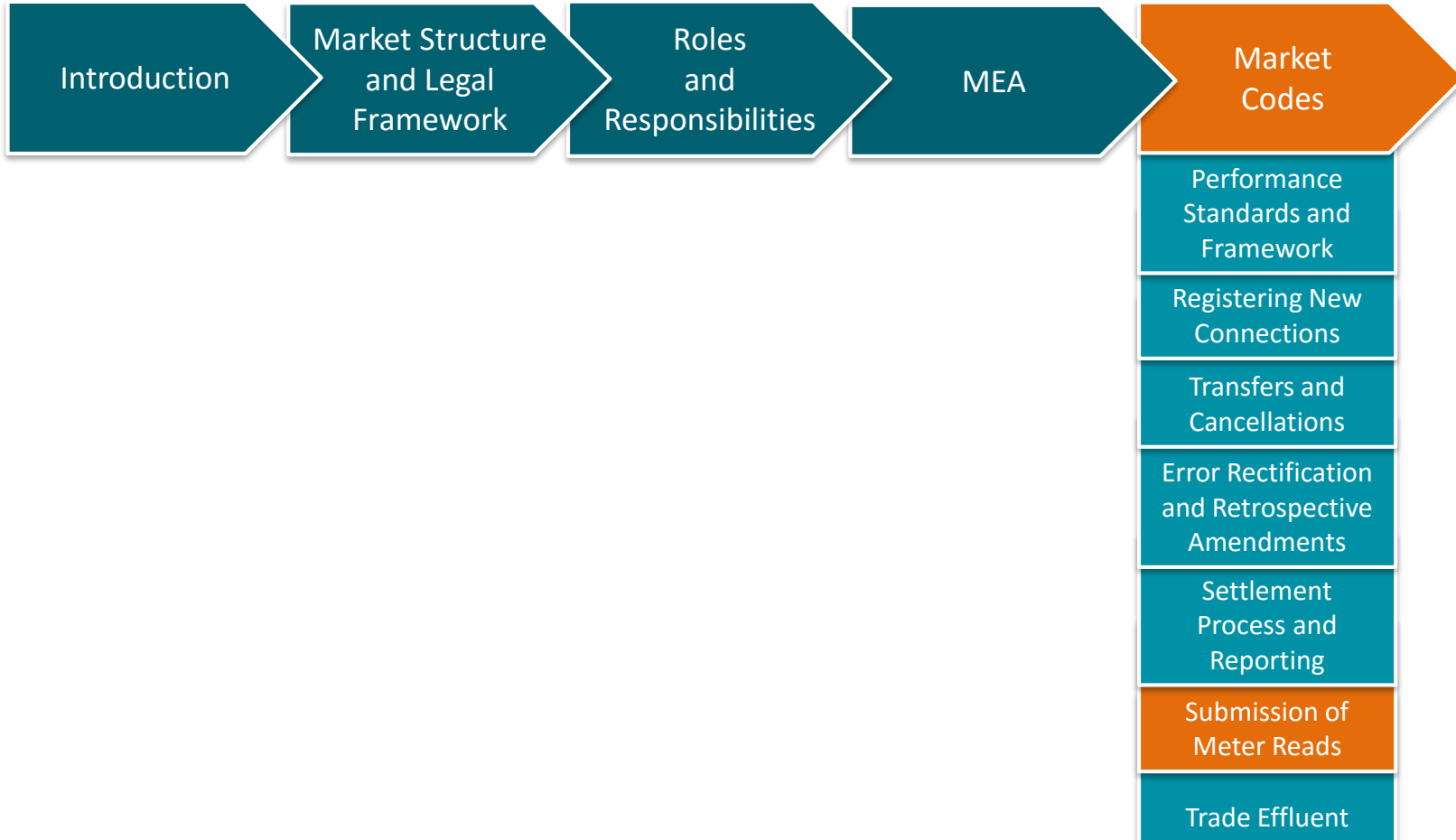
Settlement Process and Reporting

CSD 0201 details the Settlement Timetable and Reporting including:

- Processes
- Report content
- Detailed Timetable

CSD 0207 details the Charge Calculation, Allocation and Aggregation including:

- Processes
- Detailed Algebra





Submission of Meter Reads

- There are various Meter Read Types and Methods
- The MO validates Meter Reads
 - MO will notify relevant Trading Parties of validation outcome
 - MO produces Meter Read Reports
 - MO will review Rollover Detection Algorithm and Meter Read Reports
- Mo will establish and maintain relevant standing data in relation to physical capacity of meters
- The MO incorporates Meter Reads into settlement calculations

Meter Read Types and Methods

Available Meter Read Types:

Meter Read Type	
I	Initial Read
F	Final Read
X	Temporary Disconnection Read
Y	Reconnection Read (following Temporary Disconnection)
C	Regular Cyclic Read
T	Transfer Read
P	Pre-loaded Read
G	Central Systems Generated Read

Available Meter Read Methods:

- Visual
- Customer
- Remote
- Estimated

Valid Meter Read Type and Method combinations:

Meter Read Type		Valid Meter Read Methods
I	Initial Read	Visual
F	Final Read	Visual
X	Temporary Disconnection Read	Visual Remote
Y	Reconnection Read	Visual Remote Estimated
C	Regular Cyclic Read	Visual Customer Remote
T	Transfer Read	Visual Remote Estimated
P	Pre-loaded Read	Visual Customer Remote Estimated
G	Central Systems Generated Read	Estimated



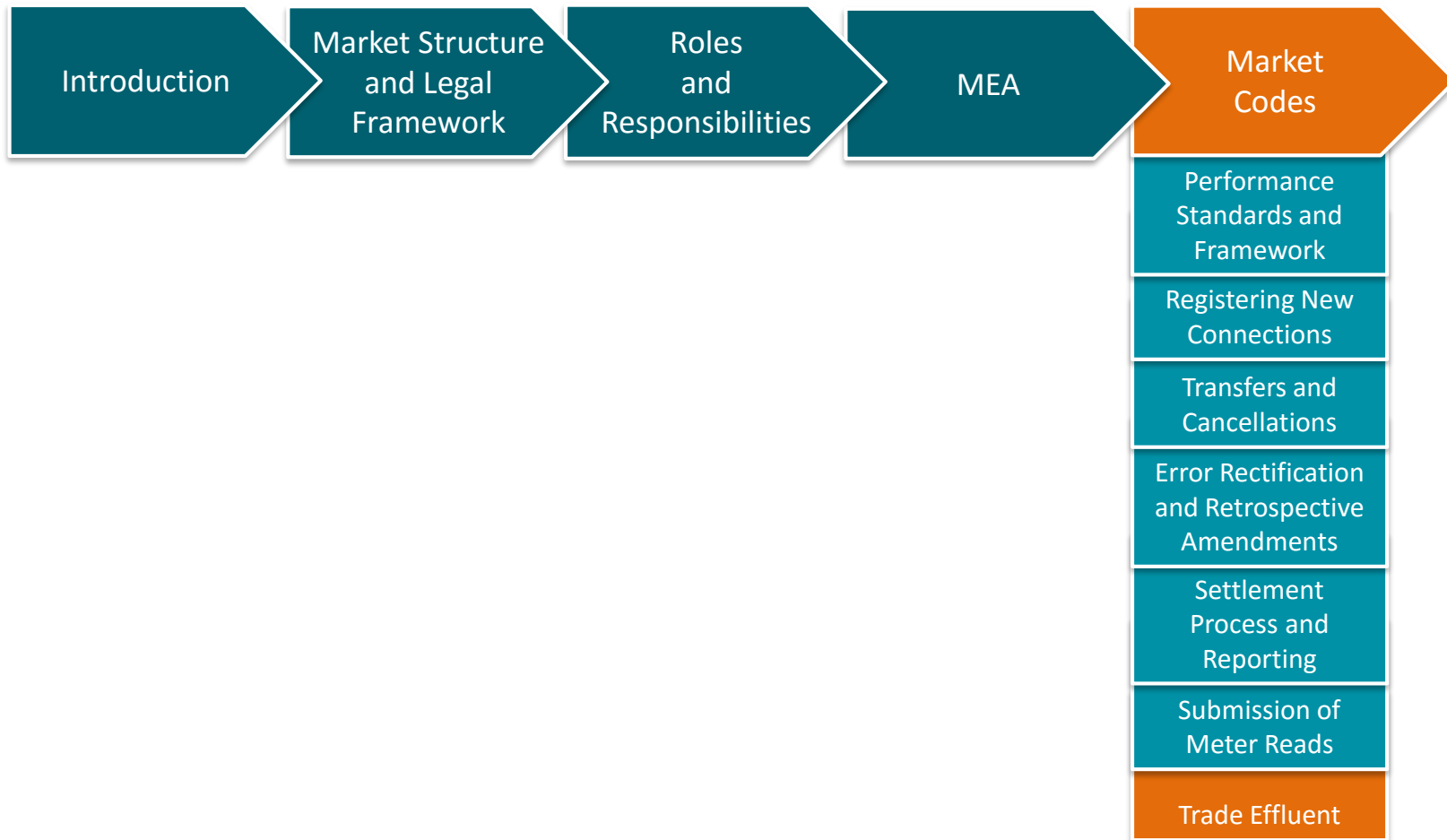
Submission of Meter Reads

CSD 0202 details the Meter Read Submission Process including:

- Meter Read Types and Methods
- Submission Process
- Service Level Agreement

CSD 0203 details Meter Read Validation:

- Validation Types
- Detailed Algorithms





Trade Effluent

Classic TE Charging

- Mogden formula
- System has a set of tools to configure measurement of TE volumes
- System also provides for
 - Fixed charges
 - Banded charges
 - Availability charges
- Trade effluent may require specialist understanding



Trade Effluent

CSD 0206 details Trade Effluent Processes including:

- Processes and SLAs
- DPIDs
- Configuration

CSD 0207 details Trade Effluent Settlement Including:

- Processes
- Detailed Algebra

Thank you...

