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Trust in water

# **Consultation on the Wholesale Retail Code: decisions and responses**

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## About this document

At the moment only a small number of business, charity and public sector (“business”) customers across England and Wales can choose their water retailer and most business customers must use services provided by the monopoly water and/or sewerage companies. The Water Act 2014 (WA14) will allow more eligible business customers to choose their supplier of water and wastewater retail services from April 2017.

This means that for business customers who are supplied using the water supply or sewerage system of an appointed company whose area is wholly or mainly in England, the market will be extended to include all eligible business, charity and public sector customers (‘business customers’) regardless of their usage. However, for those who are supplied using the water supply or sewerage system of an appointed company whose area is wholly or mainly in Wales, the market will not be extended, reflecting the different policy position of the Welsh Government. This means that eligible business customers which meet the 50ML threshold will continue to be able to choose their water supplier but there will be no competition for the provision of sewerage services.

A new legal and regulatory framework is being put in place to facilitate the new business retail market, and provide the necessary market governance. This framework includes a number of codes which together set out the rules for the new market. It is intended that these rules will apply in England and Wales.

The Wholesale-Retail Code (“WRC”) is a key element of the regulatory framework for the new business retail market. It sets out the relationship between Wholesalers and Retailers and how the market will operate.

The WRC has been developed through detailed consultation with the industry over a period of nearly two years and has been subject to change control by the Interim Code Panel (ICP) since August 2015.

We conducted a **consultation between 7 November 2016 and 16 December 2016** which consulted on the proposed final version of the WRC. This document provides a summary of the responses to that consultation and outlines our decision including some further housekeeping changes and changes recommended by the ICP which Ofwat plans to make to the WRC prior to issuing the final version of the WRC.

We assessed all suggestions for changes on a range of criteria including how critical the changes are to the functioning of the Market at Market Opening in April 2017. We also considered the potential impact of any changes on the Central Market Operating System (CMOS). We want to give market participants as much certainty as possible regarding the terms of the WRC and so are publishing it alongside this response document in advance of Market Opening. This is prior to our power to designate the WRC as a statutory code being commenced by the Secretary of State. The only change that we will now make to the WRC prior to its designation at Market Opening is one which is demonstrated to be critical to the functioning of the Market at Market Opening.

Changes identified which are not critical for Market Opening will be considered by the enduring Panel once it is established under the MAC. We have suggested that a number of the helpful proposals made by respondents to our consultation raise these proposals using the enduring Panel following Market Opening.

As part of the WRC consultation, we stated that we also intend to introduce a derogations process to relieve Licensees and Appointees from compliance with obligations in the WRC, which they can demonstrate to our satisfaction are disproportionate in effect and unduly burdensome on the business. The decisions from our earlier Derogations consultation and a further [short consultation](#) were published on 3 February 2017 and we have now published our final [Derogations Guidance](#).

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## 1. Executive summary

This document sets out our decisions and response to the consultation on the WRC which ran from 7 November to 16 December 2016.

Sections 66DB and 117G of the Water Industry Act 1991 require Ofwat to undertake a formal consultation in accordance with these provisions before the WRC can be issued and the consultation issued on 7 November constituted that consultation.

In this document we summarise the issues raised by market participants and provide a response to these issues. Where we have considered it necessary for the effective working of the market at Market Opening we have made modifications to the WRC to take account of these responses. Where issues were identified and we did not consider them to be critical for Market Opening we have deferred these issues for consideration by the Panel post Market Opening

In summary, there was support from market participants for the revised structure of the WRC as the Wholesale Contract which we had proposed in the consultation and importantly no one identified any issues that would prevent Market Opening or publication of the final codes for Market Opening.

### Revised Structure of the WRC

We consulted on the restructuring of the WRC as a result of which we amalgamated the Wholesale Contract into the WRC in effect making the WRC the form of the Wholesale Contract. This was done for two principal reasons:

- (1) the Open Water Programme had recommended to Ofwat that Ofwat take steps to ensure the integrity of the market by managing the extent to which participants could contract “outside” the terms of the WRC; and
- (2) experience from the change processes followed by the ICP showed that there was merit in the Wholesale Contract being clearly part of the WRC and not just an optional template which could be adopted by Wholesalers and Retailers.

The version of the WRC which was consulted on therefore contained the proposed amendments which were necessary as a consequence of the restructure of the WRC and stakeholders were asked to comment on these changes.

## **Wholesale contract**

The Wholesale Contract was also amended as a consequence of the restructure of the WRC to allow it to be incorporated into the revised structure. The main amendments that were made were to ensure the recitals accurately reflected the revised structure and any references to the WRC or Wholesale Contract similarly reflected that revised structure.

## **Market Architecture Hierarchy**

We consulted on inclusion of a market architecture hierarchy to set out the precedence of documents in the event of conflict. As a result of broad support from stakeholders, we have decided to include the hierarchy in the final version of the WRC. The order of precedence shall be:

- (i) any Law other than any Appointment, any Licence, the Market Arrangements Code, the Wholesale Retail Code, the Interim Supply Code, the Retail Exit Code and the Customer Protection Code of Practice;
- (ii) any Appointment or Licence;
- (iii) the Market Arrangements Code;
- (iv) the Wholesale-Retail Code;
- (v) the Interim Supply Code and the Retail Exit Code; and
- (vi) the Customer Protection Code of Practice.

## Consultation questions

We consulted on our approach to the WRC, and asked the following consultation questions.

We would be grateful for comments on the issues raised in Sections 3.1 to 3.3 and the associated drafting together in particular whether the WRC is in a form ready to be issued by Ofwat and whether the draft Designation Document is acceptable. In addition we would welcome any suggested improvements to the WRC for the purposes of Market Opening.

The WRC comprises many individual documents and to aid our consideration of your comments or suggested drafting it would be helpful if you could ensure that you make a full reference to the document where you are making a comment or suggesting a change

In addition, you should explain the rationale for the comment or suggested change together with your view on whether the change is needed prior to Market Opening and why. You should also explain why this change has not been raised earlier to the ICP or indeed whether this change has already been considered by the ICP.

## 2. Outcome from consultation

Following consultation we are publishing the following:

- A track changed version of the WRC so market participants can see the amendments that have been made.
- A final clean version of the WRC which we propose to designate pursuant to ss66DA and 117F WIA91 as soon as our power to do so is commenced by the Secretary of State.
- The response document (this document) to the WRC consultation.

Having published our proposed final version of the WRC, the only change that might be made to it prior to its designation at Market Opening is one which is demonstrated to be critical to the functioning of the market at Market Opening. We hope this assurance is helpful to stakeholders in preparing their respective bilateral arrangements.

### **3. Considerations and responses**

This section summarises our position in the consultation on the WRC. Due to the nature and scale of the WRC we outline a broad summary below, whereas a more detailed list of comments and responses can be found in section 4 of this response document.

Where stakeholders supported issues and modifications that we consider should be considered by the enduring Panel we have suggested this as the appropriate route/forum to undertake these proposed amendments rather than making further changes in our final version.

#### **3.1. Stakeholder comments**

A majority (13 comments) of stakeholders commented how they had been given ample opportunity to engage with and develop the codes via the open governance process or had no comments. The restructuring of the WRC and MAC also received general support and agreement.

Importantly there were no comments raised which stakeholders felt would prevent the Market Opening.

Stakeholders did comment that the market and codes are in their infancy and so these will continue to develop over time. This it was felt would occur via the enduring codes Panel and may also warrant a review of the codes being undertaken at some point after Market Opening to ensure they remain effective. This could include streamlining some of the processes/items within the codes if it is felt improvements could be made.

There was some comment about the codes and the alignment of these to the CMOS system and ensuring that future changes occur in a manner which enables the market operator and participants to ensure compliance. The current drafting of the MAC allows the enduring Panel to outline timeframes for implementation which we believe will allow for the alignment of changes and the system in line with licence and code obligations.

There were also some comments regarding credit terms and the use of items such as parent company guarantees which were also raised as part of the credit terms

workshops and consultation which took place in 2016, and followed by published decisions.

Finally, there were a number of procedural improvements raised that could be made to the WRC and details of our response can also be found in the detailed feedback of consultation responses in section 4.

### **3.2. Quality review**

In parallel with the codes consultation Ofwat also performed a quality review of the codes. This covered all aspects of the WRC and was done to ensure that we were satisfied with the final codes documents for Market Opening.

Below we outline broadly the types of changes that have been made to each of the areas of the WRC as a result of this review. Again a more detailed list of the changes together with our reason for the change can be seen in the tables in sections 4 to 11 and the full changes can be seen in the track changed version of the codes published with this response document.

Any changes made were done with consideration for their significance on Market Opening, their effect on market participants and their obligations. We have also confirmed with Market Operator Services Limited that such changes are not systems affecting.

Below we have provided a short summary of the type of changes made. The majority of amendments are minor housekeeping changes.

### **WRC definitions**

As part of the quality review a number of definitions that required adding/amending were identified. We have therefore outlined the changes and additions we have made to these definitions.

A list of these changes can be found in section 5

## **WRC business terms**

As part of the quality review a number of amendments were felt to be required to improve the clarity and intended of aspects of the WRC. For example, clarity was provided on a number of cross references to items such as suppliers and GSS, the language around special agreements was improved to better reflect our wholesale charging rules and the position of the Special Agreements Register and, as a result of comments from stakeholders, we clarified aspects of the credit arrangements which were not clearly aligned with our stated policy on credit support.

A list of these changes can be found in section 6.

## **WRC operational terms**

As part of the quality review a number of amendments were also made to the WRC operational terms. These changes were to provide corrections and clarity, in particular referring to defined terms correctly, using correct titles/terms in references, and making sure references to Ofwat as 'the Authority' were correct.

A list of these changes can be found in section 7.

## **WRC Market terms**

As part of the quality review a few amendments were identified within the Market Terms. These included reference to the Authority and other documents and clarifying language to make it clearer.

A list of these changes can be found in section 8.

## **CSD amendments**

As part of the quality review a number of changes have been made to the Code Subsidiary Documents (CSD) documents to improve clarity and make sure that there is the correct use and capitalisation of defined terms, accurate cross references to other sections and documents, and to ensure that references to the Market Operator and the Authority are correct.

A list of these changes can be found in section 9.

### **Wholesale contract**

As part of the quality review and consultation a number of stakeholders also suggested revised drafting for the text contained in the Wholesale Retail Contract. We have listed the proposed amendments and our response and amendments to the requests.

A list of these changes can be found in section 10, with those changes proposed by respondents listed in section 4.

### **ICP final code changes**

The ICP recommended some changes to Ofwat as being beneficial to market participants for Market Opening. We are satisfied that these changes are of a minor, technical nature and that they have followed a consultation process through the ICP which was appropriate to the nature of the change. Therefore, we have approved these changes and made the relevant drafting amendments to the relevant documents where this drafting was clear.

A list of these changes made can be found in section 11 and the changes which we have approved but not made due to lack of drafting clarity, have been included in section 12. We expect such changes to be implemented in accordance with the MAC as soon as possible after Market Opening.

## 4. Summary of responses and decisions made

This section summarises the remaining detailed comments and responses made in addition to those previous outlined in section 3.

Summary	Our response
<p>One stakeholder voiced concern that some aspects of the trade effluent processes were ambiguous and open to interpretation. However, they stated in their response that they did not believe these to be critical to the functioning of the market and said they would continue to raise such change proposals through the enduring Panel once established.</p>	<p>We note that this respondent did not feel this issue to be critical to Market Opening. Therefore we have made no change to the WRC. We consider that the modification processes in the Market Arrangements Code would be appropriate for the respondent to use if they considered a change was required after market opening.</p>
<p>One stakeholder commented that a concise, customer friendly summary of the market codes would be useful.</p>	<p>We are aware that the codes are currently detailed technical documents which is appropriate for the parties bound by them. However we are also alive to the need for customers to engage with the market and how access to information about the structure of the new market arrangements could be helpful. We are aware that some third parties have started to draft 'guides' to the market codes. Ofwat is currently considering how best to engage with customers and provide information and advice, for example by using the <a href="#">Open Water website</a>.</p>
<p>One stakeholder felt the mandatory allocation of developer services activities in the codes to retailers is not fit for purpose. These provisions are currently suspended for 18 months and prior to the conclusion of this suspension significant work will be required to amend the codes. They support the removal of these provisions as they are unnecessary given the operation of the existing self-lay market.</p>	<p>The suspension of these provisions and their reintroduction in 18 months was undertaken as part of the open governance process adopted in the development of the codes. The panel considered, undertook an impact assessment in relation to and Ofwat approved the change. That change contained provision for a review of the suspended text and a timetable for that review prior to reinstatement.</p>

<p>In order to be able to demonstrate adherence to the confidentiality requirements associated with the CMOS system a stakeholder stated that they required that the market operator be able to provide details of those staff of the respondent which have a login to the CMOS system.</p> <p>Although the respondent believed this would only require minor changes to the CMOS system and codes they did not consider it necessary for market opening.</p>	<p>We note that this respondent did not feel this issue to be critical to Market Opening. Therefore we have made no change to the WRC. We consider that the modification processes in the Market Arrangements Code would be appropriate for the respondent to use if they considered a change was required after market opening.</p>
<p>The respondent was supportive of the proposed approach to arrange a signing event for the MAC Framework Agreement. The signing of the Wholesale Contracts at the same event should be a matter for the relevant parties to agree.</p>	<p>A signing event for the MAC framework agreement is being arranged for market participants, and signing of the Contract between wholesalers and retailers at this time will be possible, for those who agree it would be appropriate.</p>
<p>Two stakeholders believed it is prudent for a plan to be developed to review the code documents periodically.</p>	<p>We note that, under the WIA91, we may review statutory codes and issue revised codes. We agree that a periodic review of the WRC may be beneficial, but we are not proposing a timeframe at this stage.</p>
<p>One stakeholder felt that a 'general enquiry' form should be included in the final codes. This would allow retailers to raise questions or queries for matters that either do not fit in other forms or are related to general business activity (e.g. process around build over, for example; or requests for certain services such as loggers).</p>	<p>We do not consider that the absence of a form prevents enquiries being raised. If market participants need to raise a specific issue with MOSL they should use the appropriate process and arrangements.</p>
<p>Three stakeholders asked how Ofwat planned to address any disconnect between the codes and CMOS functionality, and how time differentials in implementation would affect obligations/enforcement.</p>	<p>We appreciate this concern, but consider that the market governance arrangements, as set out in the MAC are equipped to deal with this. We expect all parties, including Ofwat, the Market Operator, the Panel and market participants to work together to deal with any such disconnects and act reasonably in relation to any enforcement of the regulatory framework and associated contracts.</p>

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<p>One stakeholder asked how Schedule 4 “relevant terms of an approved Derogation”, given this is not an approved document on the MOSL website, relates to the derogations guidance.</p>	<p>The <a href="#">derogations guidance</a> explains the nature and purpose of schedule 4. The use of schedule 4 was consulted upon as part of our derogations guidance/policy.</p>
<p>A stakeholder asked for clarity on Part P of the Introduction &amp; Summary section of the WRC on which forms are deemed by the codes as requiring hard copy/original format to be provided and where, if any, there are exceptions to this statement.</p> <p>Part P states:</p> <p>“For any notice, notification, Form or other written communication or document under these Operational Terms which must be served on the Wholesaler, including any statutory notices or other Forms, notices or notifications which require a signed declaration by the Retailer or Non-Household Customer, the notice, notification, Form or other communication or document must be provided in hard copy original format (not by e-mail or any other electronic means or format). The Wholesaler must notify the Retailer of where the Wholesaler shall accept service of those notices, notifications, Forms or other communications or documents.”</p> <p>.</p>	<p>We consider the drafting of part P to be sufficient and note that it requires any such notices etc. <b>under the operational</b> terms to be provided in hard copy format. Should market participants consider this to be impractical or inappropriate they should consider raising a code change through the code change process after Market Open.</p>
<p>The stakeholder wanted confirmation that, provided the Wholesaler treats all responses from all Retailers equally, that the Wholesaler is acting within the requirements of the codes if they choose to preclude an electronic format of form submission (i.e. pdf).</p>	<p>It is every market participants' responsibility to ensure they are compliant with the codes.</p>
<p>One participant asked for clarity on the impact of 'Day1' switching on a) the ability of the incumbent retailer to object to any transfer b) the legal basis of the transfer prior to exit and the WRC being enacted/enabled and c) the treatment of in-flight service requests from Shadow Operations.</p>	<p>This process is currently being communicated via MOSL and the Open Water programme as part of WRG and will be resolved prior to the day one switching deadline.</p> <p>MOSL has published a <a href="#">detailed note</a> on day one switching.</p>
<p>One stakeholder requested clarification on the credit support arrangements for month 1 of Market Opening and requests arrangements be put in place to ensure retailers have the</p>	<p>Ofwat has recently published a <a href="#">programme note</a> which covers this issue.</p>

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<p>same obligations to provide credit support in month 1, as is intended for the remainder of the contract period.</p>	
<p>One stakeholder noted that the use of the term “supplier” to describe retailers is used in parts of the WRC (i.e. the Interim Supplier Allocation process) and is often used interchangeably with retailer to describe the provider of retail services. The stakeholder suggested that that the codes could more consistently refer to “retailer” rather than “supplier” to prevent potential confusing among customers about the services that the retailer will be providing.</p>	<p>We believe the code documents are sufficiently clear for market opening. However, if companies wish to submit code change proposals they can do so via the code change process.</p>
<p>One stakeholder thought there needed to be a responsibility on all market participants to communicate effectively the different roles of wholesalers and retailers to customers, and to explain what aspects of service are open to competition.</p>	<p>We agree that effective communication to customers is important given the move to retail market competition. The Open Water programme is seeking to improve customer awareness of the market, but market participants have obligations that they must fulfil driven not only by the codes but by wider statute. . For example, regulation 27 of the Water and Sewerage Undertakers (Exit from Non-household Retail Market) Regulations 2016.</p>
<p>One participant wanted a single searchable PDF version of the codes</p>	<p>To ensure consistency with the development of the codes they have been left in the structure market participants recognise from the Open Water Programme with the headings updated to reflect the Ofwat re-structuring of the codes into a single form of Wholesale Contract. However, making the codes more user friendly could be something considered in the future possibly by using web versions for example.</p>
<p>One stakeholder commented on credit and the role of parent guarantees. They thought that credit provided by a parent company offering a guarantee is substantially different from unsecured credit. Should a retailer cease to trade a parent company guarantee can be exercised to recover the money owed. They considered that without the guarantee there is no mechanism for recovering this money. Therefore the two options were not</p>	<p>Credit issues were specifically dealt with as part of the consultation on credit arrangements, these issues have been consulted on and our final decisions published.</p>

<p>equivalent and the additional unsecured credit extends the exposure of wholesalers to credit risk.</p> <p>They said that this means that for retailers for whom this option applies less than 40% of their debts are covered by a credit mechanism and therefore wholesalers are at risk for over 60% of the debt.</p>	
<p>One stakeholder noted that in the Ofwat policy on credit terms it states that "that retailers in default with one wholesaler will be in default with all wholesalers who they have entered into a contract with" - We do not think the codes as written are clear on this point. Part E should be updated to reflect the Ofwat policy document and record (in para 10.1) that if a retailer defaults with one wholesaler, it defaults with all.</p> <p>The following drafting was suggested:</p> <p>Clause 11.5.1: We suggest that this is changed to put an obligation on the Contracting Wholesaler to report the fact of the Contracting Retailer becoming a Defaulting Trading Party to the Authority and the Market Operator, instead of it being optional.</p> <p>Clause 11.5.2: We suggest that this is changed to put an obligation on the Contracting Retailer to report the fact that it considers a Contracting Wholesaler is in breach of the Wholesale Contract for Wholesale Services, instead of it being optional.</p> <p>Clause 11.5.3: We suggest that a new clause (11.5.3) is created that explains that when the Market Operator has received a notice from a Contracting Wholesaler that a Contracting Retailer has been declared a Defaulting Trading Party, or has received a notice from a Contracting Retailer that it considers that a Contracting Wholesaler is in breach of the Wholesale Contract for Wholesale Services, then the Market Operator is obliged to inform all Trading Parties of this notice, together with the reasons given in the notice.</p>	<p>We agree with the respondent that the drafting regarding cross-default and notification of default to the Authority, the MO and other parties could be clearer in expressing our stated policy.</p> <p>We have amended clause 10.1 and 11.5 to deal with the concerns raised. In relation to the proposed suggestion in 11.5.3 we note that the Business Terms do not tend to contain obligations on the Market Operator as these tend to sit in the Market Terms, CSDs and the Market Arrangements Code and require processes to be set up to make such notifications.</p> <p>For the purposes of market opening we have inserted a new 11.5.3 to make clear that the Contracting Wholesaler and Contracting Retailer agree to the disclosure by the Market Operator of the relevant reports to other Trading Parties. Should parties want this to be a direct obligation on the Market Operator, they could raise a change proposal to be considered by the enduring Panel after market opening.</p> <p>As our credit policy was consulted upon and decisions issued we consider the drafting change to be a consequence of this policy and does not raise new policy matters.</p>

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<p>One stakeholder noticed that the codes state "The guarantee will be provided by a Guarantor that satisfies the "Minimum Credit Rating" criteria at all times; "and that they do not have a credit rating which acted as a barrier to entry for this credit terms process. This concern was also highlighted in their response on the credit terms consultation to Ofwat and they thought the requirement should be a 'credit threshold' and the policy and code updated accordingly.</p>	<p>All responses to the credit terms consultation were considered and given the issues/risks highlighted Ofwat published its final position.</p>
<p>One stakeholder felt that the Wholesale Contract Schedule 1 Part 2: Business Terms Part E Default and Termination time periods associated with a retailer going into default are very tight and the implications are extremely severe whereby a retailer would be in default with all wholesalers in the market and in effect excluded from the market. They requested some further clarification on the controls that would ensure retailers are not unduly impacted in such a way.</p>	<p>Ofwat has reviewed the time periods and we do not consider these to be unreasonable. If market participants have identified a hair trigger termination event they can raise a code modification through the relevant process in the MAC. Ofwat has deleted one of the termination events following our review. See section 6 below</p>
<p>One stakeholder noted that during the workshop process to agree the Credit Terms change proposal submitted to the ICP, it was discussed and a common position found that retailers could use investment grade Parent Company Guarantees to access unsecured credit. This was confirmed in the Ofwat decision document "Credit terms between wholesalers and retailers in the new retail market" However, there is no explicit reference to this in the current draft Wholesale Retail Codes. They considered that this was an omission from the WRC which could delay Market Opening while negotiations were held between wholesalers and retailers.</p>	<p>We agree that retailers will be able to use the investment grade credit rating of a Parent to access unsecured credit and agree this reflects our published policy. We have included drafting in Schedule 2E to the Business Terms to deal with the concern raised by the respondent. References to the Contracting Retailer holding a Current Credit Rating now also include the parent company of a Contracting Retailer.</p>
<p>One stakeholder noted that Clause 2.1 of the Wholesale Contract indicates it cannot be enacted prior to Market Opening. Signing times should be mindful of this and clarity from Ofwat as part of its programme note would be useful.</p>	<p>Ofwat has clarified this as requested as part of its <a href="#">programme note</a>.</p>
<p>One stakeholder suggested that it would be a good idea to review SLAs periodically to assure they are still relevant.</p>	<p>We agree that a periodic review of the SLAs may be beneficial, but we are not proposing a timeframe at this stage.</p>
<p>One stakeholder highlighted that the reference to the GSS regulations was incorrect. Schedule 3 should be Schedule 5.</p>	<p>We will amend to reflect the correct reference.</p>

<p>“This process sets out the operational requirements to be followed by the Contracting Wholesaler and the Contracting Retailer in the event of it receiving a complaint under Regulation 7 from either the Contracting Retailer or the Non-Household Customer, including payments of amounts under the GSS Regulations in accordance with both Section 2.4 and Schedule 3 of the Business Terms.”</p>	
<p>One stakeholder highlighted some typographical errors in section 4.8 of the contract.</p> <p>"These appear to be drafting matters rather than points of substantive policy. We have suggested minor drafting amendments to Section 4.8 below that would address this concern.</p> <p>4.8.2 Where:</p> <p>(a) different services are provided in relation to the same Eligible Premises by different Service Providers;</p> <p>(b) one of those Service Providers obtains a meter reading from a meter used in determining the amount of charges applied in relation to the Eligible Premises; <b>and</b></p> <p>(c) the charges of the Contracting Wholesaler and/or the Contracting Retailer (not being the Service Provider) (the "Relevant Party") are fixed by reference to any matter to which the reading is relevant; <b>and</b></p> <p><b>(d)</b> then the Relevant Party agrees that where:"</p>	<p>We have amended to correct the automatic numbering problem.</p>
<p>One stakeholder suggested that further clarity could be provided by amending the drafting in the codes in relation to requiring credit support to be provided 10 days before a retailer wishes to start receiving wholesale services.</p> <p>It was felt that if credit support is not provided in due time, the Wholesaler would notify the Regulator and Market Operator that there would be a delay before the Retailer was able to start receiving wholesale services, in an analogous way to if the contract was being terminated under Clause 11.2.2.</p>	<p>Ofwat has clarified this as requested as part of its <a href="#">programme note</a> for the period up to Market Opening and the position on credit terms has been published as part of our <a href="#">credit consultation</a></p>
<p>One stakeholder commented that given the new WRC/MAC structure that if the Code is applied rigidly and contractually, we envisage situations whereby both wholesaler and retailer wish to agree a particular protocol which differs from the code, which could be in the best interests of customers, but applying the code rigidly would negate this benefit.</p>	<p>The Water Act 2014 envisaged a regulatory framework for regulated rather than negotiated access to the supply and sewerage systems of undertakers. We consider that the</p>

<p>Some flexibility around the codes will benefit the market. They considered that the Wholesale Contract and associated code should serve as a model, default contract and, provided any deviations are agreed using a suitable process, it should provide customers with the best possible service without contravening the principles of a level playing field.</p>	<p>structure of the WRC as a statutory code meets this objective.</p> <p>Owat introduced a derogations process to provide some flexibility for wholesalers and retailers where specific criteria are met.</p>
<p>One stakeholder suggested that, in the recitals of the Wholesale Contract, rather than defining "the Act" we should either add the Water Industry Act 1991 to Schedule 1 : Part 1 : Objectives, Principles and Definitions and define as "the Act" in this document. Or, always refer to the Water Industry Act 1991 as per the WRC.</p>	<p>We agree that we should be consistent with the statutory references and so have referred to the "Water Industry Act 1991" in the Wholesale Contract. We consider this to be a housekeeping amendment.</p>
<p>One stakeholder requested clarity on the assignment provisions of the Wholesale Contract as they appeared to require different credit arrangements if there was an assignment of a sewerage contract and a water supply contract.</p>	<p>We agree with the respondent that the requirements should be the same regardless of whether there is an assignment of a water or sewerage arrangement. We have amended the cross referencing to ensure consistency. We consider this to be a housekeeping amendment, consequential on changes made to the Wholesale Contract following our conclusions on credit support arrangements.</p>
<p>One stakeholder proposed that Clause 12.3 of the wholesale contract should cross refer to Clauses 2.2 and 6 in relation to termination of a wholesale contract.</p>	<p>We agree that this cross reference would provide further clarity to the drafting and so have made this change. We consider this to be a housekeeping amendment.</p>
<p>One stakeholder proposed that Clause s13.2 and 13.3.3 of the Wholesale Contract could be clarified further the inclusion of all of the eligible credit support and alternative credit support options rather than just some.</p>	<p>We agree that this change is consistent with our credit support policy and so have made the change suggested so that all forms of credit support are listed. We consider this to be a housekeeping amendment.</p>
<p>One stakeholder proposed that Clause 14.1 could be clarified by referring to termination of "the Wholesale Contract" rather than termination more broadly.</p>	<p>We agree that this change could aid clarity and so have made this amendment in the published version. We consider this to be a housekeeping amendment.</p>

One stakeholder requested clarity on the statement in Sections 4 of Schedules 2 and 3 regarding, "serving notices". They suggested replacing the "serving process" with "the purpose of serving legal documents and formal legal notices."

We agree with this suggestion and have made this amendment in the published version. We consider this to be a housekeeping amendment.

## 5. WRC definitions

Section	Change made	Reason for change
Table of abbreviations	We have added the following abbreviations: AE - Accredited Entity; DIA - Drainage Impact Assessment (?); MO - Market Operator; NHH - Non-Household; PD - Permanent Disconnection; RA - Relevant Authority; TD - Temporary Disconnection; TDC - Trading Disputes Committee; TE - Trade Effluent	The list of abbreviations was incomplete and so we have been updated to include all abbreviations.  We consider this housekeeping as these abbreviations are used and defined elsewhere in the document.
“Acquiring Licensee”	We have amended: the definition to add the text “the meaning in the Exit Regulations”.	The definition in the draft WRC was drafted before the Exit Regulations were finalised. We consider it appropriate and consistent with the context to define this term by reference to the relevant legislation.
“Area”	We have amended the wording from: “any area for which an Appointment is held” to “any area specified in an Appointment as the area in respect of which that Appointment is held”.	We consider that the revised wording clarifies this definition with regards to the particular area of an appointee. We consider this to be a housekeeping amendment.
“Assessed”	We have amended: the defined term from “assessed” to “assessment”.	To be consistent with the text of the definition itself. We consider this to be a housekeeping amendment.
“Balances”	We have amended: the cross reference in the definition to refer more generically to “Section 9.3”.	The Unplanned Reconciliation Balances and Re-stated Reconciliation Balances are not described in Section 9.3.7 of the Business Terms but more broadly in section 9.3. We consider this to be a housekeeping amendment.
“Board Director”	We have amended: the definition to add “in respect of the Trading Party “at the end.	We felt further clarity could be added as to whether the person of equivalent authority has to have that status vis-

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		à-vis the Trading Party. We consider this to be a housekeeping amendment.
“Cancellation Request”	We have amended: the definition to remove the word “submitted”.	The obligation to submit is included within the relevant term and therefore is unnecessarily included in the defined term. We consider this to be a housekeeping amendment.
“Cash Security Account”	We have amended part of the definition to read as follows: “as the account which holds or into which all or a proportion of”.	Housekeeping change to aid clarity.
“Cessation of Trading Conditions”	We have amended the numbering: So that it starts from (i).	Housekeeping change to aid clarity.
“Change Proposal”	We have amended the definition: so that the words “other than a Charging Change Proposal” are in brackets.	Parenthesis added to clarify the intent of the remaining text. We consider this to be a housekeeping amendment.
“Charge Adjustment”	We have amended the statutory reference: from “Water Industry (Financial Assistance) Act 2012” to “Water Industry Act 1991”.	This is a housekeeping change to reflect correct statutory reference. There is no section 154A of the Water Industry (Financial Assistance) Act 2012. Section 154A is in the Water Industry Act 1991 (having been inserted by section 1 of the 2012 Act). We consider this to be a housekeeping amendment.
“Code Subsidiary Documents”	We have added the following wording: “...as set out in Schedule 1 Part 5 of the Wholesale Contract, such duties including processing and data responsibilities”.	Consequential change from the restructuring of the WRC as consulted upon. See <a href="#">section 1</a> above. We consider this to be a housekeeping amendment.
“Confirmation Notice”	We have added the following wording: “Incoming” before “Retailer”.	The reference to the “Retailer” should be to the “Incoming Retailer” to ensure it is consistent with CSD0102 section 2.2.10. We consider this to be a housekeeping amendment.

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"Corrective Settlement Run"	We have capitalise "Settlement Run".	The term "Settlement Run" was not capitalised but is a defined term. We consider this to be a housekeeping amendment.
"Data Transaction"	We have amended the definition to read as follows: "each of the data transactions listed and numbered in CSD 0301 (Data Catalogue)".	The term 'Data Catalogue' is not a defined term Data Catalogue is simply the title of CSD0301 which needs to be referred to. We consider this to be a housekeeping amendment.
"Designated Date"	We have amended the cross reference from "4.3.9(i)" to "4.3.9".	The reference to Section 4.3.9(i) of the Business Terms appears to relate to the broader subject matter of Section 4.3.9. Subsection (i) does not relate to the Designated Date.
"Eligible Exit Area Customer"	We have amended the definition to read as follows: "the owner or occupier of Eligible Premises in an Exit Area".	As Exit Area is already define the additional reference to "retail" is not required. We consider this to be a housekeeping amendment.
"Emergency"	We have replaced: "Civil Contingency Act 2004" with "and/or section 1 of the Civil Contingencies Act 2004".	We have corrected the text to a specific statutory reference. We consider this to be a housekeeping amendment.
"Excess Eligible Credit Support Amount"	We have added the word "upon" after word "called" in third line.	Housekeeping change for clarity.
"Exit Area"	We have added ".in accordance with the Exit Regulations" after the existing drafting.	There is no reference to Exit Regulations which we believe should be present in this context. We consider this to be a housekeeping amendment.
"Go Active Date"	We have deleted this defined term and references to Go Active Date throughout documents.	The defined term is superfluous given the decisions made on transitional arrangements for the WRC.
"Guarantor"	We have added the word "entity" after "the".	We consider this to be a housekeeping amendment.
"Inaccurate Settlement"	We have amended the following: Replace "Section 5.1" with "Section 5".	As Section 5 of the Market Terms deals with inaccurate settlement processes, refer to "Section 5".

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"Industry Level Estimate Table"	We have added a reference to CSD 0207 where some relevant capitalised terms ("Estimated Annual Volume" and "Chargeable Meter Size") are defined.	We consider this to be a housekeeping amendment.
"Insolvency Event"	We have removed the reference to a figure which would vary the figure already set out in statute.	There were square brackets in this defined term to reflect a debt below which there would not be insolvency consequences. No respondents made representations about this figure in our consultation. Therefore we have presumed that participants are happy with the levels set out in statute. If parties consider that alternative figure should be inserted they could raise this through the enduring change processes set out in the MAC.
"Law"	We have replaced the full stop with a semicolon at the end of the definition.	We consider this to be a housekeeping amendment.
"MA Code Dispute"	We have added the word "or" between (i) and (ii).	We consider this to be a housekeeping amendment.
"Market Arrangements Code"	We have added "pursuant to Condition R3 of the Instrument of Appointment and/or the Standard Conditions of Water Supply and Sewerage Licences".	We have made sure the definition is linked to the relevant IoA and WSSL conditions. We consider this to be a housekeeping amendment.
"Market Operator"	We have added "and appointed for this purpose pursuant to section 3.2 of the Market Arrangements Code".	There is no reference in this definition to the Market Operator being appointed pursuant to section 3.2 of the MAC so this has been added. We consider this to be a housekeeping amendment.
"Minimum Credit Rating"	We have confirmed these ratings as set out in square brackets and removed the square brackets.	These rates were decided upon following the credit consultation and are as follows: a minimum credit rating, applicable to an entity which holds such a rating for its long-term unsecured and non-credit-enhanced debt obligations of BBB- or higher from S&P or Fitch or Baa3 or higher by Moody's. We consider this to be a housekeeping amendment.
"Outstanding Debt"	We have replaced the second "(i)" with "(ii)".	We consider this to be a housekeeping amendment.

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"Part"	We have amended the definition as follows: "Part" means - " one of the six (6) numbered parts of Schedule 1 to the Wholesale Contract which are listed in the contents pages of the Wholesale Contract;	Consequential change from the restructuring of the WRC as consulted upon. See <a href="#">section 1</a> above.
"Post-Payment"	We have replaced "Section 9.2.3" with "Section 9.2.1 and 9.2.3".	The defined term is established by section 9.2.1 of the Business Terms, read with section 9.2.3, and not by section 9.2.3 alone. We consider this to be a housekeeping amendment.
"Pre-Loaded Read"	We have deleted "Go Active Date" and this has been replaced with Go Live Date.	Refers to the term "Go Active Date" which is to be deleted. We consider this to be a housekeeping amendment.
"Pre-Payment"	We have replaced "Section 9.2.2" with "Section 9.2.1 and 9.2.2".	The defined term is established by section 9.2.1 of the Business Terms, read with section 9.2.2, and not by section 9.2.2 alone, We consider this to be a housekeeping amendment.
"Primary Charge(s)"	We have amended this definition to remove the reference to "Special Agreements Register" and replaced with "...by each Contracting Wholesaler as part of their Wholesale Tariff Document"	This is a consequence of our removal of the definition of Special Agreements Register detailed below.
"Principles"	We have amended the definition to read as follows: "the meaning given in the Objectives and Principles section of this Part 1 of Schedule 1 to the Wholesale Contract".	Consequential change from the restructuring of the WRC as consulted upon. See <a href="#">section 1</a> above. We consider this to be a housekeeping amendment.
"R1 Monthly Charge"	We have amended this to refer to section 9.2.3.	There is no Section 9.2.4 of the Business Terms this should be section 9.2.3. We consider this to be a housekeeping amendment.
"Rateable Value"	We have amended the definition to read as follows "the rateable value of Eligible Premises served by a particular Supply Point which may be set at an historic or equivalent value".	We consider that premises rather than supply points themselves have rateable values. We consider this to be a housekeeping amendment.

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"Relevant Authority"	We have added "when exercising competent jurisdiction under Law" at the end of the definition.	We consider this to be a housekeeping amendment to aid clarity.
"Retail Authorisation"	We have inserted a space that was missing.	We consider this to be a housekeeping amendment.
"Security and Emergency Measures Direction"	We have capitalised "Emergency".	We consider this to be a housekeeping amendment.
"Sewerage System"	We have amended the formatting so that the definition is over a single row.	We consider this to be a housekeeping amendment.
"Special Agreements Register"	We have deleted the definition of the Special Agreements Register.	This defined term was used incorrectly in the WRC to identify relevant wholesale charges pursuant to a special agreement or to identify a particular special agreement. However, the Special Agreements Register in its current form would not have achieved this. Following the publication of our wholesale charging rules, we now expect wholesale charges for the purposes of special agreements to be included in appointees' wholesale tariff documents. Further particular agreements are more accurately described by their special agreements reference number and this will be how they will be identified on CMOS. Therefore we have amended relevant references to "Special Agreements Register" in the WRC to "Wholesale Tariff Document".
"Surface Water"	We have amended the definition to read as follows: "rain and other water which drains from the surface of buildings (including roof water) or land within the curtilage of premises".	We consider this to be a housekeeping amendment to aid clarity.
"TE Service A"	We have replaced the cross reference with the correct one.	Definitions should refer to Schedule 1B to the Business Terms. We consider this to be a housekeeping change.
"TE Service B"	We have replaced the cross reference with the correct one.	Definitions should refer to Schedule 1B to the Business Terms. We consider this to be a housekeeping change.

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"Trade Effluent"	We have moved all text from "but does not include" to a new line and replaced the comma before "but" with a semicolon" to ensure it is clear which sections this applies to	We consider this to be a housekeeping change.
"Wholesale Charges"	We have amended the definition to read as follows: "the charges which the Contracting Wholesaler applies in accordance with its Wholesale Tariff Document comprising Primary Charges and Non-Primary Charges and any charges in respect of Special Agreements"	This is a consequence of our removal of the definition of Special Agreements Register detailed above and the revised language around charges in respect of a Special Agreement.
"Wholesale Contract"	We have deleted "sets out" from the definition so that the final part reads "and which, in each case, is in the form prescribed by the Wholesale-Retail Code".	Housekeeping and is consequential given the restructuring of the WRC.
"Wholesale Tariff Document"	We have amended the definition to read as follows: "the document published by the Contracting Wholesaler from time to time setting out its current Wholesale Charges together with all Primary Charges calculated in relation to a Special Agreement"	This is a consequence of our removal of the definition of Special Agreements Register detailed above and the revised language around charges in respect of a Special Agreement.

## 6. WRC business terms – drafting changes

Section	Change made	Reason for change
10.1.15	We have deleted revocation of a Scottish licence and used this section to include the cross default policy stated in our credit terms response document. 10.1.15 now relates to the Contracting Retailer being a Defaulting Trading Party under a Wholesale Contract with a wholesaler other than the Contracting Wholesaler.	We note the concerns raised by retailers about events of default. We are also aware that licensees may choose to operate in England and Wales but not Scotland. Therefore we do not consider it appropriate that revocation of a Scottish licence automatically results in the party being a Defaulting Trading Party under a Wholesale Contract in England and Wales. The insertion of new drafting to cover cross-default in England and Wales is as a result of the consultation response outlined in Section 3 above.
5.2.2, 8.1.2, 16.5.1	Consequential amendments were made to these sections following the removal of the definition of Special Agreements Register to refer to the new language around charging in respect of a Special Agreement.	Please see the explanation for the removal of “Special Agreements Register”. This change is as a consequence of that removal.
Schedule 1A 1.1	We have amended “Services” to “Supply”.	The reference is incorrect. The defined term is Water Supply Licence. We consider this to be a housekeeping change.
Schedule 1B 3.1	We have removed the square brackets.	Removed square brackets that were incorrectly inserted. We consider this to be a housekeeping change.
Schedule 1B, App 5, 1	We have amended “contact” to “contract”.	We believe this is supposed to be a “contract” review meeting - We consider this to be a housekeeping change.
Schedule 2A, 4	We have deleted the extra “it” after “Retailer”.	We consider this to be a housekeeping change.

## 7. WRC Operational terms – drafting changes

Section	Change made	Reason for change
“Introduction and summary D”	We have included reference to the service of statutory notices within the matters which a Wholesaler could do directly with a Non-Household Customer.	We feel there is a requirement to allow for situations where a Wholesaler, as an undertaker, requires, or is obliged, to serve a statutory notice. As such, we feel the codes should include reference to Wholesalers’ powers to serve statutory notices upon a Non-Household Customer (in appropriate circumstances).
“Introduction and summary F” Bullet (xii)	We have included reference to “Wholesalers acting in a regulatory capacity under relevant statutory provisions”.	This is to ensure consistency with the regulatory framework. We consider this this reference is appropriate in relation to statutory provisions (Including, but not limited to enforcement of trade effluent and water fittings regulations. We consider this to be a housekeeping change.
“Introduction and summary O”	We have made “Statutory Notice” lower case.	The term ‘Statutory Notice’ is not defined in part 1 of the code and therefore we did not consider it should be upper case. We consider this to be a housekeeping change.
“Introduction and summary P”	We have made “form” upper case.	Form is a defined term within Part 1 of the code and so should be capitalised. We consider this to be a housekeeping change.
Process H6	We have amended “rocess” should be “process”	We consider this to be a housekeeping change.
Across all process diagrams	We have made “month” upper case.	The term month ‘Month’ is a defined term and so should be capitalised. We consider this to be a housekeeping change.

## 8. WRC Market terms – drafting changes

Section	Change made	Reason for change
1.1.3(g)	We have changed “in particular” to “including” after “Authority’s Statutory Functions”.	The Interim Supply Code is within the definition of Law and therefore within the definition of the Authority’s Statutory Functions. This change clarifies that the MO should co-operate with the Authority in relation to all statutory functions including but not limited to the implementation of the Interim Supply Code.
4.5.3(b), 4.12.1	Consequential amendments were made to these sections following the removal of the definition of Special Agreements Register to refer to the new language around charging in respect of a Special Agreement.	Please see the explanation for the removal of “Special Agreements Register”. This change is as a consequence of that removal.

## 9. CSD – drafting changes

Section	Change made	Reason for change
<b>CSD0001</b>		
2.2 (see also 2.3.1(c))	We have replaced "Relevant Authority" with "Authority".	We consider this to be a housekeeping change.
3.4.4(e)(i)	We have inserted "Market" before "Performance Standards".	We consider this to be a housekeeping change to reflect the relevant defined term.
5.3.13	We have capitalised "Market Operator".	We consider this to be a housekeeping change to reflect the relevant defined term.
5.3.43	We have replaced "The Market Operator may not approve" with "The Market Operator may decide not to approve".	We consider this to be a housekeeping change.
<b>CSD0002</b>		
6.1.3	We have replaced "has not met any relevant obligation" with "has failed to meet any relevant obligation".	We believe the drafting of this is unclear and could be interpreted that the MO is only required to provide a report if it fails to meet all of its obligations i.e. if it meets a single one it does not have to file a report in respect of all the others that it has failed. This is not what is intended/expected.
7.4	We have deleted 7.4 and renumbered as appropriate.	We consider this to be a housekeeping change to correct numbering.
7.5.1	We have insert a closing inverted comma between the closing square bracket and the closing bracket.	We consider this to be a housekeeping change.
<b>CSD0004</b>		
2.4.3	We have inserted "Subject to any direction by the Authority that the notification be received, before "Any notification".	As drafted it could be interpreted that notifications received after the deadline specified are automatically rejected.

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		<p>Under paragraph 4.4.5 of the Interim Supply Code, the Authority may direct that it not be rejected notwithstanding that it came after the deadline.</p> <p>We have updated this to ensure consistency.</p>
2.4.4	We have amended this provision to read as follows: The Market Operator shall be entitled to take whatever steps it considers reasonable in the circumstances to implement the temporary suspension process.	We consider that this drafting is clearer in indicating that the MO can take the steps it considers reasonable.
<b>CSD0005</b>		
2.1.4, 2.3.5	We have amended the cross reference to include Appendix 2 and Appendix 3.	We consider this to be a housekeeping change to update a cross reference.
<b>CSD0006</b>		
3.1.1	We have capitalised "process".	"Interim Supplier Allocation Process" is a defined term and should be capitalised. We consider this to be a housekeeping change.
3.2.5	We have replaced "43.2.8" with "4.3.2".	We consider this to be a housekeeping change.
<b>CSD0007</b>		
2.1.1	We have deleted "Market Operator" before "Go Live".	We consider this to be a housekeeping change.
4.2.9	We have amended the title of the CSD replacing "requirements" with "specifications".	We consider this to be a housekeeping change.
5.1.1(c)	We have replace "Notifications" with "Notification Processes" in the CSD title.	We consider this to be a housekeeping change.
5.1.7(b)	We have amended the title (but not the number of the relevant CSD).	The title "Creation and update of Wholesaler Tariff Data" is incorrect for the CSD number referred to. The CSD number was correct for the context and therefore the title should be "Settlement Timetable and

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		Reporting”, instead of “Creation and update of Wholesaler Tariff Data”. We consider this to be a housekeeping change.
5.2.4	We have amended the title of the CSD to insert Data before Transactions.	The reference to CSD0401 should be to “Transactional interface for Trading Parties having a high volume of Data Transactions”. We consider this to be a housekeeping change.
<b>CSD0102</b>		
Appendix A.2.1	We have deleted "(iv)" as this is not being used.	Validation check (d)(iv) was blank. We consider this to be a housekeeping change.
<b>CSD0105</b>		
2.4.2(a)(i), 2.4.4(b), 2.5.2(a), 2.5.4(b), 6.2.13(a)	We have deleted "strictly".	We believe it is unclear what the purpose of the word “strictly” is. We consider this to be a housekeeping change.
2.4.3	We have made 2.4.3 part of paragraph 2.4.2.	This is a continuation of 2.4.2 and should not be denoted as 2.4.3. We consider this to be a housekeeping change.
5.1.14	We have inserted "The" at start of paragraph.	We consider this to be a housekeeping change.
5.1.19	We have replaced "Applicant" with "Occupancy Applicant".	“Applicant” and “Occupancy Applicant” are both defined terms with different meanings and purposes, we believe the incorrect defined term had been used. We consider this to be a housekeeping change.
<b>CSD0201</b>		
Definition of "Settlement Timetable"	We have inserted "of this CSD" after "Section 2.1.1".	The reference to Section 2.1.1 should clarify that it is to Section 2.1.1 “of this CSD”. This avoids confusion and follows the precedent set in other CSD standalone definitions. We consider this to be a housekeeping change.

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2.2.1, Appendices A.4(g) (p.27), B.5.1(i) (p.31), B.7.1(h) (p.34), B.11.1(h) (p.40)	We have replace "Submission and Validation of Wholesaler Tariff Data" with "Creation and update of Wholesaler Tariff Data".	We consider this to be a housekeeping change to reflect the correct CSD title.
<b>CSD0206</b>		
1.2.2	We have replaced "Submission and Validation of Wholesaler Tariff Data" with "Creation and update of Wholesaler Tariff Data".	We consider this to be a housekeeping change to reflect the correct CSD title.
<b>CSD0207</b>		
Appendix C.1	We have inserted "sterling" after "pounds".	We consider this to be a housekeeping change.
<b>CSD0302</b>		
6.4.2, 7.4.2	We have replaced "Go Live" with "the Go Live Date".	The references to "Go Live" should be to "the Go Live Date" as this is a defined term. We consider this to be a housekeeping change.
<b>CSD0400</b>		
1.2.1(d)	We have inserted "with" before "which".	We consider this to be a housekeeping change.
<b>CSD0401</b>		
2.3.11	We have replaced "2.3.8" with "2.3.10".	We consider this to be a housekeeping change to amend an incorrect cross reference.
<b>CSD0402</b>		

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2.3.10	We have replaced "2.3.8" with "2.3.9".	We consider this to be a housekeeping change to amend an incorrect cross reference.
<b>CSD0403</b>		
3.1.1(a)	We have replaced "Settlements" with "Settlement Timetable and Reporting".	We consider this to be a housekeeping change to correct the title of the CSD.

## 10. Wholesale Contract – drafting changes

Section	Change made	Reason for change
5	Consequential amendments were made to this section following the removal of the definition of Special Agreements Register to refer to the new language around charging in respect of a Special Agreement.	Please see the explanation for the removal of “Special Agreements Register”. This change is as a consequence of that removal.
6.2	We have replaced “and only” with “that”.	We consider this to be a housekeeping change to aid clarity.
12.1	We have replaced reference to Clause 6 with reference to Clause 4.	We consider this to be a housekeeping change to correct an inaccurate cross reference.
13.2	We have deleted a superfluous “the”.	We consider this to be a housekeeping amendment.

## 11. ICP final changes to codes before Market Opening

Modification Reference	Change made	Reason for change
WRC051 – CSD 0002	<p>We have amended the following:</p> <p>In CSD 0002 in the MPS table in row MPS 1C we have removed the following text “; or the Designated Date in the event that the Supply Point has been allocated as an Interim Duty Supply Point” and updated section MPS 7A/B/C adding the following “Add the text: “For Supply Points allocated under an Interim Supply Allocation Process these charges shall apply unless the Market Operator is informed of an alternative timetable by the Retailer. Where this is not the case, this charge applies i.e.: T105.R is not received by the Market Operator by the agreed dates”.</p>	<p>Updates are required to ensure that charges contained within CSD 0002 are applied fairly to all Trading Parties when they are non-compliant with the standards in the WRC.</p>
WRC053 - CSD 0301 drafting	<p>We have amended the following:</p> <p>In CSD 0301 Section 3.2:</p> <ul style="list-style-type: none"> <li>• For Pairing Reference Reason Code (D2086) - add the reason code ‘OTHERSPID’.</li> <li>• Add in the description column ‘Other Service Category is provided at the eligible premises and a SPID reference is provided in D2091.’</li> </ul>	<p>To rectify and clarify two issues relating to cases where a single SPID is registered to an eligible premises and the other Supply Point becomes eligible to be part of the market or a New Supply Point is created.</p>

<p>WRC055- CSD 0201 and CSD 0206, CSD0301 drafting (for CSD 0201 and 0301 drafting see section 12)</p>	<p>We have amended the following:</p> <p><b>CSD 0206</b></p> <p>2.2.8 amended to: “(c) SUBTRACT – the Volume of Foul Sewerage is reduced by the Volume of Trade Effluent.”</p> <p>2.2.10 amended to: “The “SUBTRACT” option to reduce Volume of Foul Sewerage Services may be used either where (a) the Trade Effluent Volumes are measured by a Private Trade Effluent Meter, and this is the only case where Foul Sewerage Service are calculated with respect to a Private Trade Effluent Meter or (b) the Trade Effluent Volumes are notified by a Calculated Discharge.”</p> <p>2.2.11 amended to: “The adjustment to Volume of Foul Services is made in settlement by applying a negative adjustment to the Volume with the adjustment being clearly labelled as relating to the Volume of Trade Effluent which is being subtracted.”</p> <p>2.2.12 amended to: “The “SUBTRACT” option is not applicable where Volumes of Trade Effluent are measured using any meter which is not a Private Trade Effluent Meter. Where metered Trade Effluent Volumes need to be subtracted from sewerage Volumes and the Trade Effluent Volumes are measured using a Potable Water Meter, a Non-Potable Water Meter or a Private Water Meter, the Sewerage Wholesaler shall notify details of the relevant Meter Network in accordance with section 2.2.39”</p> <p>Update 2.2.36 to the following “2.2.37 The T168.W will notify both the presence of the Calculated Discharge, the Effective From Date of the Calculated Discharge, the type of the Calculated Discharge, a unique name for the Calculated Discharge, a Yearly Volume Estimate of the Volume Discharged and the frequency</p>	<p>These changes will negate the need for Retailers to frequently update their systems. It is also required to maintain existing level of accuracy as in current company settlement calculations, as well as improve the calculation options available.</p> <p>This will maintain the existing levels of service to the Customer and also result in a reduction of data transactions between CMOS and Trading Parties.</p>
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	<p>for which Volumes for the Calculated Discharge should be submitted. The frequency should be either monthly, six-monthly or never.</p> <p>Added Section 2.7.1 and a cross reference to section 2.7.5 in section 2.3.5 has been updated.</p> <p>2.7.1 The obligations in this section for Retailers to notify Calculated Discharge Volumes only apply to Calculated Discharges with an update frequency of either monthly or six-monthly.</p> <p>If the Sewerage Retailer attempts to notify the Discharge Volume using the Data Transaction T125.R (Submit Calculated Discharge Volumes) for a Calculated Discharge for which the Wholesaler has set the Submission Frequency (D6025) to Never, then the Market Operator shall notify its rejection of the update with the Data Transaction T109.M (Accept or Reject) Transaction.</p> <p>We have removed 2.7.2 "Retailers should notify Calculated Discharge Volumes either every month or at least once in every six (6) months, or not at all, in accordance with the frequency notified to them in the T168.M (Notify Calculated Discharge Details)."</p>	
<p>WRC059 – CSD 0206 drafting</p>	<p>We have amended the following:</p> <p>Amend Section 2.5.6 of CSD 0206 to require a new DPID to be created in case of a termination followed by reactivation of the Discharge Point.</p>	<p>This change introduces enhancements to the Settlement Calculation following User Acceptance Testing (UAT).</p>

	Additionally, amend the validation rule for transaction T121.W to reject the transaction if the DPID is not unique.	
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## 12. ICP changes outstanding due to clarification issues

Modification Reference	Change to be made	Reason for clarification being required
WRC053 - CSD 0301 and CSD 0101 drafting	<p>On CSD 0101 Section 2.2.3 add the following to Notes section amend the text to:</p> <p>if the other SPID is provided and a valid pairing reference is provided and these two identify different SPIDs then the transaction will be rejected.</p> <p>If the pairing reference reason code is provided as NOSPID and a value for the other SPID is provided the transaction will be rejected’.</p>	It is unclear where the amendment to CSD 0101 should be made as there currently is no Notes section in section 2.2.3.
WRC055- CSD 0201 and CSD 0206, CSD0301 drafting	<p>Amendment to be made to the following:</p> <p>CSD0201 - Update the Frequency of updating the Fixed Trade Effluent Volume to read as follows “The proposed change is an additional option to frequency of ‘never’. The Wholesaler will input Yearly Volume Estimate (YVE) and where the Wholesaler agrees this volume does not need to be updated monthly or bi annually, the “never” option could be applied. This would result in a reduction of data transactions between CMOS and Trading Parties and would negate the need for Retailers to update their systems, monthly or bi-annually”.</p> <p>CSD0301 we have removed “Whilst transaction codes T125.R, T125.M and T168.W, T168M are referenced in the extracts of</p>	<p>It is unclear where the amendment to CSD 0201 should be made.</p> <p>It is unclear where the amendment to CSD 0301 should be made.</p>

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	CSD 0206, there is only one specific data item impacted - D6025 as part of T126.R.” and added “The entry in Section 3.2 for Data Item D6025 currently shows:”	
WRC059 – CSD 0206 drafting	<p>Add section 2.2.33 to CSD 0206 to state:</p> <p>“Where a Meter Network is present and a Main Meter’s net Volume is used to calculate Trade Effluent Volumes, only the Main Meter should be associated with the Discharge Point. In cases where a Sub Meter’s Volumes are used to calculate Trade Effluent Volumes, only the Sub Meter should be associated with the Discharge Point.”</p> <p>Add an error code “DPID must be unique” to section 3.3 of the CSD 0301. (to be created once approved for implementation).</p> <p>Add the term “(1- isNullTariff(Td))” to equations in sections A.7.7 and A.7.8 of CSD 0207.</p> <p>Add section C.4.10 to CSD 0207 to state the following:          “If a Sewerage volume is reduced by the Trade Effluent volume, i.e. the Sewerage Volume Adjustment Method SVAMT for the Trade Effluent DPID T has the value ‘SUBTRACT’, then the only meters associated with the Discharge Point can be Private Trade Effluent Meters, otherwise a user exception will be generated”.</p>	<p>It is unclear where the amendment to CSD 0206, section 2.2.33 should be made.</p> <p>It is unclear what code was designated to the error code table for “DPID must be unique”.</p>
WRC062 – CSD 0301 drafting	<p>Amendment to be made to the following:</p> <p>CSD 0301 Section 3.3 - The table needs to be updated replacing published on “3 October” to “15 November”</p>	There is no date to update.

