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## Wholesale Retail Code Change Proposal – CPW040

<b>Modification proposal</b>	Wholesale Retail Code Change Proposal CPW040 – Changes to the content of the NAPS report
<b>Decision</b>	The Authority has decided to approve this change proposal
<b>Publication date</b>	11 September 2018
<b>Implementation date</b>	17 May 2019

### Background

Each Supply Point (SPID) within the Central Market Operating System (CMOS) is allocated a SPID Status, either “New”, “Rejected”, “Partial”, “Tradable” or “Deregistered”. This status defines the activities and transactions that can be undertaken under that SPID. When a SPID becomes Tradable this is the point at which it can be charged for or switched to another retailer. Trading Parties must complete specified activities to ensure the relevant SPID has a Tradable status.

The New and Partial SPIDs (NAPS) Report, outlined in CSD 0302 (Standing Reports and Data Extracts), provides a list of SPIDs with a New, Partial or Rejected status. The Market Operator (MOSL) issues the NAPS report to Trading Parties each Business Day. It is intended that Trading Parties are able to use the data within the NAPS report to investigate the relevant SPIDs with the aim of identifying what actions are necessary to make them Tradable.

### The issue

The Final Report highlights that the number of SPIDs appearing on the NAPS report has increased incrementally since they were first initiated. The data included within the NAPS report provides a basis for Trading Parties to begin investigations. However, for them to understand why each SPID is New or Partial, further details are required. These further details can only be found by investigating the individual SPID within CMOS.

It is suggested within the Final Report that the increase in the number of SPIDs included within the NAPS report is due to the time consuming nature of the investigative tasks required to identify the actions necessary to make each SPID Tradable. There are a number of key data items which, if included within the NAPS report, would assist Trading Parties in more easily identifying the required actions to make the relevant SPIDs Tradable and would allow profiling across all SPIDs on the report.

Having SPIDs which do not have a Tradable status impacts Non-Household Customers as these SPIDs must be made Tradable before the customer is able to switch their retailer. In addition, a SPID is not included in settlement until it becomes Tradable therefore, SPIDs with a New and Partial status could potentially cause cashflow issues for Trading Parties.

## **The modification proposal<sup>1</sup>**

It is proposed that CSD0302 is amended so that the NAPS report will include the following data items:

1. The T102.M notification date and time;
2. The T103.R submission date and time;
3. Occupancy Status (D2015);
4. Submission date & time of the T112.R/TCORR112.R (Update Occupancy Status);
5. Effective From Date used in the T112.R/TCORR112.R (D4006);
6. Customer name (D2027);
7. Customer Banner Name (D2050);
8. Submission date & time of the T132.R (Submit Core Customer Data);
9. Effective From Date used in the T132.R (D4006);
10. The T139.W (Submit Water Services SPID Service Components) submission date and time;
11. The T140.W (Submit Sewerage Services SPID Service Components) submission date and time;
12. Metered service component present;
13. The T104.W (Submit Meter Details) submission date and time;
14. Meter install date (D3042 – the meter read date for the initial meter read used in the T104.W);
15. The T121.W (Submit DPID) submission date and time;
16. The DPID effective from date (the Effective From Date used in the T121.W);

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<sup>1</sup> The proposal and accompanying documentation is available on the MOSL website at <https://www.mosl.co.uk/market-codes/change#scroll-track-a-change>

17. The T107.W (Submit Notification of Connection Complete) submission date and time; and
18. New connection type (D2023)

The Final Report also proposes a number of small changes are made to the descriptions of data items in section 3.6 of CSD0302. These changes add further clarification on the data to be included but do not change the content.

## **Industry consultation and assessment**

The Panel issued a Request for Information on 27 July 2018, this closed on 7 August 2018. There were 14 respondents, nine wholesalers and five retailers.

All respondents agreed with the proposed solution and considered that it better facilitates the Principles and Objectives of the Wholesale Retail Code. One wholesaler believed that the proposed changes within the NAPS report will create efficiency and effectiveness to ensure that the necessary work is carried out to make SPIDs Tradable. One retailer stated that it does not use the report at present, but it welcomes any changes that would improve the information it provides and allows the report to be used for its intended purpose. Another wholesaler felt that including the additional data items will make it easier to resolve the issues with SPIDs in the NAPS report.

The majority of respondents agreed that there would be zero, or minimal, implementation and ongoing operational costs. Most respondents also considered that there would be no impact on their existing systems or business processes although two respondents highlighted that they would need to update their systems to accommodate the change.

The question within the Request for Information which elicited the most mixed response was with regard to the implementation date. Whilst the majority of respondents agreed with the proposed implementation date of 17 May 2019, six (four retailers and two wholesalers) disagreed. These respondents suggested that the implementation date should be much sooner. One respondent who agreed with the implementation date welcomed assistance or workarounds from MOSL to deal with SPIDs featured within the NAPS report whilst awaiting implementation of this proposal. A retailer highlighted that the proposed implementation date is in line with the upgrade of CMOS to Release 6.0. Although the Final Report does not provide the Panel's reply to the request by some Trading Parties that the implementation date be brought forward, we note that the Panel has recommended the implementation date should be 17 May 2019.

## **Panel recommendation**

The Panel considered this change proposal at its meeting on 28 August 2018. It recommended, by a unanimous decision, that the Authority approve this proposal on the basis of improving the principles of efficiency, transparency, barriers to entry and customer participation. The recommended date of implementation is 17 May 2019.

## **Our decision**

We have considered the issues raised by the modification proposal and the supporting documentation provided in the Panel's Final Report. We have concluded that the implementation of CPW040 will better facilitate the principles and objectives of the Wholesale Retail Code detailed in Schedule 1 Part 1 Objectives, Principles and Definitions and is consistent with our statutory duties.

We note that implementation of this proposal is dictated to a large extent by the scheduled full releases of CMOS. We would urge trading parties, MOSL and the Panel to consider ways to allow code modifications to be implemented sooner where there is clear benefit to the market.

## **Reasons for our decision**

We set out below our views on which of the applicable Code principles are better facilitated by the modification proposal.

### **Efficiency**

Inclusion of additional data items within the NAPS report will further the principle of efficiency as Trading Parties will be able to more efficiently identify why a SPID or a group of SPIDs have a New or Partial status.

### **Transparency**

We consider that the proposed change furthers the principle of transparency. This is because Trading Parties will be provided with the necessary information, in an accessible format, to assist in identifying whether a SPID is Tradable and what steps are required if it is not.

### **Simplicity, cost-effectiveness and security**

The proposed change furthers the principle of simplicity and cost-effectiveness as the addition of data items which assist in identifying why a SPID does not have a Tradable status will simplify the process of identifying the underlying issue. In addition, the benefits of this modification appear to outweigh the cost of implementation.

### **Customer participation**

By making it easier to identify why a SPID is not Tradable, this should hopefully reduce the time taken for Trading Parties to remedy the issues with the relevant SPID. This will in turn assist with enabling customers to switch their retailer.

### **Decision notice**

In accordance with paragraph 7.2.8 of the Market Arrangements Code, Ofwat approves this change proposal.

**Emma Kelso**  
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