

A history of market opening in Scotland

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Introduction

This document presents a chronological history of the creation of the non-household competitive market for water and sewerage services in Scotland.

It comprises a timeline of the key events and decisions leading up to the market's opening in April 2008, and then forward to the present day.

Many of the entries include a reference to the relevant document that was produced by the Commission and others at the time. These documents are available on the CD ROM that is provided at the back of this history.

We hope that this history will be a useful resource for those who want to understand how the market opening project developed over time, and how the market has changed and adapted since its opening.

A history of market opening in Scotland

2000

15 Jun	<ul style="list-style-type: none"> Scottish Executive publishes consultation: 'Managing Change in the Water Industry'. Consultation on updating the legislative framework for regulating the Scottish water industry to take account of increasing competition and of other challenges facing the industry. These include the need to increase substantially investment in the water and sewerage networks while ensuring that charges remain affordable. 	Consultation Paper
8 Sept	<ul style="list-style-type: none"> Water Industry Commissioner for Scotland (the Commissioner) publishes his response to 'Managing Change in the Water Industry'. Comments that competition has the potential to bring significant benefits to customers over the longer term, and to build on the benefits brought by customer service and economic regulation. Suggests that in the short to medium term, comparative competition within the Scottish water industry will provide the impetus for improvements in efficiency and customer service. The introduction of real and fair competition would provide further pressure and potential rewards, thus leading to better value for money for all customers. 	Commissioner's response

2001

June	<ul style="list-style-type: none"> Scottish Executive publishes consultation: 'Water Services Bill - The Executive's Proposals'. Two main objectives of the Bill: to ensure competition works in the interests of all customers and does not undermine arrangements to protect public health, the environment and the Executive's social objectives; and to foster a sustainable public sector industry, which is able to compete on equal terms with other suppliers and which customers actually choose to use. 	The Executive's Proposals
Sept	<ul style="list-style-type: none"> Scottish Executive introduces the Water Industry (Scotland) Bill in the Scottish Parliament. 	
15 Oct	<ul style="list-style-type: none"> Commissioner publishes the Strategic Review of Charges for 2002-06. 	SRC 2002-2006

2002

1 Mar	<ul style="list-style-type: none"> Water Industry (Scotland) Act 2002 (the 2002 Act) receives Royal Assent. 	
1 Apr	<ul style="list-style-type: none"> Scottish Water replaces the three existing Scottish water authorities. 	
May	<ul style="list-style-type: none"> Project by the Commissioner to assess the impact on Scottish domestic customers if competition were to be introduced using either proposals by Defra (common carriage competition for customers of a certain size) or full retail competition (domestic and non-domestic). 	Scope

2003

3 Feb	<ul style="list-style-type: none"> Ross Finnie MSP, Minister for Environment and Rural Development, outlines that the Scottish Executive would introduce legislation to establish a licensing regime to regulate the provision of retail services to non-household customers. 	
13 Oct	<ul style="list-style-type: none"> Scottish Executive publishes consultation: 'Draft Water Services (Scotland) Bill - Consultation on Proposed Provisions'. 	Consultation Paper

2004

11 Jun	<ul style="list-style-type: none"> Scottish Executive introduces the Water Services etc. (Scotland) Bill in the Scottish Parliament. The Bill establishes the Water Industry Commission for Scotland (WICS); creates offences in relation to the unauthorised use of the public water and sewerage systems; provides for licensing the provision of certain water and sewerage services; amends the system for fixing charges for services provided by Scottish Water; and makes provision as to Scottish Water's functions. 	Bill Explanatory Notes Policy Memo
16 Jun	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee meets to discuss the Water Services etc. (Scotland) Bill. Considers (in private) potential witnesses, their relative merits and when the Committee should meet. 	
9 Sep	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee holds its first day of discussions on Stage 1 of the Water Services etc. (Scotland) Bill. 	Day 1
9 Sep	<ul style="list-style-type: none"> Scottish Parliament's Finance Committee holds its first day of discussions on the financial memorandum for the Water Services etc. (Scotland) Bill. Alan Sutherland and Dr. John Simpson from WICS give evidence. Chief executive Dr Jon Hargreaves, finance director Douglas Millican and non-executive board director Ian McMillan also give evidence on behalf of Scottish Water. 	Day 1
14 Sep	<ul style="list-style-type: none"> Scottish Parliament's Finance Committee holds its second day of discussions on the financial memorandum for the Water Services etc. (Scotland) Bill. The Scottish Executive gives evidence. 	Day 2
15 Sep	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee holds its second day of discussions on Stage 1 of the Water Services etc. (Scotland) Bill. The Committee examines the Bill's approach to competition, regulation and pricing for those who are involved in the industry. 	Day 2
21 Sep	<ul style="list-style-type: none"> Scottish Parliament's Finance Committee agrees to consider its draft report on the Water Services etc. (Scotland) Bill in private. 	
22 Sep	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee holds its third day of discussions on Stage 1 of the Water Services etc. (Scotland) Bill. The Committee considers customer and consumer interests and looks at local authority interests. 	Day 3

2004 continued

28 Sep	<ul style="list-style-type: none"> Scottish Parliament's Finance Committee considers further written evidence on broader water issues to follow up on its draft report, in addition to scrutiny of the Water Services etc. (Scotland) Bill. 	Committee consideration
29 Sep	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee holds its fourth day of discussions on Stage 1 of the Water Services etc. (Scotland) Bill. The Committee focuses on the model of competition and regulation that is proposed and on comparisons with United Kingdom bodies. Examines the charge determination regime and the provisions on coal mine water discharge in part 3 of the Bill. Alan Sutherland and Dr. John Simpson from WICS give evidence. 	Day 4
5 Oct	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee holds its fifth and final day of discussions on Stage 1 of the Water Services etc. (Scotland) Bill. The Committee reviews the running checklist of issues raised by witnesses over the past months. 	Day 5
5 Oct	<ul style="list-style-type: none"> Scottish Parliament's Subordinate Legislation Committee comments on the Scottish Executive's response to concerns raised about sections 4(7) and 5(7) of the Water Services etc. (Scotland) Bill. 	Comments
27 Oct	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee agrees to consider its draft Stage 1 report on the Water Services etc. (Scotland) Bill in private. 	
28 Oct	<ul style="list-style-type: none"> Shepherd and Wedderburn (S+W) publishes a Legal Scoping Study Report for the Commissioner. Sets out S+W's view of the likely work required both by the Commission and its external legal advisors in order to implement the Water Services (Scotland) Bill once enacted. 	Scoping Study
3 Nov	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee meets in private to discuss the Water Services etc. (Scotland) Bill. 	
4 Nov	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee meets in private to discuss the Water Services etc. (Scotland) Bill. 	

2004 continued

9 Nov	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee publishes its Stage 1 report on the Water Services etc. (Scotland) Bill. Although no issues required further consideration, the Committee recommends that the general principles of the Bill should be agreed to. 	Stage 1 Report
17 Nov	<ul style="list-style-type: none"> Scottish Parliament holds a general discussion on principles of the Water Services etc. (Scotland) Bill. 	Discussion
24 Nov	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee takes additional oral evidence, in particular on suggested changes to procedures for handling complaints about Scottish Water. Evidence from various representatives of Scottish Water, Alan Sutherland from WICS and others. 	Additional evidence
Dec	<ul style="list-style-type: none"> Water Services etc. (Scotland) Bill (as amended at Stage 2) published. 	Draft Bill Explanatory Notes Supplementary Financial Memorandum Supplementary Memorandum on Delegated Powers
8 Dec	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee holds its first day of discussions on Stage 2 of the Water Services etc. (Scotland) Bill. The Committee debates amendments to the Bill and considers each section. 	Day 1
9 Dec	<ul style="list-style-type: none"> Ernst & Young submits its report on identification and financial separation of Scottish Water's core/non-core activities and wholesale/retail activities. 	Report
15 Dec	<ul style="list-style-type: none"> Scottish Parliament's Environment and Rural Development Committee holds its second day of discussions on Stage 2 of the Water Services etc. (Scotland) Bill. The Committee debates amendments to the Bill and considers each section. 	Day 2

2005

1 Feb	<ul style="list-style-type: none"> Scottish Parliament's Subordinate Legislation Committee considers the addition by the Scottish Executive of a new subsection (8A) to section 4 at Stage 2 of the Water Services etc. (Scotland) Bill. The new subsection qualifies the regulation-making powers that are provided for at sections 4(7) and 5(7), to address the issues that the Subordinate Legislation Committee and the lead committee raised at Stage 1. 	Consideration Report
8 Feb	<ul style="list-style-type: none"> Scottish Parliament's Finance Committee considers a supplementary financial memorandum to the Water Services etc. (Scotland) Bill. 	Consideration of supplementary financial memo
8 Feb	<ul style="list-style-type: none"> Scottish Parliament passes the Water Services etc. (Scotland) Bill. 	Water Services etc. (Scotland) Bill
17 Mar	<ul style="list-style-type: none"> Water Services etc. (Scotland) Act 2005 (the 2005 Act) receives Royal Assent. 	
April	<ul style="list-style-type: none"> The Commissioner issues the first licensing consultation. Consultation concerns the principles of licensing for the water and sewerage services undertaking, required to be created by Scottish Water under the 2005 Act, to provide retail services to non-household customers in Scotland. 	1st WICS Licensing Consultation Responses to 1st WICS Licensing Consultation
June	<ul style="list-style-type: none"> The Commissioner publishes his Draft Determination of Charges for 2006-10. 	Draft SRC 2006-10
1 July	<ul style="list-style-type: none"> Water Industry Commission for Scotland (the Commission) replaces the Commissioner. Date from which Scottish Water is prevented from creating any new Schedule 3 agreements. Schedule 3 agreements are certain agreements through which Scottish Water charged outside of a charges scheme for services provided in exercise of its core functions¹. All agreements falling under Schedule 3 may not be renewed or extended and the Commission must determine both the correct retail price payable by the customer and the appropriate wholesale charges. 	

¹ Under the 2002 Act Scottish Water may only recover charges for any services provided by it in the exercise of its core functions through either: a) a charges scheme approved by the Commission; or b) a departure from a charges scheme which has been approved by the Commission under Section 29E of the 2002 Act.

2005 continued

21 Sep	<ul style="list-style-type: none"> Commission issues business plan guidance to Scottish Water for its retail subsidiary. 	Guidance Definitions Tables
24 Oct	<ul style="list-style-type: none"> Commission discusses the creation of the retail market in detail and sets out high-level objectives and considerations. 	Minute of Commission meeting CP01-05
11 Nov	<ul style="list-style-type: none"> Commission issues its second licensing consultation. The consultation sets out proposals to establish an effective market for retail water and sewerage services. The Commission intends to regulate to the minimum extent necessary to ensure that customers enjoy a choice of supplier and receive better value for money. The consultation discusses issues relating to both the issuing of licences and the Commission's initial views on how the market may operate. 	2nd WICS Licensing Consultation Responses to 2nd Licensing Consultation
30 Nov	<ul style="list-style-type: none"> Commission publishes its Final Determination of Charges for 2006-10. 	Final SRC 2006-10
15 Dec	<ul style="list-style-type: none"> Commission meets and discusses licensing of Business Stream – determines that permanent licences can only be granted once certain safeguards are put in place to ensure a level playing field for new entrants. 	Minute of Commission meeting
21 Dec	<ul style="list-style-type: none"> Scottish Water submits to the Commission a Business Plan for 2006-10 for its retail entity (Business Stream). 	
22 Dec	<ul style="list-style-type: none"> Ernst & Young review of Business Stream Business Plan for purposes of licence grant. 	

2006

17 Jan	<ul style="list-style-type: none"> Commission meets and considers the business plan for Business Stream separation submitted by Scottish Water on 20 Dec 2005. On the material submitted by Scottish Water, the Commission did not believe it could issue a full licence, or even a provisional licence, by 1 Apr 2006. Commission agrees further that initially for 2006-07, wholesale charges should be set at 10.2% below retail charges, until such time as Scottish Water is in a position to submit an interim wholesale charges scheme. 	Minute of Commission meeting
7 Feb	<ul style="list-style-type: none"> Commission has its first discussion of wholesale charges – structure, properties and issues. Commission appoints Frontier Economics to advise on the development of cost reflective wholesale charges. Commission also determines that there should be default tariffs within the retail market which all retailers must offer. 	Minute of Commission meeting CP10-06
8 Feb	<ul style="list-style-type: none"> Letter from the Commission to Scottish Water, copied to the Scottish Executive, setting out the steps that would need to be taken and the relevant criteria before a licence, whether provisional or final, could be issued to Business Stream. 	Letter to SW
7 Mar	<ul style="list-style-type: none"> Commission meets and discusses various issues relating to the competitive market including requiring Scottish Water to resubmit its draft Operational Code. Commission agrees to seek to work with Scottish Water in the development of wholesale charges. Scottish Water subsequently agrees to this. Frontier Economics sets out a work programme to develop a set of principles for wholesale charges, followed by initial calculations in line with these principles. 	Minute of Commission meeting CP28-06 CP29-06 Frontier Economics wholesale tariffs scope
March	<ul style="list-style-type: none"> Publication of a Commission information paper, setting out the Commission's decisions on granting provisional licences for Business Stream, allowing entrant applications for permanent licences from Jan 2007, and allowing entrant pre-contracting with customers from Apr 2007. 	

2006 continued

April	<ul style="list-style-type: none"> The Commission approves the creation of a Licensing Framework Implementation Group (LFIG). Both the Commission and the respondents to the Commission's Nov 2005 consultation requested a stakeholder forum. The vision for the LFIG is for it to play a key role in supervising the implementation of market arrangements by providing advice to the Commission. The advice is expected to be of high quality, and will inform the Commission's position, with a view to being approved as policy. 	
May	<ul style="list-style-type: none"> The Commission retains Gemserv to provide advice on the development of the retail market. 	
2 May	<ul style="list-style-type: none"> Commission meets and considers how the legal structure of Business Stream could affect the Commission's consideration of the entity's financeability. Scottish Water also due to provide a draft Wholesale Services Agreement and a draft Operational Code consistent with the principles laid down by the Commission. The Commission agrees course of action should those not be provided. Commission considers criteria for the design of wholesale charges and the factors that are likely to affect tariff structure, and agrees next steps. 	<p>Minute of Commission meeting</p> <p>CP70-06</p> <p>Frontier Economics Paper</p>
9 May	<ul style="list-style-type: none"> Commission sends letter to Scottish Water regarding the development of an appropriate wholesale charges framework. 	Letter to SW
June	<ul style="list-style-type: none"> Business Stream Action Plan submitted to the Commission. 	Action Plan
1 June	<ul style="list-style-type: none"> Scottish Water submits draft Wholesale Services Agreement and Operational Code to the Commission. The Commission deems Scottish Water's draft Operational Code not to be fully consistent with the principles set out by the Commission and the Commission drafts a revised version by working with its lawyers and consultant engineers. 	

2006 continued

6 Jun	<ul style="list-style-type: none"> • Commission meets and considers the financeability test that should apply to both Business Stream and new entrants into the retail market. It agrees that any test should be applicable to all entrants, should not be a barrier to entry and should be simple and straightforward. The Commission concludes that retailers should prepay Scottish Water for wholesale services. • Commission also considers the financial viability of Business Stream under different ownership and commercial structures. Although the final decision rests with Scottish Water, the Commission concludes that a joint venture (with Scottish Water having a minority holding) would be the best way forward. • Commission determines that customer switching and bill aggregation should be handled by an independent body within the market, the Central Market Agency (the CMA). • Commission considers the revised business plan for Business Stream separation and determines it satisfies the Commission's requirement for the issue of provisional licences to Business Stream. • Commission agrees to write to Scottish Water outlining its initial thoughts on the structure of wholesale charges. • Commission designs an information return (assisted by consultants SMC and Frontier Economics) with detailed guidance and sends it to Scottish Water. The return asks Scottish Water to document its views, in draft, on the key principles that should underpin wholesale charges, and in particular what it considers drives wholesale costs and how these should be reflected in tariffs. The return also asks Scottish Water to provide a detailed assessment (in tick-box form) of the availability and quality of data regarding wholesale cost structure and drivers. 	<p>Minute of Commission meeting</p> <p>CP76-06</p> <p>CP85-06</p> <p>CP88-06</p> <p>CP90-06</p> <p>CP99-06</p>
12 Jun	<ul style="list-style-type: none"> • Commission writes to Scottish Water on the establishment of a CMA. 	<p>Letter to SW</p>

2006 continued

21 Jun	<ul style="list-style-type: none"> • LFIG meets for the first time and considers: <ol style="list-style-type: none"> 1. the Commission's third licensing consultation; and 2. the role and structure of the CMA. • Scottish Water submits to the Commission its draft account of the key principles it considers should underpin wholesale charges. • Scottish Water submits to the Commission the 'tick box' forms indicating availability and quality of data relating to wholesale cost structure and drivers. 	<p>LFIG minute</p> <p>ToR for LFIG</p>
22 Jun	<ul style="list-style-type: none"> • Scottish Water responds to Commission letter of 12 Jun 2006 on the establishment of a CMA. 	<p>SW response to Commission</p>
26 Jun	<ul style="list-style-type: none"> • Scottish Water adopts the Operational Code drafted by the Commission as its own. 	
27 Jun	<ul style="list-style-type: none"> • Workshop is held with Scottish Water, the Commission and Frontier Economics to discuss wholesale charges. 	
30 Jun	<ul style="list-style-type: none"> • Scottish Water submits its first draft of the Market Code. The Commission determines that the draft does not provide a suitable basis from which to develop the Market Code and therefore assumes responsibility for its development (through the LFIG) and production. 	
End Jun	<ul style="list-style-type: none"> • Commission issues its third licensing consultation. This sets out the first tranche of material the Commission intends to include in a standard 'application pack' for potential new entrants. The aim of the application pack is to allow potential entrants to understand: <ol style="list-style-type: none"> 1. the steps necessary to complete a successful licence application; 2. the rules governing the operation of the market; and 3. the commercial and operational relationship they will have with Scottish Water. 	<p>3rd WICS Licensing Consultation</p> <p>3rd WICS Licensing Consultation - Responses</p>

2006 continued

4 Jul	<ul style="list-style-type: none"> Commission meets and agrees that it will await the outcome of the Scottish Executive's consultation on the principles of charging before signing-off a wholesale charges scheme. 	Minute of Commission meeting CP107-06 CP112-06 CP113-06
6 Jul	<ul style="list-style-type: none"> Commission issues to Scottish Water a revised timescale for wholesale charges that takes account of the Scottish Executive's consultation period on the principles of charging. The timescale projects a new structure of wholesale charges commencing 1 Jul 2007. 	
12 Jul	<ul style="list-style-type: none"> Commission, assisted by consultants SMC and Frontier Economics, issues a request to Scottish Water for information regarding detailed costs of providing wholesale services and drivers of those costs. 	
17 Jul	<ul style="list-style-type: none"> The Commission places a notice announcing the CMA Central System IT contract in the Official Journal of the European Union (OJEU). 	
19 Jul	<ul style="list-style-type: none"> LFIG meets for the second time and considers: <ol style="list-style-type: none"> external views of the retail market; terms of reference for the CMA; and timetable for development of wholesale charges. 	LFIG minute
24 Jul	<ul style="list-style-type: none"> Commission requests all Schedule 3 Agreements from Scottish Water. 	Letter to SW
August	<ul style="list-style-type: none"> Frontier Economics issues a first draft wholesale charges model to Scottish Water and the Commission for detailed review. 	
1 Aug	<ul style="list-style-type: none"> Commission meets and determines that there should be default service levels alongside the default tariffs for all retailers in the market. 	Minute of Commission meeting CP126-06 CP131-06 CP136-06

2006 continued

18 Aug	<ul style="list-style-type: none"> Deadline for responses to CMA Central System IT contract Pre-Qualification Questionnaire. 5 responses received: Gemserv; LogicaCMG; Capgemini; Parity; and Northgate Information Solutions. 	
23 Aug	<ul style="list-style-type: none"> LFIG meets for the third time and considers: <ol style="list-style-type: none"> the procurement process for the CMA; the principles underlying Business Stream's licence; and the level of service for the Default Directions. 	<p>LFIG minute</p> <p>LFIG paper - ToR for LFIG</p> <p>LFIG paper - ShepWedd</p> <p>LFIG paper - Info note on licensing</p> <p>LFIG paper - CMA procurement process</p> <p>LFIG paper - Default Directions</p>
29 Aug	<ul style="list-style-type: none"> The Commission issues Invitation to Negotiate (ITN) documentation to CMA Central System IT contract bidders. 	
Sept	<ul style="list-style-type: none"> Workshop held by the Commission with Scottish Water and Frontier Economics to discuss the information return on wholesale costs and drivers. Scottish Water submits to the Commission its information on wholesale costs and drivers. 	CP150-06
7 Sep	<ul style="list-style-type: none"> Relevant licensing sections of the Water Services etc. (Scotland) Act 2005 come into force (S.S.I. 2006/445). 	
15 Sep	<ul style="list-style-type: none"> ITN documentation responses due from CMA Central System IT contract bidders. 	

2006 continued

20 Sep	<ul style="list-style-type: none"> • LFIG meets for the fourth time and considers: <ol style="list-style-type: none"> 1. the licensing timetable; 2. the Market Code; and 3. the governance of the industry codes. 	<p>LFIG minute</p> <p>LFIG paper - CMA Services</p> <p>LFIG paper - Market Code</p>
Oct	<ul style="list-style-type: none"> • Consultants SMC begin an audit of Scottish Water's information on wholesale costs and drivers. • Scottish Water provides its final submission to the Commission on the key principles that should underpin wholesale charges. • Commission begins its analysis of Scottish Water's information on wholesale costs and drivers. 	
3 Oct	<ul style="list-style-type: none"> • Commission meets and considers Business Stream's draft application for provisional licences. Commission determines that it is minded to award the provisional licences, upon submission of a formal application on or soon after 5 Oct 2006, providing that: <ol style="list-style-type: none"> a) the retail undertaking has been established; b) the transfer agreement is signed at the point of grant; c) the formal application submitted by Business Stream is materially the same as the draft application; and d) there has been no material changes in circumstances between the Commission decision and submission of the formal application. 	<p>Minute of Commission meeting</p> <p>CP173-06</p> <p>CP180-06</p>
13-20 Oct	<ul style="list-style-type: none"> • Interviews with bidders for CMA Central System IT contract. 	
18 Oct	<ul style="list-style-type: none"> • Scottish Water submits to the Commission its interim wholesale charges scheme for 2006-07. 	

2006 continued

19 Oct	<ul style="list-style-type: none"> • LFIG meets for the fifth time and considers: <ol style="list-style-type: none"> 1. the selection of the CMA services provider; and 2. the draft Market Code. 	<p>LFIG minute</p> <p>LFIG paper - Procurement of CMA Services Provider</p> <p>LFIG paper - CMA Tender Assessment</p> <p>LFIG paper - Market Code</p> <p>LFIG paper - Market Code Appendix 1</p> <p>LFIG paper - Market Code Appendix 2</p> <p>LFIG paper - Market Code Appendix 3</p>
20 Oct	<ul style="list-style-type: none"> • The Commission selects Gemserv as preferred bidder for CMA Central System IT contract. • Commission approves Scottish Water's interim wholesale charges scheme for 2006-07. 	<p>Letter to SW</p>
26 Oct	<ul style="list-style-type: none"> • Recruitment process for CMA Chief Executive begins. 	<p>CMA CEO letter</p>

2006 continued

31 Oct	<ul style="list-style-type: none"> • Transfer of assets from Scottish Water to Business Stream. • Water Services (Intra-Group Regulation) Directions 2006 come into force. These Directions cover the ring-fencing of Scottish Water from the retail market, intra-group contracting between Scottish Water and Business Stream and cross-subsidies between the two. • Water Services (Codes and Services) Directions 2006 come into force. These require Scottish Water to comply with the terms of the initial Operational Code and the Wholesale Services Agreement with Business Stream. • Commission approves the Operational Code between Scottish Water and Business Stream. • Commission approves the Wholesale Services Agreement between Scottish Water and Business Stream. 	<p>Final transfer agreement</p> <p>Water Services (Intra-Group Regulation) Directions 2006</p> <p>Water Services (Codes and Services) Directions 2006</p> <p>Prov Licence Operational Code</p> <p>Prov Licence WSA</p>
Nov	<ul style="list-style-type: none"> • Consultants SMC complete an audit of Scottish Water's information on wholesale costs and drivers. 	
1 Nov	<ul style="list-style-type: none"> • Commission grants provisional licences to Business Stream. • Commission approves Business Stream's Scheme of Charges to 31 Mar 2007. • Commission approves Business Stream's Minimum Service Standards (the default service standards). 	<p>Prov Licence grant letter</p> <p>Prov Water Licence</p> <p>Prov Sewerage Licence</p> <p>Licence modifications</p> <p>Scheme of Charges 2006-07</p> <p>Min Service Standards</p>
6 Nov	<ul style="list-style-type: none"> • Commission agrees and signs the CMA Central System IT contract with Gemserv. 	<p>Agreement</p>

2006 continued

7 Nov	<ul style="list-style-type: none"> Commission meets and discusses the preliminary findings from Scottish Water's submissions on wholesale costs. It reveals that the shares of wholesale costs by service show some significant differences with the shares of current revenues for those services. It also reveals significant fixed costs in local water distribution and waste water reception. Arup, Scott-Moncrieff and SMC complete their transfer pricing review of Scottish Water. The review assesses whether there are any cross-subsidies between the core and non-core businesses of Scottish Water that could affect the prices that core customers pay. Concludes that there are no major transfer pricing issues between Scottish Water and Business Stream (report published 1 Feb 2007, see below). 	<p>Minute of Commission meeting</p> <p>CP193-06</p> <p>CP195-06</p> <p>CP196-06</p>
14 Nov	<ul style="list-style-type: none"> Workshop held by the Commission with Scottish Water and Frontier Economics to discuss Scottish Water's views on the key principles that should underpin wholesale charges. 	
17 Nov	<ul style="list-style-type: none"> Scottish Executive publishes its consultation on the principles of charging. It outlines proposals to introduce general metering for unmetered non-household premises and measured wholesale charges for water and foul sewerage services from Apr 2008. It also provides further detail on the proposed move to surface drainage wholesale charges based on area of the property from 2010. 	<p>Consultation</p>
22 Nov	<ul style="list-style-type: none"> LFIG meets for the sixth time and considers: <ol style="list-style-type: none"> the draft Disconnections Document; and the appointment of Gemserv as the CMA service provider and its plan of action going forward. 	<p>LFIG minute</p> <p>LFIG paper - Disconnections</p> <p>LFIG paper - Alternative market diagram</p> <p>LFIG paper - Gemserv introduction</p> <p>LFIG paper - WICS presentation</p>

2006 continued

30 Nov	<ul style="list-style-type: none"> Further workshop held by the Commission with Scottish Water and Frontier Economics to discuss Scottish Water's views on the key principles that should underpin wholesale charges. 	
5 Dec	<ul style="list-style-type: none"> Commission meets and approves a draft Market Code for consultation. Also agrees that it should restrict itself to a limited role in the governance of the Market Code; blocking changes not consistent with principles underpinning the Code and proposing its own changes (or those rejected previously) necessary to keep the Code consistent with the principles. Commission agrees further a high-level structure of wholesale charges for Scottish Water that is volume and capacity driven. 	<p>Minute of Commission meeting</p> <p>CP209-06</p> <p>CP210-06</p>
12 Dec	<ul style="list-style-type: none"> Scottish Water confirms its agreement to the Commission's proposed high-level structure of wholesale charges. 	

2007

Jan	<ul style="list-style-type: none"> • Commission appoints Brian Saunders as Chairman of the CMA. • Commission publishes its consultation on a draft monitoring, enforcement and penalties policy. • Commission responds to the Scottish Executive's consultation on the principles of charging. 	CP16-07
23 Jan	<ul style="list-style-type: none"> • LFIG meets for the seventh time and considers: <ol style="list-style-type: none"> 1. the Commission's policy statement on the development of the Scottish retail market; 2. progress on the Market Code and market design generally; and 3. wholesale charges from Apr 2008. 	LFIG minute LFIG paper - Market design LFIG paper - Market code update LFIG paper - Wholesale Charges
30 Jan	<ul style="list-style-type: none"> • Commission issues its seventh licensing consultation. This consultation provides potential new entrants with all available information on the market and the duties of licensed providers. It updates some material already presented, most notably in the Application Materials Consultation (the third licensing consultation from Jun 2006). Other material is presented for the first time, including the draft Market Code and Standard Licence Conditions. 	7th WICS Licensing Consultation
Feb	<ul style="list-style-type: none"> • Scottish Water appoints Mark Powles as CEO of Business Stream. 	
1 Feb	<ul style="list-style-type: none"> • Arup, Scott-Moncrieff and SMC publish their transfer pricing review of Scottish Water. 	Transfer pricing report

2007 continued

21 Feb	<ul style="list-style-type: none"> LFIG meets for the eighth time and considers: <ol style="list-style-type: none"> the timeline to market; wholesale charges; and the development of the CMA and the CMA services. 	<p>LFIG minute</p> <p>LFIG paper - Timeline to Apr 2008</p> <p>LFIG paper - Summary Structure of Wholesale Charges</p> <p>LFIG paper - Development of the CMA and CMA services</p>
6 Mar	<ul style="list-style-type: none"> Commission meets and considers data requests to Business Stream and Scottish Water's Wholesale Charges Scheme. 	<p>Minute of Commission meeting</p> <p>CP32-07</p> <p>CP35-07</p>
9 Mar	<ul style="list-style-type: none"> Commission receives Scottish Water's formal draft wholesale charges submission for Jul 2007 to Mar 2008 and publishes it for consultation. 	
20 Mar	<ul style="list-style-type: none"> S+W and LECG review of Business Stream and Scottish Water separation. 	<p>S+W & LECG Separation Report</p>

2007 continued

21 Mar

- LFIG meets for the ninth time and considers:
 1. the Market Code Subsidiary Documents (CSDs); and
 2. wholesale charges.

LFIG minute

LFIG paper - CSD list

LFIG paper - CSD Summary

LFIG paper - CSD Summary - Additions

LFIG paper - CSD0101

LFIG paper - CSD0102

LFIG paper - CSD0104

LFIG paper - CSD0105

LFIG paper - CSD0106

LFIG paper - CSD0201

LFIG paper - CSD0202

LFIG paper - CSD0203

LFIG paper - CSD0204

LFIG paper - CSD0205

LFIG paper - CSD0206

LFIG paper - CSD0301

2007 continued

3 Apr	<ul style="list-style-type: none"> Commission meets and agrees to issue retail market policy statement. Commission determines to align Business Stream's provisional licences with the Standard Licence Conditions and also receives an update on the wholesale charges project. 	Minute of Commission meeting Policy Statement CP50-07 CP51-07
20 Apr	<ul style="list-style-type: none"> Commission consultation on Scottish Water's formal draft wholesale charges submission closes. 	
May	<ul style="list-style-type: none"> Commission appoints Jeremy Atkinson as CEO of the CMA. 	
1 May	<ul style="list-style-type: none"> Commission meets and approves Section 29E policy for consultation. Commission considers its internal analysis on the longer term incidence effects and cross subsidies across components of Scottish Water's revenue base that may arise from its proposed wholesale charges. Commission agrees to postpone consideration of Scottish Water's formal draft wholesale charges submission for Jul 2007 to Mar 2008. Business Stream has concerns that Scottish Water's proposed scheme would increase its wholesale revenue instead of being revenue neutral (as required by the Determination). As a result, the Commission seeks a revised proposal from Scottish Water. 	Minute of Commission meeting CP67-07 CP67-07 - annex CP68-07 CP69-07
16 May	<ul style="list-style-type: none"> LFIG meets for the tenth time and considers: <ol style="list-style-type: none"> the market/CMA timetable; CMA governance and budget; baseline market framework documents; and standard industry estimated consumption. 	LFIG minute

2007 continued

17 May	<ul style="list-style-type: none">Commission publishes its response to the seventh licensing consultation including revised versions of Market Code, Operational Code and Wholesale Services Agreement.	<p>7th WICS Licensing Consultation response</p> <p>Consultation response table</p> <p>Consultation response Appendix 1</p> <p>Consultation response Appendix 2</p> <p>Consultation response Appendix 3</p> <p>Consultation response Appendix 4</p> <p>Draft Market Code</p> <p>Draft Operational Code</p> <p>Draft WSA</p>
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2007 continued

17 May	<ul style="list-style-type: none"> • Commission publishes a set of Default Directions and draft Codes and Services Directions. • Commission publishes Water Services (Central Market Agency and Interim Arrangements) Directions 2007. • Commission publishes Interim Arrangements Plan. • Commission determines and publishes Standard Licence Conditions. 	<p>Default directions</p> <p>Draft Codes and Services Directions</p> <p>Water Services (Central Market Agency and Interim Arrangements) Directions 2007</p> <p>Interim Arrangements Plan</p> <p>Interim Arrangements Directions</p> <p>Standard Licence Conditions</p>
5 Jun	<ul style="list-style-type: none"> • Commission meets and approves the offering of specialist licences for companies that wish to supply customers with Section 29E departures. • Commission approves key messages for stakeholders on Scottish Water's wholesale charges for 2008-09. • Commission discusses three papers on the incidence effects of Scottish Water's proposed wholesale charges and the phasing of changes. • Commission agrees that Scottish Water's formal draft wholesale charges submission for Jul 2007 to Mar 2008 will not be used and the current interim structures will remain. The Commission then approves a draft wholesale charges scheme for 2008-09 for public consultation. 	<p>Minute of Commission meeting</p> <p>CP78-07</p> <p>CP79-07</p> <p>CP80-07</p> <p>CP81-07</p> <p>CP82-07</p> <p>SoC Draft (2008-9)</p>
11 Jun	<ul style="list-style-type: none"> • Commission writes to Business Stream regarding separation and its application for permanent licences. 	<p>Letter to Business Stream</p>

2007 continued		
20 Jun	<ul style="list-style-type: none"> LFIG meets for the eleventh time and considers: <ol style="list-style-type: none"> Scottish Water’s Wholesale Charges Scheme; forms of licences and licence fees; progress with Scottish Water’s wholesale/retail separation; and CMA registration process and costs recovery. 	<p>LFIG minute</p> <p>LFIG paper - Scottish Water’s wholesale charges</p> <p>LFIG paper - Update on specialist licences</p> <p>LFIG paper - Update on licence fees</p> <p>LFIG paper - Progress with separation</p> <p>LFIG paper - Recovery of Costs for the CMA</p>
21 Jun	<ul style="list-style-type: none"> Commission issues a Section 29E consultation paper. Section 29E of the 2002 Act² allows Scottish Water to apply to the Commission for its consent to depart from a charges scheme in respect of charges to be paid by a licensed provider. The application must explain what the licensed provider’s customer has done, or agreed to do, that will lead to a reduction in Scottish Water’s costs in providing services to it. 	<p>Section 29E - Process consultation</p>
26 Jun	<ul style="list-style-type: none"> S+W issues note summarising the actions which must be carried out prior to the Go Active Date. 	<p>S+W Go Active Note</p>
3 Jul	<ul style="list-style-type: none"> Commission meets and approves the process and timeline for determining licence applications. Commission notes that Business Stream had yet to demonstrate that its Board could operate independently of Scottish Water for the purposes of receiving permanent licences. The Commission also notes that Scottish Water Business Stream had some way to go before it would be ready to enter its market readiness testing (required to operate if the company is to interact with the CMA). Commission approves the communication strategy for the introduction of competition. 	<p>Minute of Commission meeting</p> <p>CP95-07</p> <p>CP96-07</p> <p>CP99-07</p>

² As inserted by section 21 of the 2005 Act.

2007 continued

<p>9 Jul</p>	<ul style="list-style-type: none"> • Commission publishes its monitoring, enforcement and penalties policy. • Recruitment process for CMA non-executive directors underway. 	<p>Monitoring, enforcement and penalty policy</p> <p>Monitoring, enforcement and penalty policy - explanatory note</p> <p>Candidate brief for CMA non exec directors</p>
<p>13 Jul</p>	<ul style="list-style-type: none"> • Commission issues its CMA Establishment Plan to Scottish Water. 	<p>Letter to Scottish Water</p> <p>CMA Establishment Plan</p> <p>CMA Establishment Timetable</p>

2007 continued

18 Jul	<ul style="list-style-type: none"> LFIG meets for the twelfth time and considers: <ol style="list-style-type: none"> the incorporation of the CMA; Scottish Water's Wholesale Charges Scheme; specialist and self-supply licences; and CMA budget and costs recovery. 	<p>LFIG minute</p> <p>LFIG paper - CMA establishment timeline</p> <p>LFIG paper - Update on Wholesale Charges</p> <p>LFIG paper - Specialist and Self-supply licences</p> <p>LFIG paper - Update on CMA income and expenditure</p> <p>LFIG paper - Recovery of Costs for the CMA</p> <p>LFIG paper - Market entry and assurance process</p> <p>LFIG paper - Breakfast briefings</p>
27 Jul	<ul style="list-style-type: none"> Scottish Ministers approve the fees scheme. 	<p>Scottish Executive approval letter</p>
30 Jul	<ul style="list-style-type: none"> Commission publishes its Section 29E consultation response. 	<p>Section 29E - Commission consultation response</p>
1 Aug	<ul style="list-style-type: none"> Central Market Agency Limited incorporated. Commission grants Satec Limited water and sewerage licences. 	<p>Licence grant letter to Satec</p>

2007 continued

8 Aug	<ul style="list-style-type: none"> Incorporation of Standard Licence Conditions into Business Stream's provisional licences. 	
14 Aug	<ul style="list-style-type: none"> Commission publishes its fees scheme policy statement, setting out the annual levy payable by licensed providers. 	<p>Fees scheme policy statement</p> <p>Approved fees scheme</p>
27 Aug	<ul style="list-style-type: none"> Commission publishes its consultation response on specialist and self-supply licences. 	<p>11th WICS Licensing Consultation - response</p> <p>Specialist and self supply mod notice</p>
29 Aug	<ul style="list-style-type: none"> LFIG meets for the final time and considers: <ol style="list-style-type: none"> the Codes and Services Directions; progress with Scottish Water's wholesale/retail separation; and process for approving Section 29E departures from the Wholesale Charges Scheme. 	<p>LFIG minute</p> <p>LFIG paper - Codes and Services Directions</p> <p>LFIG paper - Principles of governance for Business Stream</p> <p>LFIG paper - Section 29e</p>

2007 continued

<p>31 Aug</p>	<ul style="list-style-type: none"> • Commission publishes final drafts of Market Code, Operational Code and Interim Arrangements Plan. • Commission publishes final template Wholesale Services Agreement. 	<p>Follow on consultation from 7th WICS Licensing Consultation</p> <p>Annex A - Market Code</p> <p>Annex B - Market Code (marked up)</p> <p>Annex C - Operational Code</p> <p>Annex D - Operational Code (marked up)</p> <p>Annex E - Interim Arrangements Plan</p> <p>Annex F - Interim Arrangements Plan (marked up)</p> <p>Annex G - Interim Registration Guide</p> <p>Annex H - Template WSA</p> <p>Annex I - Template WSA (marked up)</p>
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2007 continued

4 Sep	<ul style="list-style-type: none"> • Commission meets and agrees that there should be a Governance Code between Business Stream and Scottish Water and agrees further its underpinning principles. • Commission also agrees to delegate authority to the Chief Executive to finalise and issue the Codes and Services Directions bringing the core industry documents (including the Market Code and Operational Code) into effect. 	Minute of Commission meeting CP117-07 CP118-07
11 Sep	<ul style="list-style-type: none"> • Commission publishes consultation on Disconnections Document. • Site visit by Commission to Scottish Water/Business Stream to check progress on separation. • Commission publishes final versions of the CSDs. 	Disconnections - a consultation paper CSD 0001 CSD 0002 CSD 0003 CSD 0101 CSD 0102 CSD 0103 CSD 0104 CSD 0105 CSD 0201 CSD 0202 CSD 0203 CSD 0204 CSD 0205 CSD 0206 CSD 0301

2007 continued

24 Sep	<ul style="list-style-type: none"> Commission publishes final versions of the Market Code, Operational Code and Interim Arrangements Plan. 	Market Code Operational Code Interim Arrangements Plan
26 Sep	<ul style="list-style-type: none"> Market Code and Operational Code come into effect through framework agreements. Commission transfers the assets of the CMA from itself to the CMA company. Commission issues the Water Services (Codes and Services) Directions 2007. The Directions, inter alia, require Scottish Water to accede to and comply with the Market Code and Operational Code and negotiate Wholesale Services Agreements with licensed providers using the Commission's template. 	Commission's consultation response Market Code Framework Agreement Operational Code Framework Agreement The Water (Codes and Services) Directions 2007
28 Sep	<ul style="list-style-type: none"> Scottish Water submits to the Commission for approval its formal draft Wholesale Charges Scheme for 2008-09. 	
2 Oct	<ul style="list-style-type: none"> Commission meets and approves the proposed arrangements for the financing of Business Stream (to be included within the terms of the Governance Code). Commission also approves the terms of the Governance Code between Scottish Water and Business Stream. 	Minute of Commission meeting CP128-07 CP132-07 CP134-07

2007 continued

15 Oct	<ul style="list-style-type: none"> Commission grants Aquavitae (UK) Limited water and sewerage licences. 	Licence grant letter to Aquavitae
24 Oct	<ul style="list-style-type: none"> Commission requires Business Stream to publish its tariffs after 60 days. 	Letter to Business Stream
26 Oct	<ul style="list-style-type: none"> Commission publishes a consultation on a set of revised Default Directions. 	WICS Licensing Consultation on default directions
30 Oct	<ul style="list-style-type: none"> Commission meets and agrees the terms of certain service agreements between Scottish Water and Business Stream. Under the terms of the Water Services (IntraGroup Regulation) Directions 2006 and Business Stream's licences, the two companies are prohibited from entering into agreements with one another except on terms approved by the Commission. Scottish Water and Business Stream notify the Commission that trade effluent charges will continue to be calculated in part by Scottish Water due to a misunderstanding of the role of the CMA in calculating such charges post-1 Apr 2008. 	Minute of Commission meeting CP142-07 CP144-07 CP146-07
26 Nov	<ul style="list-style-type: none"> Scottish Water submits to the Commission for approval its final Wholesale Charges Scheme for 2008-09. 	

2007 continued		
<p>4 Dec</p>	<ul style="list-style-type: none"> • Commission meets and approves Scottish Water’s Wholesale Charges Scheme for 2008-09 and a revised set of Default Directions for 2008-09. • Commission approves Business Stream’s application for permanent licences and the Ordinary Conditions that will be inserted into those licences. It also agrees the terms of certain service agreements between Scottish Water and Business Stream. • Commission updates the Standard Licence Conditions to include requirements that licensed providers make potential customers aware of default tariffs, and that licensed providers must comply with the Disconnections Document. • Commission approves the Disconnections Document. 	<p>Minute of Commission meeting</p> <p>CP159-07 - three tests</p> <p>CP160-07 - application assessment</p> <p>CP161-07 - ordinary conditions</p> <p>CP162-07</p> <p>CP164-07</p> <p>CP165-07</p> <p>CP166-07</p> <p>CP170-07</p>
<p>6 Dec</p>	<ul style="list-style-type: none"> • Commission publishes revised Water Services (Codes and Services) Directions 2007 to account for the publication of the Disconnections Document. The Directions require Scottish Water to comply with the terms of the Disconnections Document. • Commission publishes a consultation response and a revised set of Default Directions. • Commission publishes the Final Disconnections Document. 	<p>Water Services (Codes and Services) Directions 2007</p> <p>WICS Licensing Consultation on default directions - response</p> <p>Default directions modification notice</p> <p>Default directions</p> <p>Disconnections consultation response cover</p> <p>Disconnections consultation response document</p> <p>Disconnections Document</p>

2008

11 Jan	<ul style="list-style-type: none"> • Commission grants Business Stream permanent water and sewerage licences. • Governance Code takes effect. 	<p>Perm licence grant letter to Business Stream</p> <p>Governance Code</p> <p>Section 11 direction for Governance Code</p>
17 Jan	<ul style="list-style-type: none"> • First meeting of the Technical Panel. 	
Feb	<ul style="list-style-type: none"> • Scottish Water provides CMA with final Wholesale Charges Scheme for 2008-09. • Scottish Water provides Market Domain Data to CMA. 	
5 Feb	<ul style="list-style-type: none"> • Commission meets and agrees to amend Scottish Water's Wholesale Charges Scheme for 2008-09 to phase capped trade effluent charges on to full published charges and to make other minor amendments. 	<p>Minute of Commission meeting</p> <p>CP15-08</p>
18 Feb	<ul style="list-style-type: none"> • CMA receives the final dataset from Scottish Water to populate the CMA Central System. 	
19 Feb	<ul style="list-style-type: none"> • CMA, Scottish Water and Business Stream reconcile their datasets. 	
20 Feb	<ul style="list-style-type: none"> • CMA 'Go-Active' date. 	
25 Feb	<ul style="list-style-type: none"> • LECG make recommendations for the Schedule 3 Determinations methodology. 	LECG methodology
4 Mar	<ul style="list-style-type: none"> • CMA Board approves an independent quality assurance report on its readiness for market opening (the 'go-live report'). By approving the report, the CMA agrees that it is ready for the market to open. 	
5 Mar	<ul style="list-style-type: none"> • CMA completes the first P1 settlement run. This is the first calculation of wholesale charges by the CMA. 	
7 Mar	<ul style="list-style-type: none"> • CMA publishes the first P1 settlement run. 	
1 Apr	<ul style="list-style-type: none"> • Market opening – 'Go-live'. • Commission grants Osprey Water Services Limited water and sewerage licences. 	Licence grant letter to Osprey

2008 continued

7 May	<ul style="list-style-type: none"> Commission grants Ondeo Industrial Solutions Limited water and sewerage licences. 	Licence grant letter to Ondeo
15 May	<ul style="list-style-type: none"> Commission assigns the Gemserv agreement to the CMA. 	Assignment agreement
9 Jun	<ul style="list-style-type: none"> Aquavitae enters administration. 	
1 Jul	<ul style="list-style-type: none"> Commission meets and agrees to revise the market entry requirements replacing the existing assurance process with a simplified self certification arrangement. Commission agrees further to amend the Market Code such that until 1 Apr 2009, all gap sites identified by Scottish Water and all supply points made available under provider of last resort processes will be allocated to Business Stream. 	Minute of Commission meeting CP87-08 CP88-08
3 Jul	<ul style="list-style-type: none"> Commission writes to Aquavitae’s administrators proposing to revoke its water and sewerage licences. 	Letter from the Commission
7 Aug	<ul style="list-style-type: none"> Commission issues statement on its revised market entry process. 	Market entry process
15 Aug	<ul style="list-style-type: none"> Commission serves Aquavitae with a Notice of Revocation of Licences. 	
2 Sep	<ul style="list-style-type: none"> Commission revokes Aquavitae’s water and sewerage licences. 	Commission statement
13 Oct	<ul style="list-style-type: none"> Letter to Scottish Water from the Commission beginning the process of reviewing the split of wholesale and retail activities within the non-household market. 	Letter from the Commission
10 Nov	<ul style="list-style-type: none"> Commission publishes a consultation on proposals to revise the market framework following the collapse of Aquavitae and the revocation of its licences. 	Commission consultation
Dec	<ul style="list-style-type: none"> Commission initiates second transfer pricing review of Scottish Water by Scott-Moncrieff and SMC. 	
3 Dec	<ul style="list-style-type: none"> Commission issues a consultation on its proposed licence breach complaints procedure. 	Commission consultation

2008 continued

8 Dec	<ul style="list-style-type: none"> Commission publishes Section 29E policy. 	Section 29E Policy
18 Dec	<ul style="list-style-type: none"> Commission consultation to allow customers, through their licensed provider, to apply for a reassessment of their unmetered premises leading to either the installation of a meter, or a switch from rateable-valued based to assessed consumption based charging. 	Commission consultation

2009

10 Feb	<ul style="list-style-type: none"> Commission publishes its policy on licence breach complaints procedure. 	Licence Contraventions Policy
26 Feb	<ul style="list-style-type: none"> Commission publishes consultation response on proposals to revise the market framework following the collapse of Aquavitae and the revocation of its licences. Also includes revised versions of the Market Code and Wholesale Services Agreement. 	Commission consultation response Market Code Wholesale Services Agreement
3 Mar	<ul style="list-style-type: none"> Commission meets and agrees to allow licensed providers to choose to either prepay their wholesale charges or provide a guarantee from a company with a defined investment grade credit rating. Commission introduces a Market Code change to require public consultations on all Market Code and Operational Code change proposals generated by the Technical Panel. 	Minute of Commission meeting CP27-09 CP31-09 Letter to the CMA
11 Mar	<ul style="list-style-type: none"> Business Stream/Scottish Water separation compliance visit by the Commission. 	Letter to Business Stream
12 Mar	<ul style="list-style-type: none"> Commission publishes revised Water Services (Codes and Services) Directions 2007 following the consultation on the failure of Aquavitae and the revocation of its licences. The new provisions compel Scottish Water to act 'promptly' to ensure the timeliness of any action it may be required to take, and to co-operate with the Commission in relation to any licence enforcement investigation. 	Water Services (Codes and Services) Directions 2007
16 Mar	<ul style="list-style-type: none"> Commission publishes its policy on reassessment of unmetered premises. 	Reassessed charges policy
24 Mar	<ul style="list-style-type: none"> Commission extends the deadline for its powers to amend the core industry documents. 	Letter to Scottish Water
26 Mar	<ul style="list-style-type: none"> Commission publishes its policy on escrow accounts for licence applicants. 	Escrow policy note
20 Apr	<ul style="list-style-type: none"> Commission grants Aimeria Limited water and sewerage licences. 	Licence grant letter to Aimeria

2009 continued

May	<ul style="list-style-type: none"> Scott-Moncrieff and SMC publish their second transfer pricing review of Scottish Water. No material transfer pricing issues are found. 	Transfer pricing report
Jun	<ul style="list-style-type: none"> Commission publishes its Draft Determination of Charges for 2010-15. The Determination proposes transferring the following from Scottish Water wholesale to the licensed providers: metering; trade effluent consent management; and new connections, disconnections and reconnections. 	Draft SRC 2010-15
4 Jun	<ul style="list-style-type: none"> Commission publishes its policy on use of guarantees instead of prepayment. 	Policy paper on guarantees
16 Jun	<ul style="list-style-type: none"> Commission consents to early exit charges under Standard Licence Condition B2³. This consent allows the imposition of charges by licensed providers which would otherwise amount to a penalty under SLC B2. 	SLC B2 - consent letter to Business Stream
16 Jul	<ul style="list-style-type: none"> Grant Thornton reports to Commission on the separation of Business Stream's and Scottish Water's IT systems. 	Grant Thornton IT report CP88-09
1 Oct	<ul style="list-style-type: none"> Business Stream completes its IT application separation from Scottish Water. 	Letter to Business Stream Letter from Business Stream Letter from Business Stream
6 Oct	<ul style="list-style-type: none"> Commission meets and determines to delay the transfer of the proposed new retail activities (as set out in the Draft Determination of Charges for 2010-15) from Apr 2010 until Apr 2012. A group similar to the LFIG will be created to assist the Commission in completing the transfers. 	Minute of Commission meeting CP129-09
29 Oct	<ul style="list-style-type: none"> Commission grants Wessex Water Enterprises Limited water and sewerage licences. 	Licence grant letter to Wessex

³ This condition requires licensed providers to allow customers to switch on 20 business days' notice without penalty.

2009 continued		
Nov	<ul style="list-style-type: none">Commission publishes its Final Determination of Charges for 2010-15.	Final SRC 2010-15
4 Dec	<ul style="list-style-type: none">Commission introduces incentive payments to identify gap sites and vacant properties.	Commission consultation

2010

21 Jan	<ul style="list-style-type: none"> Commission publishes a revised Licence Fees Scheme Policy statement. 	Revised fees scheme policy statement
8 Feb	<ul style="list-style-type: none"> SLC B2(2) disapplied by the Commission for tenders. This means the requirement that licensed providers allow customers to switch on 20 business days' notice without penalty is disapplied where there has been a competitive tender process. 	Business Stream Consent Letter - SLC Condition B2(2)
25 Feb	<ul style="list-style-type: none"> Update from Business Stream on separation. 	Business Stream letter
11 Feb	<ul style="list-style-type: none"> Ondeo asks the Commission to revoke its licences. 	
1 Mar	<ul style="list-style-type: none"> Commission extends the deadline for its powers to amend the core industry documents. 	Letter to Scottish Water
3 Mar	<ul style="list-style-type: none"> Commission serves Ondeo with a Notice of Revocation of Licences. 	Ondeo Notice of Revocation
11 Mar	<ul style="list-style-type: none"> Workshop process begins for transfer of activities from Scottish Water to the retail market. 	Retail workshops intro presentation
30 Mar	<ul style="list-style-type: none"> Schedule 3 Determinations sent to relevant customers by the Commission. 	Schedule 3 determinations
2 Apr	<ul style="list-style-type: none"> Business Stream completes physical separation from Scottish Water by moving into new separate premises. 	
12 Apr	<ul style="list-style-type: none"> Commission introduces incentive payments to identify gap sites and vacant properties. 	Consultation Response
4 Oct	<ul style="list-style-type: none"> Commission meets and approves the service agreement between Scottish Water and Business Stream for IT until 31 Mar 2012 (when complete IT separation will have taken place). 	Minute of Commission meeting CP84-10

2011

March	<ul style="list-style-type: none"> Commission changes the gap site allocation process to allow smaller licensed providers to opt out. 	CP34-11 Market Code change
1 Apr	<ul style="list-style-type: none"> Revised Performance Standards come into effect. 	MPF Performance Measure Paper CSD0002 Performance Standards
July	<ul style="list-style-type: none"> Trade effluent management changes (wholesale to retail) go live. 	Policy statement
10 Nov	<ul style="list-style-type: none"> Vacant site charging admin scheme introduced. Allows Scottish Water to orderly challenge the occupancy status of supply points where they believe a premises marked as vacant is, in fact, occupied. 	Vacant charges admin scheme

2012

Feb	<ul style="list-style-type: none"> • Commission revises the Universal Service Obligation (USO) in all licences to disapply the provisions for smaller licensed providers. The USO requires licensed providers to offer the default package (price and service) to any customer who requests it. • Commission changes the Provider of Last Resort (PoLR) policy to allow smaller licensed providers to opt out. PoLR is the mechanism by which customers are allocated to other licensed providers should their own licensed provider fail. 	<p>Template letter SLC B1</p> <p>Revised PoLR process</p>
14 Mar	<ul style="list-style-type: none"> • Business Stream confirms full IT separation from Scottish Water. 	Letter from Business Stream
1 Apr	<ul style="list-style-type: none"> • Workshop process for transfer of activities from Scottish Water to the retail market concludes. The areas transferred include: metering; trade effluent; and connections/disconnections/reconnections. The workshop process also addressed other areas such as datalogging (also known as automated meter reading or AMR) and building water (that is, water used in construction projects). • Commission introduces the Vacant Site Admin Scheme. 	New Retail Areas response
3 Apr	<ul style="list-style-type: none"> • Commission grants Severn Trent Select Limited water and sewerage licences. 	Licence grant letter to Severn Trent



This CD ROM contains copies of all of the related documents that are itemised in this chronological history. Additional copies are available on request.

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