User Guide

Change of Market Segment

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Version History

Version	Date Published	Status	Reason for Change
0.1	12 June 2025	Draft	For industry consultation
0.2	02 July 2025	Draft	Post-consultation updates
1.0	09 July 2025	Approved	Baselined following approval at the REC Metering Expert Panel on 09 July 2025
2.0	19 June 2026	Approved	Updated to align with SMRS on sending of IF-035 on Advanced to Smart CMS

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1. Purpose of this User Guide

This guidance note provides additional information to support Suppliers', Meter Operator Agents' (MOAs) and Distribution Network Operators' (DNOs) understanding of the electricity change of Market Segment process in relation to meter updates and MOA appointments.

This guidance note should be read in conjunction with

- Schedule 14 - Metering Operations, which defines the business process and the associated Market Participant obligations;
- Energy Market Data Specification, which defines the format of the Market Messages used within the change of Market Segment process; and,
- Balancing and Settlement Code (BSC) Procedure, BSCP706 'Supplier Meter Registration Service for MHHS Metering Systems' which defines the Supplier Meter Registration Service (SMRS) validation rules.
- BSCP705 'Licensed Distribution for MHHS Metering Systems' which includes the change of Connection Type process.

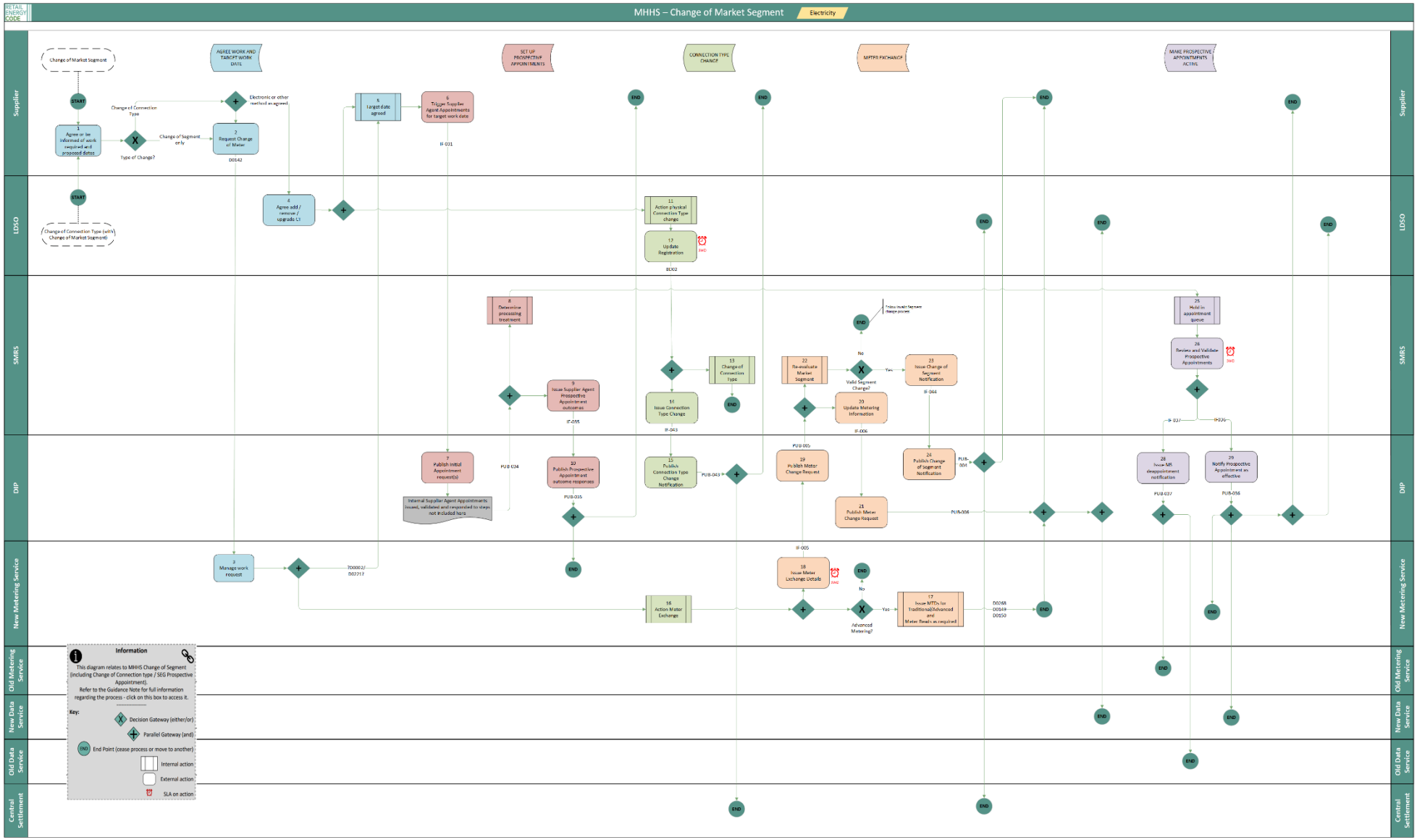
This guidance note has been developed to support the implementation of Market-wide Half Hourly Settlement (MHHS), which removed the concept of Measurement Class and introduced the concept of Market Segments for MHHS Metering Points. Market Segments are used to categorise Metering Points, based on the metering and connection type. The Market Segment of a specific Metering Point will be used to determine the applicable Market Messages and processing rules.

As elements of the change of Market Segment process are defined in both the BSC and REC; this guidance note has been developed to bring both elements together and explain the important operational choreography elements, to minimise exceptions arising in live operations.

Note: the process for a change of connection type sits under the BSC.

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2. Process Steps Overview



'SEG' is one of seven enumeration values for the Data Item DI-800 'Service Provider Appointment Scenario', to be used in the specific scenario where a MOA (or Data Service) appointment is being made in relation to a Change of Market Segment

The steps within the change of Market Segment process are:

1 Nature of work and target work date are agreed between the Supplier and MOA. For a change of connection type, it is expected that the DNO has agreed this and a target date with the customer and will then share this with the Supplier and MOA. The communication method will be as agreed with the relevant DNO.

2 Supplier puts in place a 'Prospective' MOA and Data Service Appointment based on the expected Market Segment for the new metering:

- Utilises standard Appointment Market Messages (IF031 'Supplier Agent Appointment Request' issued by the Supplier to the relevant SMRS)
- 'Service Provider Appointment Scenario' (DI-800) Data Item set to SEG
- Effective from date aligned to the agreed work date
- Accepted by MOA and Data Service using the IF034 and held within SMRS as 'Prospective' Appointments

3 On the agreed work date, the MOA replaces the meter and the DNO completes the change of Connection Type (if required). Note that in many cases the Connection Type will not require changing - for example, the replacement of an Advanced Metering Asset (with a Whole Current Connection Type) with a Smart Metering Asset.

- Where the Meter Exchange results in a change of Market Segment, the MOA should ensure that they have accepted a 'Prospective' Appointment for the target work date (reflecting the post exchange Market Segment) before completing the work

4 Following the completion of meter works the following updates are issued:

- If the Connection Type is updated, the DNO provides the updated Connection Type to the SMRS, via a DB02 flow, within 3 Working Days (WD) of work completion. This triggers the issuing of an IF043 'SMRS Notification of Change of Connection Type' by the SMRS.
- The MOA provides updated Meter Technical Details (MTDs) to the SMRS via the IF005 'MTD Updates to SMRS' within 3 WD of work completion. This triggers the issuing of an IF006 'SMRS Notification of MTD Updates' by the SMRS.

5 On receipt of either update the SMRS will re-evaluate the Market Segment and amend as required. An IF044 'SMRS Notification of Change of Segment' will be issued to notify Market Participants.

6 At the point the Market Segment changes (provided this is within 3 WD of the work date), the SMRS processes the prospective queued appointments and makes the new Supplier Agents retrospectively effective back to the initial work date.

Whilst there is a clear requirement on both the DNO and MOA to perform their updates within 3 WD, the Supplier has overall responsibility for ensuring the completion of the overall process

Note: Where a Change of Market Segment is required to an MHHS Metering Point only MHHS Qualified agents can be appointed. An appointment request would be rejected if the Supplier attempts to appoint a non-qualified MOA (or Data Service) on a Change of Market Segment.

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3. ‘SEG’ Scenario Appointments – SMRS Treatment

It is important that Suppliers use the ‘SEG’ scenario, as per step 2 above, for their Supplier Agent appointments when a change of Market Segment is planned because the ‘SEG’ scenario is treated differently by the SMRS:

- Initial IF031 validation, to check that the Supplier Agent is valid for the existing Market Segment, is bypassed.
- Normally, prospective appointments would be evaluated during the Secured Active Window before their Effective From Date and lapsed if this validation failed.

  Proposed ‘SEG’ appointments are different in that they remain in the appointment queue and are reprocessed/re-tested during the Secured Active Window for 3 WD following the proposed Effective From Date.

  If the Market Segment changes within that period, the proposed Supplier Agents will be compatible with the new Market Segment and the appointments will pass validation and come into effect (retrospectively from the Effective from Date).

  If there is no change of Market Segment, then the ‘SEG’ prospective appointment will be lapsed on the third WD. This allows for the processing of the MOA metering update and, if required, the DNO Connection Type update.
- The existence of the ‘SEG’ prospective appointment for the MOA will also allow that MOA to update the metering details via the IF005.

  This would normally be rejected by the SMRS as that MOA wasn’t ‘currently’ appointed, however the ‘SEG’ prospective appointment in the appointment queue enables the SMRS to accept the IF005 from the proposed MOA, provided the Meter Install and Meter Removal Dates (Exchange Date) are within the period of the prospective appointment.

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4. Happy Path Scenario 1 – Change of Market Segment including change of Connection Type (Smart (Whole Current) to Advanced (CT))

1 The Supplier would need to agree the nature of work required with their preferred Advanced MOA.

2 All parties agree a planned work date.

3 The Supplier will then initiate the Data Service and MOA appointment process by issuing the IF031 to SMRS:

- Supplier Agents requested should be appropriate for the new/proposed Advanced Market Segment.
- Supplier Agent Effective from Date should match the planned work date.
- Supplier Agents should note that the MTDs provided as part of the appointment process (e.g. PUB033 'SMRS Request for Supplier Agent Appointment') will be those that are currently in place – so the Gaining MOA may wish to consider validation to ensure normally unsupported Market Segment /metering arrangements are accepted when the appointment has the 'SEG' scenario.
- Normally these appointments would be rejected by the SMRS, for incompatible Market Segment, however the specification of the 'SEG' appointment scenario will bypass these checks at this stage.
- SMRS will issue the standard IF035 'SMRS Appointment Status Notification' to the Supplier and the Gaining MOA / Data Service.
- Assume that Supplier Agents accept the request for appointment. If not, then the Supplier should re-submit Supplier Agent request(s).

4 'SEG' prospective appointments, for Advanced MOA and Advanced Data Service, now exist in the appointment queue, waiting for the planned work date to arrive.

5 Planned work date is reached and work is completed.

6 Following the successful completion of the work, two updates are required:

- DNO will update the Connection Type using an internal flow into SMRS, which will result in a notification from SMRS issued to Market Participants via the PUB043.
- MOA will update the metering details using an IF005 into SMRS, which will result in a notification from SMRS issued to Market Participants via the PUB006.

7 Once these two updates have occurred the SMRS re-evaluates the Market Segment. Based on the new Connection Type and metering, the Market Segment will move from Smart to Advanced, with a notification to Market Participants issued via the PUB044.

8 During the next Secured Active Processing Window, the 'SEG' prospective appointments will be re-evaluated. They will now pass the Supplier Agent / Market Segment suitability checks and become active (as of the specified Effective From Date (work date)). Depending on the timing of the DNO/MOA updates, this may be up to 3 WD retrospectively.

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9 At the point the 'SEG' prospective appointments are confirmed, SMRS will notify Market Participants via the PUB036 'SMRS Notification of Supplier Agent Appointment & Supporting Info'.

10 SMRS will also issue de-appointment messages (PUB-037 'SMRS Notification of Supplier Agent De-Appointment') to the Losing Supplier Agents.

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5. Happy Path Scenario 2 – Change of Market Segment with no change of Connection Type (Whole Current Advanced to Smart)

1 The Supplier would need to agree the nature of work required with their preferred Smart MOA.

2 Supplier and MOA agree a planned work date.

3 The Supplier will then initiate the Data Service and MOA appointment process by issuing the IF031 to SMRS:

- Supplier Agents requested should be appropriate for the new/proposed Smart Market Segment.
- Supplier Agent Effective from Date should match the planned work date.
- Supplier Agents should note that the MTD's provided as part of the appointment process (e.g. PUB033 'SMRS Request for Supplier Agent Appointment') will be those that are currently in place – so the Gaining MOA may wish to consider validation to ensure normally unsupported Market Segment /metering arrangements are accepted when the appointment has the 'SEG' scenario.
- Normally these appointments would be rejected by the SMRS, for incompatible Market Segment, however the specification of the 'SEG' appointment scenario will bypass these checks at this stage.
- The SMRS will issue the standard IF035 'SMRS Appointment Status Notification' to the Supplier and the Gaining MOA / Data Service. Although the IF035 will be sent to the Losing MOA, there is no requirement for MTDs to be sent via the D0268 'Advanced Meter Technical Details' on a 'SEG' prospective appointment.
    - Where a Gaining Supplier does receive a D0268, no action is required.
- Assume that Supplier Agents accept the request for appointment. If not, then the Supplier should re-submit Supplier Agent request(s).

4 'SEG' prospective appointments, for Smart MOA and Smart Data Service, now exist in the appointment queue, waiting for the planned work date to arrive.

5 Planned work date is reached and work is completed.

6 Following the successful completion of the work, one update is required:

7 MOA will update the metering details using an IF005 into SMRS, which will result in a notification from SMRS issued to Market Participants via the PUB006.

8 Once this update has occurred the SMRS re-evaluate the Market Segment. Based on the existing Connection Type and new metering, the Market Segment will move from Advanced to Smart with a notification to Market Participants issued via the PUB044.

9 During the next Secured Active Processing Window, the 'SEG' prospective appointments will be re-evaluated. They will now pass the Supplier Agent / Market Segment suitability checks and become active (as of the specified Effective From Date (work date)). Depending on the timing of the MOA update, this may be up to 3 WD retrospectively.

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10 At the point the 'SEG' prospective appointments are confirmed, the SMRS will notify Market Participants via the PUB036 'SMRS Notification of Supplier Agent Appointment & Supporting Info'.

11 The SMRS will also issue de-appointment messages (PUB-037 'SMRS Notification of Supplier Agent De-Appointment') to the Losing Supplier Agents.

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6. Happy Path Scenario 3 - Change of Connection Type Only (No Change of Market Segment) – Advanced Whole Current to Advanced CT

A change in Connection Type may also involve a change of metering, however this would effectively be a business as usual (BAU) change of Connection Type at the same time as a BAU change of metering.

1 The Supplier would need to agree the nature of work required with the DNO and MOA.

2 All parties agree a planned work date.

3 Planned work day is reached and work is completed.

4 Following the successful completion of the work, one update is required:

- DNO will update the Connection Type using an internal DB02 flow into SMRS, which will result in a notification from SMRS issued to Market Participants via the PUB043.

5 Where a meter change is also enacted, then the MOA will update the metering details using an IF005 into SMRS, which will result in a notification from SMRS issued to Market Participants via the PUB-006.

6 Once the required updates have occurred, the SMRS will re-evaluate the Market Segment. As there is no resulting change to Market Segment, no further action will be taken.

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7. Exceptions

Q1. What if work is rescheduled after the 'SEG' prospective appointments have been processed?

A: If the work date is rescheduled then the Supplier should issue new 'SEG' prospective appointments (Data Service and MOA) for the rescheduled work date. The original 'SEG' prospective appointments for the missed work date will lapse 3 WD after the Effective from Date and the original Supplier Agent appointments will remain in place.

Q2. What if work did not go ahead?

A: If the work is cancelled or otherwise did not go ahead, the 'SEG' prospective appointments will lapse 3 WD after the Effective from Date of the appointments and the original Supplier Agent appointments will remain in place.

Q3. What if the DNO fails to send to SMRS the required Connection Type update for a change of Market Segment scenario?

A: It is vital that the MOA submits its IF005 to SMRS to notify of the Meter Exchange AND if required, that the DNO updates the Connection Type within 3 WD of the Effective from Date of the 'SEG' prospective appointment.

Where a meter update is received which is incompatible with the existing Connection Type and the change of Connection Type notification is not received within 3 WD following the Effective from Date of the 'SEG' prospective appointment, the SMRS will not amend the Market Segment and will instead lapse the 'SEG' prospective appointment. With no appointment in place, the IF005 from the Gaining MOA will be rejected.

The Supplier will be responsible for identifying the issue and engaging with the DNO and MOA to resolve.

Q4. What if the MOA fails to send the required Meter Exchange update for a change of Market Segment scenario?

A: It is vital that the MOA submits its IF005 to notify of the Meter Exchange AND if required, that the DNO updates the Connection 3 WD of the Effective from Date of the 'SEG' prospective appointment.

Where a change of Connection Type notification is received by the SMRS, this will be processed and the IF043 issued to Market Participants to reflect the change of Connection Type (this update is not held pending the 3 WD validation check).

If the Meter Exchange update has not been received by the time the SMRS carries out the 3 WD validation check, the SMRS will not amend the Market Segment and will lapse the 'SEG' prospective appointment. Any IF005 received from MOA after this point will be rejected.

3 WD after the change of Connection Type, the Supplier will receive Invalid Market Segment notifications via IF045 to reflect the incompatibility of the Connection Type (notified by the DNO) and the meter details (which will match the removed meter rather than the newly installed meter). The SMRS will not amend the Market Segment and therefore existing Supplier Agents will not be de-appointed.

The Supplier is responsible for identifying the issue and engaging with the DNO and MOA to resolve.

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Q5. What if Supplier fails to put 'SEG' prospective appointments in place – but work still goes ahead?

A: Ideally the work should not have proceeded. If it has and the DNO notifies the SMRS of a change in Connection Type, this will be processed by the SMRS and the IF043 issued to Market Participants to reflect the change of Connection Type (this update is not held pending the 3 WD validation check).

If no 'SEG' prospective appointment is in place, any IF005 Meter Exchange update from the Gaining MOA will be rejected.

3 WD after the change of Connection Type, the Supplier will receive Invalid Market Segment notifications via IF045 to reflect the incompatibility of the Connection Type (notified by the DNO) and the meter details (which will match the removed meter rather than the newly installed meter). The SMRS will not amend the Market Segment and therefore existing Supplier Agents will not be de-appointed.

The Supplier is responsible for identifying the issue and engaging with the DNO and MOA to resolve.

Q6. Can the planned work date be on a Switch Effective from Date?

A: Yes, there is nothing in the process to prevent this. However, a concurrent Switch adds complexity to the process and is not advised to be undertaken outside of exceptional circumstances.

In this scenario, the Gaining Supplier should use 'SEG' as the appointment scenario rather than 'COS', even though a change of Supplier is occurring. The Gaining Supplier will still need to liaise with the DNO, and MOA to ensure agreement for work to be undertaken/completed on the Supplier Effective from Date. In the event that the Switch is cancelled, the Gaining Supplier should notify the DNO and MOA to cancel and re-schedule the work.

Q7. Can the change of Market Segment be used for emergency work?

A: The normal expectation is that Change of Market Segment / Connection Type work would be arranged and agreed in advance, ideally at least 48hrs.

However, the process does not prevent 'on the day' use of the SEG scenario. Therefore, in an emergency situation the currently appointed Supplier, with the agreement of the DNO and proposed MOA, could issue a 'SEG' appointment with the Effective from Date of the current day. This could be accepted by the Gaining MOA and the work completed on the same day. The usual 3 WD window for the DNO and MOA updates would apply.

Q8. Does the Gaining MOA have to send the Meter Exchange update, or could they just send a Meter Install update?

A: Depending on the agreements in place between the parties involved, it possible that following the change of Market Segment activity the metering change could be communicated in two different ways:

a. The Losing MOA submits a Meter Removal update via the IF005 and the Gaining MOA submits a Meter Install update via the IF005.

b. The Gaining MOA submits a Meter Exchange update, removing the old meter and installing the new meter in a single transaction.

Both patterns are allowed; however, it is the 'install' element that is required in order to allow the change of Market Segment to proceed.

Note also if pattern (a) is agreed and the Losing MOA fails to issue the Meter Removal update, then a 'mixed meter' situation will arise and the SMRS will consider the site to belong to the Advanced Market Segment which

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may, depending on the circumstances, result in the auto de-appointment of the existing agents, and block the appointment of Smart Supplier Agents(s) until the mixed meter situation is resolved i.e. the outstanding meter removal is completed and new Smart Supplier Agents are appointed, if required.

Q9. How does a change of Market Segment work with Related Metering Points and Import / Export Associations?

A: The MHHS design does not allow Metering Points with an Import / Export Association and or Related Metering Point relationship to effectively progress through a change of Market Segment. Therefore, Suppliers should remove any Import / Export Associations and Related Metering Point relationships for the relevant Metering Points ahead of progressing the change of Market Segment against each Metering Point independently. Where appropriate Suppliers will need to recreate the associations and relationships previously in place.

Q10. Can SEG Appointment requests be applied retrospectively?

A. Yes, if the SEG Appointment is not in the queue at the point the meter exchange took place triggering the change of Market Segment, the Supplier can submit a retrospective SEG Appointment request. The IF005 meter exchange message must then be received within 3 Working Days of the MOA acceptance of this SEG Appointment request (IF-034).

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