

The reassessment process for unmetered supply points March 2009

This document presents the Commission's policy on the reassessment process for unmetered supply points. This note follows on from the consultation the Commission issued in December 2008.

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Background

In line with the Scottish Government's stated aim that non-household premises should be metered, Scottish Water is currently engaged in a programme to install water revenue meters at all non-household premises in Scotland, the Full Business Metering Programme (**the FBM Programme**). The FBM Programme will allow customers to benefit from charges that are related to their actual consumption rather than just the rateable value of their premises.

Where a water revenue meter has been installed under the FBM Programme, meter-based charging will be introduced, on a phased basis, from 1 April 2009. However, in the course of installing water meters under the FBM Programme, it has become apparent to Scottish Water that there may be a number of premises where it appears uneconomic to install a meter. There are also premises where Scottish Water was unable to gain access or access was refused, preventing Scottish Water from assessing whether a meter can be fitted.

Where a premises remains unmetered by 1 April 2009, Scottish Water will use the current rateable value volume conversion (as set out in the published Wholesale Charges Scheme) to assign an assessed meter size and an assessed annual volume. This approach will also apply to any Gap Site identified after 1 April 2009 and which cannot be metered¹.

However, to ensure that the Government's objective, that charging be reflective of consumption, is met, an alternative charging mechanism will be introduced from 1 April 2009 for those non-household customers whose premises have not been fitted with a water meter. Under this new charging structure, an assessment can be made of the annual water and wastewater consumption which will then be used to determine the appropriate wholesale charge. The Wholesale Charges Scheme for 2009-10 contains charging bands and once an assessment has been made of the annual water and wastewater consumption, Scottish Water will determine into which wholesale charging band it believes the Supply Point(s) at the premises correctly fall.

The process set out in this document is the way in which a non-household customer, through their licensed provider, may apply for a reassessment of their unmetered premises leading to either the installation of a water revenue meter (either at Scottish Water's expense under the FBM Programme or with a contribution to the cost from Scottish Water), or, if a customer does not wish to contribute for the installation of a meter, a switch from rateable-valued based to assessed consumption based charging.

¹ It is not compulsory for licensed providers to submit a Reassessment Request Form for each unmetered Gap Site. Customers at such sites may therefore choose to submit (or not submit as the case may be) a Reassessment Request Form in the same way as customers at other unmetered sites.

Key points

1. The reassessment request process is designed, first and foremost, to facilitate the fitment of a water revenue meter at an unmetered premises. Accordingly, once an application has been made to Scottish Water for the reassessment of a Supply Point(s) by a licensed provider filling out a Reassessment Request Form, the first stage of the process will be for Scottish Water to assess whether a meter can be fitted under the FBM Programme. In order to facilitate this assessment, the non-household customer must, if requested to do so by Scottish Water, allow access to the premises for a survey to be carried out.
2. Only if a meter cannot be fitted under the FBM Programme, will Scottish Water offer to make a contribution to the licensed provider for the costs of changing the premises' internal pipework to allow Scottish Water to install a meter at the relevant Supply Point(s)².
3. The Commission will, from time to time and following discussions with Scottish Water, establish and publish the minimum amount that Scottish Water will offer to customers.
4. Only if the non-household customer at the premises chooses to reject the Contribution Offer and not fit a meter will the charging basis for the Supply Point(s) then move from the premises' rateable value to the customer's consumption requirements. Further, having decided not to fit a meter at the premises, a non-household customer may not then choose to remain on rateable value based charging and must proceed with the reassessment request.
5. Scottish Water will make available to all licensed providers the complete list of Supply Point(s) that are unmetered. The list, which will set out for each Supply Point the reason it has not been metered, should assist customer understanding and may increase take-up of meters. The list will be available to licensed providers through Scottish Water's portal.
6. In order to allow licensed providers and their customers to determine whether to submit a reassessment request, Scottish Water will publish on its portal a wholesale charge calculator that will allow a customer's likely consumption to be determined prior to a reassessment request being made³. The wholesale charge calculator will set out the elements which Scottish Water will use to calculate the annual

² Scottish Water's offer must be read in conjunction with the technical specification of the works that must be carried out in order that Scottish Water may fit a water revenue meter at the premises. This technical specification will be available to licensed providers through Scottish Water's portal.

³ Because of the way that trade effluent charges are calculated, the wholesale charge calculator should not be used where a non-household customer has a trade effluent consent. Licensed providers should discuss the consumption assessment of customers with a trade effluent consent with Scottish Water.

consumption, for example, the numbers of toilets and/or showers at the premises. It will also set out details of how Scottish Water will treat non-domestic type consumption at a premises and how it will determine the appropriate return to sewer allowance⁴.

⁴ A Supply Point(s) where there is domestic consumption only will be charged on a return to sewer allowance of 95%. For all other Supply Point(s), Scottish Water will assess whether the return to sewer allowance should be 50% or 95%.

Process Path for reassessment requests

Application

1. If a licensed provider, working in conjunction with a non-household customer, believes that a premises should be metered and/or the rateable value based assessed meter size and/or assessed consumption at the Supply Point(s) are not representative of the actual consumption requirements, a reassessment request may be submitted to Scottish Water using the appropriate form (the **Reassessment Request Form**)⁵.
2. Reassessment requests may only be submitted for both the water and wastewater Supply Point(s) at a premises. Accordingly, if a non-household customer has different licensed providers for its water and wastewater services, those licensed providers must liaise and complete Reassessment Request Forms for both the water and wastewater Supply Point(s).
3. Reassessment Request Forms which are found to be incomplete or do not provide the necessary information will be rejected by Scottish Water and returned to the licensed provider. Between 1 April 2009 and 30 September 2009 (the **Initial Period**) Scottish Water will return any incomplete Form within 20 (twenty) business days of receipt of the Form. At all other times Scottish Water will return an incomplete Form within 10 (ten) business days of receipt of the Form.
4. A correctly completed Reassessment Request Form will also be rejected and returned to a licensed provider if that licensed provider has made a reassessment request for the Supply Point(s) outside the permitted timeframes or without the cooperation of the customer's other licensed provider (only applicable where a customer has different licensed providers for water and wastewater services). Where an Reassessment Request Form is rejected and returned, Scottish Water will provide the licensed provider with reasons for the rejection
5. Only a non-household customer's current licensed provider may submit a reassessment request. Accordingly, if a customer changes licensed provider before a Contribution Offer has been accepted, the outgoing licensed provider must inform Scottish Water who will end the request process. If the customer wishes to proceed with the reassessment request, a new Reassessment Request Form must be signed and submitted by the customer's new licensed provider. If a Contribution Offer has been accepted, the outgoing licensed provider must inform Scottish Water who the incoming licensed provider will be. The meter installation process will then continue

⁵ The licensed provider will be required to indicate on the Reassessment Request Form the reason for the Form's submission.

and the incoming licensed provider will be obliged to complete the process on behalf of the customer.

Meter fitment

6. Having received a completed Reassessment Request Form from a licensed provider, Scottish Water will assess whether a meter can be fitted under the FBM Programme. In order to facilitate this assessment, the non-household customer must, if requested to do so by Scottish Water⁶, allow access to the premises for a survey to be carried out⁷. Scottish Water may charge an Abortive Visit Charge if access is not granted at the agreed time⁸, and if a customer refuses access then Scottish Water may reject the application and the customer will remain on charging based on the premises' rateable value.
7. If a meter can be fitted under the FBM Programme, Scottish Water will fit the meter (at no cost to the customer) and the reassessment request process will end. In line with Process 8 of the Operational Code, Scottish Water will carry out the installation, within 22 (twenty-two) business days of receiving the completed Reassessment Request Form⁹.
8. Once the meter has been fitted by Scottish Water under the FBM Programme and is operational, the Supply Point(s) will move to metered charges in line with the published Wholesale Charges Scheme and will be subject to the phasing programme (percentages and timetable) that applies to premises metered under the Full Business Metering Programme.

Contribution Offer

9. If a meter cannot be fitted under the FBM Programme, Scottish Water will offer to make a contribution to the licensed provider for the costs of changing the premises' internal pipework in order to install a meter (a **Contribution Offer**). Within the Initial Period, Scottish Water will send its Contribution Offer within 20 (twenty) business

⁶ Scottish Water must liaise with the customer's licensed provider before arranging any survey visit.

⁷ In line with Process 8 of the Operational Code, Scottish Water must complete any site survey within 8 (eight) business days of receiving the completed Reassessment Request Form. If a customer refuses access then Scottish Water may reject the application and the customer will remain on charging based on the premises' rateable value.

⁸ Scottish Water may charge in line with the Abortive Visit Charge for meter installation set out in the Wholesale Charges Scheme (as published).

⁹ Scottish Water will install the meter as close to the point of connection to the Network as is reasonably practical and within 2 (two) business days of completion of installation, will promptly notify the Central Market Agency of the opening meter readings and meter installation details in accordance with the Market Code.

days of receipt of the Reassessment Request Form. At all other times Scottish Water will send its Contribution Offer within 10 (ten) business days of receipt of the Reassessment Request Form.

10. The Commission will, from time to time and following discussions with Scottish Water, establish and publish the minimum value of the Contribution Offer (the **Threshold**), although Scottish Water may, at its sole discretion, offer a higher contribution than the Threshold.
11. The current value of the Threshold set by the Commission is **£1,000** less Scottish Water's reasonable costs of fitting a meter at the premises¹⁰.
12. The Contribution Offer must be read in conjunction with the technical specification of the works that must be carried out to the premises' internal pipework in order that Scottish Water may fit a water revenue meter at the premises (the **Technical Specification**). The Technical Specification will be available to licensed providers through Scottish Water's portal.
13. If the licensed provider, having received Scottish Water's Contribution Offer, reviewed the Technical Specification and consulted with the non-household customer, decides to accept the Contribution Offer, it will notify Scottish Water within 15 (fifteen) business days of the date of the Contribution Offer.
14. The non-household customer will then have 80 (eighty) business days from the date of the Contribution Offer acceptance to complete the changes to the premises' internal pipework necessary for the installation of a meter and notify Scottish Water of the same. On completion of the works and having received notification from the licensed provider, Scottish Water, in line with Process 8 of the Operational Code, will carry out the installation of the meter within 22 (twenty-two) business days of receiving the notification¹¹.
15. Once the meter has been installed by Scottish Water, Scottish Water will transfer the amount of the Contribution Offer to the licensed provider. The Supply Point(s) will move to metered charges in line with the published Wholesale Charges Scheme and will not be subject to the phasing programme (percentages and timetable) that applies to premises metered under the Full Business Metering Programme.
16. If, when Scottish Water attempts to install the meter, it is clear that the works at the non-household customer's premises have not been completed so as to allow

¹⁰ Scottish Water's reasonable costs shall be in line with those set out for licensed provider requested meter installation in the Wholesale Scheme of Charges (as published), save that there shall be a presumption that standard charges will apply and Scottish Water may not charge a Survey Charge.

¹¹ Scottish Water will install the meter as close to the point of connection to the Network as is reasonably practical and within 2 (two) business days of completion of installation, will promptly notify the Central Market Agency of the opening meter readings and meter installation details in accordance with the Market Code.

installation¹², Scottish Water will inform the licensed provider who will then have an additional 10 (ten) business days from the date of notification to rectify any problem.

17. If the works at the non-household customer's premises are not completed either within the initial 80 (eighty) business days or the additional 10 (ten) business days as set out in processes 14 and 16 above, Scottish Water will treat the Contribution Offer as rejected (see process 19 below).
18. If the licensed provider, having received Scottish Water's Contribution, reviewed the Technical Specification and consulted with the non-household customer, decides to not accept the Contribution Offer, it will indicate the same to Scottish Water within 15 (fifteen) business days of the date of the Contribution Offer. At this point a non-household customer may not choose to remain on rateable value based charging and must proceed with the reassessment request.
19. If no response from the licensed provider has been received by Scottish Water within 15 (fifteen) business days of the date of the Contribution Offer, Scottish Water will treat the Contribution Offer as rejected. Again, at this point a non-household customer may not choose to remain on rateable value based charging and must proceed with the reassessment request.

Move to reassessed charges

20. Following confirmation from the licensed provider that the Contribution Offer is not to be accepted or if the Contribution Offer has been rejected (see processes 17 and 19 above), Scottish Water will reassess the annual consumption, water volume, meter size and return to sewer allowance¹³ (where applicable) for that Supply Point(s) based on details of the actual consumption requirements supplied on the Reassessment Request Form.
21. Having reassessed the annual consumption, water volume, meter size and return to sewer allowance (where applicable) for the Supply Point(s), Scottish Water will determine into which wholesale charging band (as set out in the published Wholesale Charges Scheme) it believes the Supply Point(s) correctly fall.

¹² Scottish Water may charge the licensed provider for any aborted visit to install a meter in line with the Abortive Visit Charge for meter installation as set out in the Wholesale Charges Scheme (as published).

¹³ Under the Wholesale Scheme of Charges only two values for the return to sewer allowance are permitted: 50% or 95%. A Supply Point(s) where there is domestic consumption only will be charged on a return to sewer allowance of 95%. For all other Supply Point(s), Scottish Water will assess whether the return to sewer allowance should be 50% or 95%.

22. Scottish Water will then inform the licensed provider of the wholesale charging band into which the Supply Point(s) fall¹⁴. The licensed provider will have 10 (ten) business days from the date of notification in which to dispute Scottish Water's reassessment. If no response is received by Scottish Water at the end of the 10 (ten) business days, the notified wholesale charging band will be recorded by Scottish Water, who will then notify the CMA.
23. If the licensed provider disputes Scottish Water's reassessment, it must provide additional evidence to support a re-evaluation of the reassessment within 20 (twenty) business days from the date the reassessment was provided by Scottish Water. Following receipt of any additional evidence, Scottish Water will have 10 (ten) business days to provide the licensed provider with its re-evaluation of the correct wholesale charging band. If no additional evidence is received by Scottish Water at the end of the 20 (twenty) business days, the original notified wholesale charging band will be recorded by Scottish Water, who will then notify the CMA.
24. It is the responsibility of the licensed provider to ensure that all of the necessary information is obtained from the non-household customer to enable Scottish Water to assess and allocate the appropriate annual consumption. Primarily, this will involve ensuring that the Reassessment Request Form is completed correctly¹⁵.
25. Each completed reassessment request made by a licensed provider will have the new wholesale charges applied by the CMA from the date on which the request was received by Scottish Water. However, where a completed reassessment request is received by Scottish Water before 1 July 2009, the new wholesale charges will be applied by the CMA from 1 April 2009.
26. Supply Points whose wholesale charges have been revised in response to a reassessment request, will **not** be able to revert back to the rateable value volume conversion (as set out in the published Wholesale Charges Scheme) to assign an assessed meter size and an assessed annual volume.
27. Supply Points whose wholesale charges have been revised in response to a reassessment request, will **not** be subject to the phasing programme (percentages and timetable) that applies to premises metered under the Full Business Metering Programme.
28. If a Supply Point which has an assessed meter size and/or an assessed consumption is subsequently metered, that Supply Point will immediately revert to metered charges in line with the published Wholesale Charges Scheme and will **not** be subject

¹⁴ This will include, where appropriate, Scottish Water's reasons for its assessment of the correct return to sewer allowance.

¹⁵ All fields on the Reassessment Request Form are mandatory save for those indicated.

to the phasing programme (percentages and timetable) that applies to premises metered under the Full Business Metering Programme.

29. Scottish Water may review each re-assessed Supply Point a maximum of once every 3 (three) years, to confirm that the criteria on which the assessment was based remain unchanged. Scottish Water may review a re-assessed Supply Point at any time from the date on which the new wholesale charges are applied by the CMA.
30. To assist with its review, Scottish Water may request that licensed providers supply up-to-date information on water use and consumption to allow both an evaluation of the appropriateness of the current assessment for charging, and the potential for meter installation¹⁶. The licensed provider must supply the information requested within 20 (twenty) business days of the date of the request¹⁷.
31. If no up-to-date information is received from the licensed provider within 20 (twenty) business days or, having received the up-to-date information, Scottish Water believes there are legitimate grounds for doing so¹⁸, Scottish Water will liaise with the contact point provided by the licensed provider to agree a convenient time for a site visit to take place.
32. If, following receipt of the up-to-date information from the licensed provider and/or following a site visit, Scottish Water believes that a further reassessment is required, it will determine what it considers to be the correct consumption values and into which wholesale charging band (as set out in the published Wholesale Charges Scheme) the Supply Point(s) now fall.
33. Scottish Water will then inform the licensed provider of the wholesale charging band into which it believes the Supply Point(s) now fall¹⁹. The licensed provider will then have 10 (ten) business days in which to dispute Scottish Water's reassessment. If no response is received by Scottish Water at the end of the 10 (ten) business days, the notified wholesale charging band will be recorded by Scottish Water, who will then notify the CMA.
34. If the licensed provider disputes Scottish Water's reassessment, it must provide additional evidence to support a re-evaluation of the reassessment within 20 (twenty) business days from the date the reassessment was provided by Scottish

¹⁶ Unless Scottish Water can show exceptional circumstances, this information request will be limited to licensed provider submitting a Reassessment Request Form.

¹⁷ The licensed provider will be required to indicate on the Reassessment Request Form the reason for the Form's submission.

¹⁸ Scottish Water must inform the licensed provider in writing of these grounds.

¹⁹ This will include, whether appropriate, Scottish Water's reasons for its assessment of the correct return to sewer allowance.

Water. Following receipt of any additional evidence, Scottish Water will have 10 (ten) business days to provide the licensed provider with its re-evaluation of the correct wholesale charging band. If no additional evidence is received by Scottish Water at the end of the 20 (twenty) business days, the original notified wholesale charging band will be recorded by Scottish Water, who will then notify the CMA.

35. Each completed reassessment review instigated by Scottish Water will have the new wholesale charges applied by the CMA from the date on which Scottish Water requested up-to-date water use and consumption information from the licensed provider. However, where a reassessment review by Scottish Water is completed within 20 (twenty) business days of the completion of a reassessment request from a licensed provider, the new wholesale charges will be applied by the CMA from the date on which the licensed provider's reassessment request was received by Scottish Water.
36. Where a change of use or tenancy at a premises is identified by a licensed provider, it will be required to lodge a reassessment request in relation to the Supply Point(s) at that premises within 30 (thirty) business days of the date on which it became aware of the change of use or tenancy²⁰.
37. Unless a change of use or tenancy at a premises is identified, a licensed provider may only lodge a reassessment request in relation to a Supply Point once per annum. Accordingly, if a non-household customer changes licensed provider during the course of a year, the new licensed provider may submit a reassessment request for the customer's Supply Point even if a request has been lodged by the customer's previous licensed provider during the same year.
38. Following a period of vacancy, licensed providers will be required to lodge a reassessment request with evidence of actual water use and consumption.
39. Any properties with an assessed volume of more than 1000m³ will be automatically reconsidered for a meter installation.

²⁰ The licensed provider will be required to indicate on the Reassessment Request Form the reason for the Form's submission.