

OPERATIONAL CODE CHANGE PROPOSAL				Draft Form Version 1.2	
Operational Code Change Proposal Ref (Assigned by CMA)		OCCP021	Version Number (Assigned by CMA)		Version 1.0
Title of the change		Process 9: Meter Accuracy Test			
1. GENERAL DETAILS		Proposers are reminded that Change Proposals must be countersigned by the Proposer's Contract Manager or the person designated by the signatory to the Market Code Framework /Accession Agreement			
Company:	Scottish Water		Org ID if assigned:		
Signature:			Date:	2 April 2009	
		Name:		Jessie McLeman	
Contact details for the Proposal - the contact should be able to deal with queries regarding this Operational Code Change Proposal and need not be the same person who has countersigned the Change Proposal					
		Name:	Jessie McLeman		
		Email Address:	Jessie.mcleman@scottishwater.co.uk		
		Telephone and or Mobile:	07875 872123		
Number of Associated Documents	01	Name or link to documents	The document "091314 OCCP Process 9 version 4 clean.doc" contains draft text to replace the current Operational Code process.		
If the OCCP will also affect the Operational Code, an MCCP must also be raised					
Indicate if there is an associated MCCP		No	MCCP Ref:	CMA use only	
URGENT – IF PROPOSER HAS INDICATED THIS OCCP IS URGENT, STATE REASONS HERE The CMA Chief Executive will review this information and make a decision as to whether to take this OCCP forward as urgent as defined as under Market Code Part 8.8.1 (ii) (e)					
The proposal is not urgent.					
2. OPERATIONAL CODE CHANGE PROPOSAL DETAILS					
A	ISSUE or DEFECT WHICH THIS OPERATIONAL CODE CHANGE PROPOSAL SEEKS TO ADDRESS required under Market Code Part 8.8.1 (ii) (b)				
<p>Currently, <i>Process 9 – Meter accuracy test</i> does not make provision for all of the physical operations that have to be carried out to perform an accuracy test, and so does not reflect the practicality of the actual operational arrangements. Currently the process:</p> <ul style="list-style-type: none"> <li>Does not include a step for Scottish Water to prepare a quotation for the LP; and</li> <li>Does not include a step for Scottish Water to remove the existing meter for testing.</li> </ul> <p>All other processes that include meter removals or exchanges include these steps, where relevant. <i>Process 10, Meter Fault and repair</i>, for example, allows for 10 Business Days to inspect the meter and a further 22 Business Days to exchange the meter once a quotation has been accepted. Process 9 has an additional activity compared to Process 10, but requires all actions to be completed in only 10 Business Days.</p> <p>The proposed amendment aligns the process with the necessary physical operations on the ground, and makes the process consistent with the other Code processes.</p>					

The amendment also takes account of the slightly differing requirements where an accuracy test is requested by the CMA.

B

DESCRIPTION OF NATURE AND PURPOSE OF THE CHANGE AND HOW IT MEETS THE OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS required under Market Code Part 8.8.1 (ii) (c)

The Proposer should indicate which principles the change supports and whether there is any adverse effect on any principle(s).

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|--|---|
| a) Proportionality                             | e) Barriers to entry                                  |
| b) Transparency                                | f) Customer contact                                   |
| c) Simplicity, cost-effectiveness and security | g) Non-discrimination                                 |
| d) Non-exclusivity                             | h) Not detrimental to Scottish Water's core functions |

There are four related changes proposed to *Process 9 – Meter accuracy test*. These changes are intended to bring the process into line with the physical activities that actually take place when carrying out an accuracy test. The changes will:

1. Bring the process into line with the activities set out in the Charges Scheme;
2. Allow for a quotation to be provided to and accepted by the Licensed Provider before the meter is removed;
3. Include a step for the removal of the existing meter for testing; and
4. Amend the step relating to carrying out the test.

These changes ensure consistency with the activities set out in the other processes that involve the removal and replacement of a meter i.e. *Process 10 – Meter fault and repair*, and *Process 11 – change of meter at the request of the Licensed Provider*. The amendments also ensure the correct treatment of requests which are made by the Central Market Agency rather than a Licensed Provider.

#### 1. Activities in the Charges Scheme

The Charges Scheme includes a survey stage to establish whether it is possible to carry out an accuracy test and to determine the expected costs of carrying out the test. It is proposed that these activities are set out as a new stage in the process.

#### 2. Quotation to LP

Since in some cases the Licensed Provider is liable for charges for work carried out, Scottish Water proposes to provide a quote which would allow the Licensed Provider to decide whether they wished to progress. In accordance with the Charges Scheme, charges only apply in the case that the meter is found to be operating correctly or if a survey takes place but no accuracy test is carried out. It is proposed that Process 9 is amended to allow Scottish Water 15 Business Days for carrying out of the survey and provision of the quotation from the date of request. In the case of requests from the CMA a survey will be carried out within 10 Business Days.

#### 3. Removing the existing meter for testing

In carrying out an accuracy test, Scottish Water replaces the existing meter with a new meter and returns the existing meter to the manufacturer's accredited laboratory. Currently other processes that involve fitting a new meter allow 22 Business Days to carry out the installation e.g.

- *Process 8 – installation of a meter for a new Supply Point* – Scottish Water is required to carry out the installation within 22 Business Days of the initial request;
- *Process 10 – Meter fault and repair* – Scottish Water is required to replace the meter within 22 Business Days of the notification of a fault; and
- *Process 11 – change of meter at the request of the Licensed Provider* – Scottish Water is required to exchange the meter within 22 Business Days of the acceptance of the quotation by the Licensed Provider.

It is proposed that Process 9 is amended to allow 22 Business Days for a meter to be replaced from the acceptance of a quotation by a Licensed Provider, or, in the case of CMA requests, within 22 Business Days of the date of the survey.

#### 4. Carrying out the test

Once the current meter is removed it must be sent to the manufacturer's accredited laboratory for testing. Based on information provided by the meter suppliers, the time to carry out a test depends on the size of the meter. While it would be possible to have a separate KPI for different sized meters, in the interest of simplicity it is suggested that there is a single KPI set at 20 Business Days.

This change would not be detrimental to the Licensed Provider as the replaced meter will in any case correctly record consumption for the site from the point of installation, and the result of the test only determines whether or not the Licensed Provider is liable for the charge.

**Consistency with Code Principles**

The proposed changes support the transparency and simplicity of the market, in that they bring Process 9 into line with the process set out in the Charges Scheme and in the other metering processes. They also provide a better measure of compliance on Code Parties. The existing process does not in practical terms allow market participants to meet their obligations, and so does not reflect performance against a practical standard.

There are no adverse affects from this proposal in relation to the Code principles.

C	IMPACT – required under Market Code Part 8.8.1 (ii) (f)
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The Proposer should indicate the sections of the Market Code affected, whether the Operational Code or CSDs, Wholesale Services Agreement or License is impacted and whether there are likely to be implications on:

a) Central Systems	c) CMA Interfaces/ Processes
b) Trading Party’s systems	d) Trading Party’s business processes

The proposal will amend Process 9 of the Operational Code. The change will have an impact on trading parties’ business processes and systems to the extent that additional steps will be included in the Process. Central systems and CMA interfaces will not be affected.

D	DRAFT LEGAL TEXT – required under Market Code Part 8.8.1 (ii) (d)
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This is contained in the attached document.

**3. IMPLEMENTATION DETAILS - PROPOSED IMPLEMENTATION DATE OR LEAD TIME**

Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section C. Any quoted lead time should commence from date of approval.

The Implementation Date will be the date of the next release of the Operational Code following Approval by the Commission.

**4. ANY OTHER COMMENTS**

None.

The full text of the objectives and principles for the Operational Code are set out in The Water Services (Codes and Services) Directions 2007 which can be downloaded from the Commission’s website (<http://www.watercommissioner.co.uk/Comp/ServiceDirections.asp>)