

2.1.1 Daily Charge Allocation and Aggregation

In order to calculate the Daily Non-Volumetric Charges for each Supply Point, the relevant annual figures will be identified and converted into daily figures as follows:

Step 1

To calculate the Annual Non-Volumetric Charge for Supply Points for which Surface Water Drainage Services are provided, the CMA will apply a conversion factor to the Rateable Value for each Supply Point as follows:

$$ANVC = RV * TR$$

Where:

RV is the Rateable Value for the Supply Point; and

TR is the non-volumetric rate for the Service Element (as set out in the Wholesale Charges Scheme).

Step 2

The CMA will convert both Annual Non-Volumetric Charges calculated under step 1 above and Annual Non-Volumetric Charges derived using the Scottish Water Data (i.e. where a related Annual Non-Volumetric Charge for a Supply Point does not depend its Rateable Value) into Daily Non-Volumetric Charges as follows:

$$DNVC = ANVC / DIY$$

Where:

DNVC is the Daily Non-Volumetric Charge for the Service Element;

ANVC is the Annual Non-Volumetric Charge for the Service Element; and

DIY is the number of days in the relevant Year.

Step 3

The CMA will then allocate the Daily Non-Volumetric Charge for each Service Element related to a Supply Point to the Licensed Provider to whom that Supply Point was Registered on each Settlement Day. That allocation will be performed in one of the two ways shown below, depending on whether the Supply Point's particular Service Element's Daily Non-Volumetric Charge was calculated on the basis of Rateable Value.

Rateable Value derived Non-Volumetric Charges

To calculate the Settlement Day Non-Volumetric Charge attributable for a Service Element to any particular Licensed Provider ($SDNVC_{LPRV}$), the CMA will sum the Daily Non-Volumetric Charge for each Service Element related to a Supply Point (for which Surface Water Drainage Services were provided) for the Settlement Day on which it was Registered to that Licensed Provider using the following formula:

$$SDNVC_{LPRV} = \sum DNVC_{RV}$$

Where:

$\sum DNVC_{RV}$ is sum of the Daily Non-Volumetric Charges for the Service Element applicable to the Supply Points Registered to the Licensed Provider for the Settlement Day.

Scottish Water Data derived Non-Volumetric Charges

The CMA will allocate the Daily Non-Volumetric Charges that it has calculated using the Scottish Water Data (rather than the Rateable Value of any Supply Point) to the relevant Licensed Provider for each of the Service Elements that the Licensed Provider provides, as follows:

$$SDNVC_{LPT} = DNVC_T * NSP_{LPT}$$

Where:

$SDNVC_{LPT}$ is the Settlement Day Non-Volumetric Charge payable by each Licensed Provider for the Service Element that they provide;

$DNVC_T$ is the Daily Non-Volumetric Charge applicable to the Service Element for the Settlement Day; and

NSP_{LPT} is the number of Supply Points (for miscellaneous Service Components) or meters (for Measured Service Components where charges depend on the Chargeable Meter Size) Registered to that Licensed Provider for the Service Element on the Settlement Day.

Note that where the Service Element is a meter whose chargeable size is 0mm, the Daily Non-Volumetric Charges is zero. Further details are set out in Appendix 2, Section 5.

Vacancy and Temporary Disconnection

Non-volumetric charges including:

- Water Charges
 - Meter Charges – Measured
 - Meter Charges – Unmeasured – RV
 - Meter Charges – Reassessed

- Field Troughs and Drinking Bowls Farm
- Field Troughs and Drinking Bowls Croft
- Outside Taps Farm
- Outside Taps Croft
- Water Services to Caravans
- Sewerage Charges
 - Meter Charges – Measured
 - Meter Charges – Unmeasured – RV
 - Meter Charges – Reassessed
 - Property Drainage
 - Road Drainage
 - Sewerage Services to Caravans

continue to apply during periods of Temporary Disconnection. All such charges are suspended during periods of vacancy.

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2.2.1 Calculation of the Estimated Weighted Average Unit Rate

Supply Points with Meters

The CMA will identify the meters associated with each Supply Point at the beginning of the relevant Invoice Period, and for each such meter the Estimated Annual Volume (EAV) to be supplied to each meter over the Year. There are various ways in which EAV can be identified and the order of precedence for estimating EAV is as follows:

1. The CMA will attempt to derive EAV using Meter Reads which span a period of greater than or equal to 12 months. The CMA will take the most recent Meter Read for that meter (“the Last Meter Read”). The CMA will then look at the Meter Reads going back in time from the Last Meter Read and pick the first of these Meter Reads (“the First Meter Read”) such that there is a time span of greater than or equal to 12 months between ~~that read~~ the First Meter Read and the Last Meter Read. For each Settlement Day from the First Meter Read up to and including the day before the Last Meter Read, the CMA will calculate the Actual Daily Volume ADV_{kd} (compare CSD0207, paragraph 2.3.20) and whether each Settlement Day contributes to the Meter Advance Chargeable Days (compare CSD0207, paragraph 2.3.19) The CMA will convert the sum of the those Actual Daily Volumes and the sum of the Meter Advance Chargeable Days ~~these Meter Reads~~ to an Average Daily Volume and then multiply that Average Daily Volume by the number of days in the relevant Year } to compute the Estimated Annual Volume; or

2. Where Meter Read history is not sufficient to cover a period of greater than or equal to 12 months, the CMA will attempt to derive EAV using Meter Reads which span a period of less than 12 months. The CMA will take the Last Meter Read for that meter and the earliest available Meter Read other than the Last Meter read (“the First Meter Read”). For each Settlement Day from the First Meter Read up to and including the day before the Last Meter Read, the CMA will calculate the Actual Daily Volume ADV_{kd} (compare CSD0207, paragraph 2.3.20) and whether each Settlement Day contributes to the Meter Advance Chargeable Days (compare CSD0207, paragraph 2.3.19) The CMA will convert the sum of the those Actual Daily Volumes and the sum of the Meter Advance Chargeable Days ~~those Meter Reads~~ to an Average Daily Volume, then multiply that Average Daily Volume by the number of days in the relevant Year to compute the Estimated Annual Volume; or
3. Where a Licensed Provider to whom a Supply Point is Registered has provided the CMA with a forecast YVE for a meter, the CMA will use that forecast of YVE for the Estimated Annual Volume.
4. Where a meter relating to a Supply Point has not had a forecast YVE provided, the CMA will use the Industry Estimate Table to derive EAV.

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2.2.2 Calculation and allocation of charges for volume Settlement Runs

The CMA will calculate the Estimated Daily Volumetric Charge for each Supply Point using the Supply Point's Estimated Weighted Average Unit Rate for the relevant Invoice Period and its Daily Volume. The CMA will perform this calculation and allocate the Estimated Daily Volumetric Charges to the relevant Licensed Provider as part of Settlement Runs P1, R1, R2, R3 and (where applicable) R4.

Estimated Daily Volumetric Charge calculation

The CMA will calculate the Estimated Daily Volumetric Charge for each Supply Point as follows:

$$EDVC = EWA * DV$$

Where:

EDVC is the Estimated Daily Volumetric Charge for the Supply Point;

EWA is the Estimate Weighted Average Unit Rate for the Supply Point for the relevant Invoice Period; and

DV is the Daily Volume for the Supply Point¹.

For Sewerage Supply Points the Non-Return to Sewer Allowance will be built into the Daily Volume for each meter related to the Supply Point prior to its use in the calculation.

This Estimated Daily Volumetric Charge value will then be stored, along with Daily Volume for use in Settlement Day based Settlement Runs as part of the Supply Point's Trading Data.

Vacancy and Temporary Disconnection

Volumetric charges in respect of:

- Water Charges
 - Volumetric – Measured
 - Volumetric – Unmeasured – RV
 - Volumetric – Reassessed
- Sewerage Charges
 - Volumetric – Measured
 - Volumetric – Unmeasured – RV
 - Volumetric – Reassessed

do not apply during periods of Vacancy and Temporary Disconnection.

Daily Allocation and Aggregation

The CMA will allocate each Supply Point's Estimated Daily Volumetric Charge and Volume to the Licensed Provider to whom it was Registered in respect of each Settlement Day. It will aggregate those charges to show the Settlement Day Volumetric Charge and Settlement Day Volume supplied by a Licensed Provider for each Service Element (Chargeable Meter Size or in aggregate for Multi Meter Supply Points) in respect of Water or Sewerage Services.

The CMA will perform these aggregations using the following formula:

Charge Formula:

$$SDVC_{LPCMS} = \sum EDC_{CMS}$$

Where:

$SDVC_{LPCMS}$ is the Settlement Day Volumetric Charge payable by the relevant Licensed Provider for each Service Element (e.g. Chargeable Meter Size); and

$\sum EDC_{CMS}$ is the sum of the Estimated Daily Volumetric Charges payable by the Licensed Provider for each Service Element (e.g. Chargeable Meter Size).

Volume Formula

¹ For a Multi Meter Supply Point this will be the sum Daily Volumes for each of the meters related to the Supply Point.

$$SDV_{LPCMS} = \sum DV_{CMS}$$

Where:

SDV_{LPCMS} is Settlement Day Volume for the Licensed Provider to each Service Element; and $\sum DV_{CMS}$ is the sum of the Daily Volumes supplied by the Licensed Provider for each Service Element.

Details of how these aggregated charges are reported are provided in CSD0201 Settlement Timetable and Reporting

Invoice Period (Monthly) Aggregation

The CMA will aggregate the Settlement Day Volumetric Charges payable by each Licensed Provider for each Invoice Period as follows:

$$IPVC_{LPCMS} = \sum SDVC_{LPCMS}$$

Where:

$IPVC_{LPCMS}$ is the Invoice Period Volumetric Charge payable by the LP for each Service Element over the Invoice Period; and $\sum SDVC_{LPCMS}$ is the sum of the Settlement Day Volumetric Charges payable by the Licensed Provider for each Service Element over the Invoice Period.

The volume formula will be as follows:

$$IPV_{LPCMS} = \sum SDV_{LPCMS}$$

Where:

IPV_{LPCMS} is the Volume supplied for the Licensed Provider to each Service Element over the Invoice Period; and $\sum SDV_{LPCMS}$ is the sum of the Settlement Day Volumes for the Licensed Provider to each Service Element over the Invoice Period.

Details of how these aggregated charges are reported are provided in CSD0201 Settlement Timetable and Reporting