

MARKET CODE CHANGE PROPOSAL			Draft Form Version 1.2	
Market Code Change Proposal Ref (Assigned by CMA)		MCCP039	Version Number (Assigned by CMA)	Version 1.0
Title of the change		CSD0205 Burst Meter Accuracy		
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:	Pass signed copy to the TP Secretary before the start of the TP meeting at which the MCCP is to be presented; please remove this text.		Date: Name:	Jessie McLeman
Contact details for the Proposal - the contact should be able to deal with queries regarding this Market Code Change Proposal and need not be the same person who has countersigned the Change Proposal				
Name:		Richard Lavery		
Email Address:		richard.lavery@scottishwater.co.uk		
Telephone and or Mobile:		07875 873845		
Number of Associated Documents	00	Name or link to documents		
If the MCCP will also affect the Operational Code, an OCCP must also be raised				
Indicate if there is an associated OCCP			OCCP Ref: CMA use only	
URGENT – IF PROPOSER HAS INDICATED THIS MCCP IS URGENT, STATE REASONS HERE The CMA Chief Executive will review this information and make a decision as to whether to take this MCCP forward as urgent as defined as under Market Code Part 8.7.1 (ii) (e)				
2. MARKET CODE CHANGE PROPOSAL DETAILS				
A	ISSUE or DEFECT WHICH THIS MARKET CODE CHANGE PROPOSAL SEEKS TO ADDRESS required under Market Code Part 8.7.1 (ii) (b)			

Process 9 of the Operational Code sets out the arrangements whereby a Licensed Provider can request an accuracy test on a meter. Section 54 of the Water (Scotland) Act 1980 sets out the adjustments that should subsequently be made to volumetric charges where meter has been found to be registering consumption incorrectly to any degree greater than 5%.

Separately, Licensed Providers can apply to Scottish Water for a burst allowance in certain circumstances where a burst has been the responsibility of Scottish Water and has resulted in excess billed consumption. Where an allowance is granted, an adjustment to volumetric charges is required. Subject to approval of this change proposal, an Operational Code change proposal will be submitted by Scottish Water to the next Technical Panel proposing the creation of a new Operational Code process and associated form to deal with burst allowance applications.

In both cases, an adjustment is required to volumetric charges at the CMA. A change is therefore proposed to CSD0205 (Charge Calculation, Allocation and Aggregation) and as set out in Section D of this form.

At present there is no mechanism defined in the Market Code or Code Subsidiary Documents (CSDs) for applying adjustments to volumetric charges relating to either meter accuracy tests or burst allowances. However, Appendix 2 of CSD0205 (Charge Calculation, Allocation and Aggregation) sets out the arrangements for adjustments to volumetric charges relating to fire fighting allowances. Such adjustments are applied by the CMA following the End of Tariff Year Settlement Run (RF) based on information provided by Scottish Water.

It is proposed that the scope of the arrangements for applying fire-fighting allowances is expanded to include adjustments to volumetric charges relating to meter accuracy tests and burst allowances. No other changes are proposed to the existing arrangements for fire-fighting allowances.

B	<p>DESCRIPTION OF NATURE AND PURPOSE OF THE CHANGE AND HOW IT MEETS THE MARKET CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS required under Market Code Part 8.7.1 (ii) (c)</p>								
<p>The Proposer should indicate which principles the change supports and whether there is any adverse effect on any principle(s).</p> <table border="0"> <tr> <td>a) Proportionality</td> <td>e) Barriers to entry</td> </tr> <tr> <td>b) Transparency</td> <td>f) Customer contact</td> </tr> <tr> <td>c) Simplicity, cost-effectiveness and security</td> <td>g) Non-discrimination</td> </tr> <tr> <td>d) Non-exclusivity</td> <td>h) Not detrimental to Scottish Water's core functions</td> </tr> </table>		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
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<p>The change supports the principles of transparency and simplicity, cost-effectiveness and security. It will ensure that the CSD includes a mechanism for dealing with adjustments to volumetric charges relating to meter accuracy tests and burst allowances. By using existing functionality it is hoped that the impact on the CMA should be minimal.</p>									
C	<p>IMPACT – required under Market Code Part 8.7.1 (ii) (d), (f) and (g)</p>								
<p>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:</p> <table border="0"> <tr> <td>a) Central Systems</td> <td>c) CMA Interfaces/ Processes</td> </tr> <tr> <td>b) Trading Party's systems</td> <td>d) Trading Party's business processes</td> </tr> </table>		a) Central Systems	c) CMA Interfaces/ Processes	b) Trading Party's systems	d) Trading Party's business processes				
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<p>The impact on the Central Systems should be minimal as the proposal is to use existing functionality.</p> <p>The impact on Trading Party's systems should be minimal as the proposal is to expand the scope of the existing CMA processes for dealing with fire fighting allowances.</p> <p>The impact on CMA Interfaces or Processes should be minimal as the proposal is to use existing systems and processes.</p> <p>The impact on Trading Party's business processes should be minimal as the proposal is to expand the scope of the existing CMA processes for dealing with fire fighting allowances.</p>									
D	<p>DRAFT LEGAL TEXT – required under Market Code Part 8.7.1 (ii) (d)</p>								

APP 2.2: Services used for Fire-Fighting purposes, burst allowances and adjustments to volumetric charges relating to Meter Accuracy tests

Scottish Water shall notify the CMA of any ~~adjustment to allowance agreed with the Licensed Provider under the Operational Code in respect of a reduction in~~ the Volume of Water and/or Sewerage Services at a premises ~~to which wholesale charges apply used for fire-fighting purposes~~. Such an adjustment may be a reduction relating to a fire-fighting allowance or a burst allowance agreed under the Operational Code or an adjustment to volumetric charges relating to a meter accuracy test in accordance with Section 54 of the Water (Scotland) Act 1980. This shall be notified in the format requested by the CMA no later than 10 Business Days after the End of Tariff Year Settlement Run (RF) to be used in an ad hoc Settlement Run performed for these purposes. The notification will contain the volume ~~reduction~~ adjustment to be applied to the metered volume and the date range for which such ~~reduction~~ adjustment is to be applied, for each of the affected Water and Sewerage Services Supply Points. The ~~reduced~~ adjusted Yearly Volume will be used to derive the AWA Unit Rate and the volume ~~reduction~~ adjustment will be applied in the Meter Advance Period in which it occurred in order to establish the Wholesale Charges that should have been applied ~~excluding that to the~~ adjusted Volume.

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 Market Code following Approval by the Commission

4. ANY OTHER COMMENTS

The full text of the objectives and principles for the Market 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/view_Directions.aspx)