

SCOTTISH WATER CHARGES SCHEME

made under section 29A of the Water Industry (Scotland) Act 2002

PART 1

WHOLESALE CHARGES – Methodology

**for the Supply of Water and Sewerage Services
for the Fiscal Year 2023-24**

**Effective from
1 April 2023**

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1. Methodology for Scottish Water's Wholesale Charges

1.1 Introduction

This is Part 1 of Scottish Water's Charges Scheme for 2023-24 as approved by the Water Industry Commission for Scotland under Section 29A of the 2002 Act. This Part 1 explains how Scottish Water will demand and recover the specific charges for its wholesale services set out in Part 2 of the Charges Scheme and makes provision for exemptions, re-sale, Schedule 3 and Section 29E agreements.

Part 2 of the Charges Scheme applies for the financial year 2023-24 to all Water and Sewerage Services provided to Licensed Providers at Supply Points / Discharge Points registered under the Market Code.

This Part 1 must therefore be read in conjunction with Part 2 of the Charges Scheme for 2023-24.

As permitted by Section 25 of the Water Industry (Scotland) Act 2002, Scottish Water may engage in any activity which it considers is not inconsistent with its core functions. By virtue of Section 29 of the Water Industry (Scotland) Act 2002 Scottish Water may charge for any goods and services provided in exercise of such non-core functions. In line with section 29, charges for these activities will be subject to separate charging arrangements agreed directly between the parties.

To the extent that this Part 1 or Part 2 of the Charges Scheme are inconsistent with any agreement binding upon Scottish Water, the charges specified in the agreement will prevail subject to any specific allocation of any wholesale/retail element of those charges in terms of this Part 1 or Part 2 of the Charges Scheme.

Definitions for terms within this Part 1 are included in Appendix 1.

A water re-sale statement, required under Section 30 of the 2002 Act, is set out in Appendix 4. This details the maximum charges for services provided with help of Scottish Water and explains how Licensed Providers' customers should approach water re-sale with their end-user.

1.2 Contact Information

1.2.1 By letter to Scottish Water's Registered Office:

Scottish Water
Wholesale Services
The Bridge
6 Buchanan Gate
Stepps
Glasgow
G33 6FB

1.2.2 By e-mail and on-line:

wholesaleservicedesk@scottishwater.co.uk

<https://www.scottishwater.co.uk/Business-and-Developers/Licensed-Providers>

2. Wholesale Charging

2.1 General Provisions

General provisions relating to terms of payment for the wholesale supply of Water and Sewerage Services to Licensed Providers under Part 2 of the Charges Scheme are set out within this section. Further provisions regarding terms of payment, such as the applicable interest rates, are provided within Clause 8 of each Licensed Provider's Wholesale Services Agreement.

Notwithstanding the payment terms set out in this Part 1, Licensed Providers should be aware that failure to adhere to the terms of payment within their Wholesale Services Agreement may result in that agreement being revoked.

2.1.1 Application

Part 2 of the Charges Scheme will be used for all wholesale charges for the supply of Water and Sewerage Services, except those supplied pursuant to Schedule 3 of the 2005 Act and Section 29E of the 2002 Act (details in Appendix 2).

As permitted by Section 25 of the Water Industry (Scotland) Act 2002, Scottish Water may engage in any activity which it considers is not inconsistent with its core functions. By virtue of Section 29 of the Water Industry (Scotland) Act 2002 Scottish Water may charge for any goods and services provided in exercise of such non-core functions. In line with section 29, charges for these activities will be subject to separate charging arrangements agreed directly between the parties.

Specific provisions in relation to the application of Part 2 of the Charges Scheme are provided within Clause 7 of each Wholesale Services Agreement.

2.1.2 Persons Chargeable

Each Licensed Provider will be charged for the supply of Water and Sewerage Services to connected Supply Points / Discharge Points registered to it when the services are provided¹. Wholesale charges, apportioned on a calendar day basis, will apply to Supply Points / Discharge Points, including those where services have been temporarily disconnected². New Supply Points / Discharge Points allocated under the gap site process will be charged from the connection date³ recorded at the CMA. Charges for "other" wholesale services (non-primary services) will also continue at Supply Points where services have been temporarily disconnected.

¹ This includes situations where the services are provided to communal areas which themselves are not supply points/ discharge points but which are available for use by individual premises which are registered to a Licensed Provider.

² Where a Supply Point is temporary disconnected, only Property Drainage and trade effluent availability charges (where applicable) will apply.

³ The connection date recorded at the CMA is the date that the SPID is requested from the CMA.

When a property becomes vacant Scottish Water will revert the chargeable status of a Supply Point to its basic state removing any or all of the allowances / agreements relevant to the previous occupant. Allowances or agreements which may be agreed by Scottish Water which will be removed when a property becomes vacant include inter alia return to sewer allowance, charitable exemption scheme, chargeable meter size allowances to trade effluent processes and reassessments for unmeasured Supply Points but not Fire Tariff Agreements. On re-occupancy the Licensed Provider will be required to apply for any allowances or reassessments (including Fire Tariff Agreements) which are relevant to the new occupant.⁴

2.1.3 Value Added Tax

Charges in Part 2 of the Charges Scheme are stated exclusive of VAT, however, VAT will be added where applicable.

2.1.4 Charging at Vacant Premises

Wholesale charges apply at vacant premises as shown below unless the SPID has been accepted into the Temporary Transfer Scheme or the water supply has been permanently disconnected as the result of non-payment.

	Metered SPID	Unmetered SPID	Re-assessed SPID
Water Meter Based Annual Fixed Charge	Yes	Yes 20mm meter assigned to SPID when vacant	Yes 20mm meter assigned to SPID when vacant
Water Volumetric Charges	Only if water use is recorded on the meter	No	No
Foul Sewerage Meter Based Annual Fixed Charge	Yes	Yes 20mm meter assigned to SPID when vacant	Yes 20mm meter assigned to SPID when vacant
Foul Sewerage Volumetric Charges	Only if water use is recorded on the meter	No	No
Trade effluent Availability Charge elements	Yes	N/A	N/A
Trade effluent Operating Charge elements	Yes ⁵	N/A	N/A
Property Drainage	Yes	Yes	Yes

SPIDs that have re-assessed charges while occupied revert to RV-related unmeasured charges when the premises become vacant.

⁴ The Foul Sewerage Volumetric Charge is applied to 95% of water consumption recorded / estimated / assessed as discussed in section 4.1.4. Licensed Providers do not have to apply for the standard 5% allowance.

⁵ Only if consumption is recorded on one or more meters associated with the DPID. Unmetered sites importing materials which create a discharge to sewer will be subject to trade effluent charges on volumes assessed from import records.

Temporary Transfer Scheme

Wholesale charges will not apply at SPIDs which Scottish Water has accepted into the Temporary Transfer Scheme for the period that the SPID remains in the scheme, effective from the Temporary Transfer Commencement Date. Refer to the Supply Point Temporary Transfer Document for the details of the Temporary Transfer Scheme.

Where an application for the Temporary Transfer is accepted by Scottish Water, wholesale charges for all services at the SPID will be refunded to the date from which monies are properly due and remain unpaid, which will be the later of:

- 1 April 2017, or
- the date of vacancy, or
- any later date from which monies are properly due and remain unpaid.

Charges associated with permanent disconnections of metered water supplies at vacant premises

Where an application for the permanent disconnection of a metered water supply at a vacant Supply Point is received, the liability for the wholesale meter based annual charges will be removed from the date of the permanent disconnection request, but only once Scottish Water has disconnected the supply.

2.1.5 Metered charges

All unmetered Supply Points, including all new Supply Points, will be metered unless it is inappropriate or impractical to install a meter. Where the cost of installing a meter is considered to be excessive, the licensed provider will be provided with an estimate of the cost of installing a meter.

Following the installation of a meter at an unmetered Supply Point, the appropriate primary Water and Sewerage Charges will apply.

The owner of a vacant metered SPID is required to pay the water and foul sewerage annual fixed charges, the property drainage charge and any trade effluent charges associated with the services available at the property. Volumetric charges will only apply if any volume is recorded on the meter while the property is vacant.

2.1.6 Charges related to Rateable Value

Rateable Value will be the basis for levying Property Drainage Charges. It may also be used for Water and Foul Sewerage Charges in relation to Supply Points that are not metered. See section 2.1.7 below for further information.

The detailed rules for the Rateable Value applicable to Supply Points are set out in Appendix 3.

2.1.7 Charges in respect of unmetered Supply Points

Wholesale charges for unmetered Supply Points will be applied on the basis of an Assessed Meter Size and an Assessed Volume unless a re-assessment has been undertaken (see section 2.1.7.1).

The owner of a vacant unmetered Supply Point is required to pay the water and foul sewerage annual fixed charges and the property drainage charge associated with the services available at the property. Charges for the assessed volume do not apply at Supply Points that are vacant. Trade effluent charges do not apply at unmetered Supply Points.

The assessed volume will be calculated using the following formulae:

- Assessed water volume (m³ per year) = ((0.0248 x Live Rateable Value) – 24)
- Assessed sewerage volume (m³ per year) = 95% x ((0.0248 x Live Rateable Value) – 24)

Supply Points with a Live Rateable Value of less than £970 will be assigned 0m³ volume by Scottish Water.

An assessed meter size of 20mm will be allocated to all unmetered Supply Points, including vacant Supply Points.

2.1.7.1 Re-assessments for Supply Points which remain unmetered

Where the Licensed Provider believes that the assessed consumption at a Supply Point is not representative of the actual consumption requirements, they may request a re-assessment in accordance with the Operational Code.

The re-assessment will determine whether a meter can be installed. If Scottish Water determines that meter installation is not feasible, the Supply Point may be considered for re-assessed charges.

Charges at re-assessed Supply Points will be calculated using metered charges based on the following parameters:

- Water and Foul Sewerage Meter Based Annual Fixed Charges based on an assessed meter size of 20mm;
- Water and Foul Sewerage Volumetric charges derived from Scottish Water’s re-assessed volume and where appropriate the volume bands shown below; and
- Return to Sewer (where applicable) of 95%.

	Range of Re-assessed Volume		Assigned Annual Water Volume m ³ per year	Assigned Annual Foul Sewerage Volume (95% Return)
	m ³ per year			
	Low	High		
Group 1	0	19.99	10	9.5
Group 2	20	99.99	60	57
Group 3	100	299.99	200	190
Group 4	300	619.99	460	437
Group 5	620	939.99	780	741
Group 6	940	1,259.99	1,100	1,045

If the re-assessed volume is out-with the ranges described in the volume bands above, the re-assessed volume will be the assigned volume.

Standard requests

Standard requests are requests for re-assessment relating to situations where water is used only in the provision of facilities for employees.

The re-assessed volume for standard requests will be calculated based on the number of full-time (equivalent) employees and combination of water using facilities on the premises.

Non-standard requests

Non-standard requests are requests for re-assessment that relate to situations other than those described as 'Standard requests'. Non-standard requests relate to situations where water is used in the provision of facilities, goods or services to persons other than employees.

Re-assessed volume for non-standard requests will be calculated to reflect the:

- number of full-time employees,
- combination of water-using facilities available, and
- nature of business carried out at the premises.

As set out in Section 2.1.4, charges at re-assessed Supply Points will revert to Rateable Value-based assessed unmeasured charges when the Supply Point becomes vacant. Unmeasured charges will continue to apply until the Licensed Provider lodges a Reassessment Request Form (Form L) with evidence of actual consumption.

Successful re-assessment requests received by Scottish Water from Licensed Providers will apply from the date the application is received by Scottish Water. Re-assessments will be allowed to apply retrospectively in situations where an incorrect action by Scottish Water prevented the Licensed Provider applying for re-assessment at an earlier date.

Where there is a review of the reassessment at the Supply Point by Scottish Water (which shall take place no more than once every 3 years), the Licensed Provider will be requested to 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 installation. If the Licensed Provider fails to provide such information within 20 business days, the Supply Point may be reverted to Rateable Value based assessed unmeasured charges.

Following a change of use or change of tenancy the Licensed Provider will lodge a Reassessment Request Form (Form L) with evidence of actual water use and consumption in accordance with Process 27A of the Operational Code. If this information is not provided within 30 business days, the Supply Point may be reverted to rateable value based assessed unmeasured charges.

2.1.8 Charges in respect of Part-Residential Premises

Business Charges will apply at dwellings where the Assessor record for the premises includes an Apportionment Note. These premises are termed part-residential. In such circumstances all Rateable Value based charges will be based on the full property Rateable Value.

Premises that include both dwellings and business non-domestic rated subjects but have no Apportionment Note are termed dual use. At unmetered dual-use premises unmeasured Council Tax based water and sewerage charges will apply to the dwelling and assessed charges will apply to the business. Where a meter has been installed, meter related charges will be levied to the business premises, subject to resale conditions (Appendix 4). The dwelling will be subject to Property Drainage (Council Tax based) as will the business (Rateable Value based) where this service is applicable.

2.1.9 Effective dates of data changes

Scottish Water's wholesale data changes policy sets out the general principles to be followed in making data amendments. This includes the effective dates for charging using the amended data items⁶.

2.2 Scottish Government Water & Sewerage Charge Exemption Scheme

A new exemption scheme with respect to Water and Sewerage Charges has been developed by the Scottish Government⁷. The scheme has qualification requirements and is therefore not available to all Supply Points. Qualifying supply points will either be fully exempt from charges or entitled to a 50% reduction in wholesale charges, depending on the qualifying requirements prescribed by the scheme.

Qualifying Supply Points will attract a credit from Scottish Water which will be set against the wholesale charges to the Licensed Provider while Supply Points continue to be eligible for the exemption scheme. The Licensed Provider is responsible for providing evidence to Scottish Water, annually, of the continued entitlement to assistance for all qualifying Premises.

The credit will be applied monthly based on the number of exempt Supply Points reported at the previous annual submission.

The annual Supply Point credit is applied in relation to the services provided by the Licensed Provider. The credit payments from Scottish Water to the Licensed Provider for each service supplied by the Licensed Provider are:

- | | |
|---|--------|
| • Licensed Provider supplies the Water Service | £19.26 |
| • Licensed Provider supplies the Sewerage Service | £16.38 |
| • Licensed Provider supplies both Water and Sewerage Services | £35.64 |

2.3 Water and Sewerage Services Utilised for Firefighting Purposes⁸

2.3.1 Meter Based Annual Charges

Where the Supply Point requires additional water and sewerage capacity solely for existing firefighting purposes, and the Supply Point concerned was connected prior to 1 April 2003⁹, Scottish Water will make an allowance for the firefighting capacity as set out in this section.

Where Supply Points have been given such an allowance, water meter based annual charges and Capacity Volume thresholds will be based on an assessed water meter size. The assessed water meter size will be based on the size of the water meter which would be required for all non-firefighting facilities at the Supply Point.

⁶ For further details of Scottish Water's policy on Wholesale Data Changes please refer to the Licensed Provider Portal on Scottish Water's website.

⁷ For updates to the exemption scheme including qualification requirements please refer to the Scottish Government's website at www.scotland.gov.uk.

⁸ For further details of Scottish Water's policy on Water and Sewerage Services utilised for firefighting purposes please refer to Scottish Water's "Fire Tariff Agreement and Fire Fighting Allowance Policy" in force from time to time and set out on the Licensed Provider Portal of Scottish Water's website

⁹ Supply Points constructed after 1 April 2003 will not be given an allowance as the provision of water for firefighting purposes should have been constructed from a point in the supply prior to the meter, i.e. a separate supply source.

Foul sewerage meter based annual charges will also be derived from the assessed water meter size and the charges in the Part 2 of the Charges Scheme will apply in the same way as they are applied to all other Supply Points. Supply Points with fire tariff agreements can be supplied through combination meters.

Combination meters have two dials with each dial considered to be an individual meter with distinct Physical and Tariff Meter Sizes. In such cases one of these meters will be assigned a Tariff Meter Size of 0mm and the other will be assigned a Tariff Meter Size based on the non-firefighting facilities at the Supply Point.

The Allocated and Capacity Volume Threshold for the combination meter will be those associated with the non-0mm meter. The water volumetric charges will apply to the aggregate consumption through both meters less any water associated with fire related activities. Sewerage Charges will be determined using the same approach but reflecting the sewerage Tariff Meter Size and appropriate return to sewer volume for the Supply Point.

2.3.2 Volumetric Charges

No volumetric charges will be applied to the proportion of Water and Sewerage Services supplied to Supply Points which are utilised for firefighting, the testing of firefighting apparatus or firefighting training purposes.

Where the Licensed Provider considers that Water and Sewerage Services supplied to a Supply Point have been utilised for the purposes outlined above, it must apply for an allowance to Scottish Water, with the supporting evidence required in accordance with Process 26 of the Operational Code. No allowances will be applicable unless an application has been made to Scottish Water and all such allowances applied will be subject to review and agreement by Scottish Water. Any reduction in the charged volume applied by Scottish Water will be based on the previous consumption profile at the Supply Point, where available.

2.3.3 Charges applicable to Fire Stations

Where the Supply Point is a fire station, Water Meter Based Annual Charges will be based on an assessed water meter size. The assessed water meter size will be based on the size of the water meter which would be required for “normal” domestic use, i.e., the water demand other than for firefighting (as well as training and apparatus testing) purposes supplied to the Supply Point. Foul Sewerage Meter Based Annual Charges will also be derived from the “normal” domestic water use.

3. Primary Charges for Water

3.1 The Water Charge

Subject to the provisions of this Part 1, the water charge is applied to all Supply Points with a measured piped supply of water where the installation, type and size of the meter in question has been approved or accepted by Scottish Water¹⁰. At Supply Points with an unmeasured piped supply of water, water charges will apply to assessed volumes and meter size described in Section 2.1.7.

All new Supply Points (including those allocated under the gap site procedure) will be metered unless it is inappropriate or impractical to install a meter. An assessment will be made of the charges to apply retrospectively.

The water charge has two components:

- a) a meter based annual charge; and
- b) a volumetric charge.

3.1.1 The Water Meter Based Annual Charge

The water meter based annual charge is based on the size of the water meter on each water supply. Annual meter related charges are shown in Part 2 and are applied on a daily basis (refer to Section 2.1.2).

If the exact size of the water meter existing at the Supply Point is not listed within Part 2 of the Charges Scheme, the Meter Based Annual Charge applied for meters greater than 20mm will be that listed for the next size down with all relevant charges¹¹. For unquoted meters greater than 0mm and less than 20mm, the 20mm charges will apply.

3.1.1.1 The Water Meter Based Annual Charge (Non-Potable)

Supply Points on Scottish Water's raw water infrastructure, and only those on Scottish Water's raw water infrastructure, will attract the water meter based annual charge at the non-potable level.

3.1.2 Tariff and Physical Meter Sizes

The records to be held by the CMA for each measured connection will contain three entries reflecting the "Physical Meter Size", the "Tariff Meter Size" for water and the "Tariff Meter Size" for sewerage. Charges are based on the "Tariff Meter Sizes". Generally the "Physical Meter Size" and the "Tariff Meter Sizes" are the same. However, there are circumstances in which the sizes will differ, and in those circumstances the "Tariff Meter Size" will be used to calculate charges.

3.1.3 Multiple metered connections to a single Supply Point

Unless additional metered connections to a Supply Point have been stipulated by Scottish Water for its operational purposes, if two or more metered connections feed the same supply point, meter based annual charges will be based on each of the meters serving the supply point. Volumetric charges are described in section 3.1.4.

¹⁰ Unless and until the installation, type and size of the meter in question is approved or accepted by Scottish Water, the water supply will be charged on assessed meter size and consumption.

¹¹ For example, if the existing meter at the Supply Point is 43mm, then the Meter Based Annual Charge applied will be that for a 40mm meter.

Where additional metered connections to a Supply Point have been stipulated by Scottish Water for its operational purposes, the additional meters will be assigned a Tariff Meter Size of 0mm and the other (or one of the other) meter(s) will be assigned a Tariff Meter Size based on the size of metered connection that would have been provided if the operational constraints had not existed. The Allocated and Capacity Tranche for the Supply Point will be those associated with the non-0mm meter(s). The water volumetric charges will apply to the aggregate consumption through all meters. Sewerage Charges will be determined using the same approach but reflecting the appropriate return to sewer volume for the Supply Point or the non-domestic allowance at a Supply Point with an associated trade effluent Discharge Point.

3.1.4 The Water Volumetric Charge

Other than to the allowance given for water used for firefighting purposes (see Section 2.3 for further information), the water volumetric charge is applied to all consumption recorded on the water meter(s) or the estimated consumption where:

- the meter is discovered to have stopped recording,
- there are unavailable closing reads, or
- there is over or under recorded consumption.

For details of Scottish Water's policy on estimated meter consumption please refer to the estimated meter consumption policy in force from time to time.

Volumetric Charges feature three volume components:

- **Allocated Tranche** – volume per meter (for metered supply points) up to 20m³ on every meter size, proportioned in accordance with how long the meter is installed. No volume charges apply.
- **Standard Volumes** – all volumes beyond the Allocated Tranche (i.e. annual consumption above 20m³ at single meter Supply Points and annual consumption above the aggregate of 20m³ per meter at Supply Points with more than one meter). This charge element is a declining block tariff that is common across all meter sizes; and
- **Capacity Volume** – volumes beyond the Allocated Tranche, up to the Capacity Volume Threshold (unique for each meter size). The Capacity Volume therefore overlaps with Standard Volumes.

The specific charge applicable is based on a stepped tariff, which is applied to the total annual water consumption at a Supply Point.

Where two or more measured supplies feed the same Supply Point, the Allocated Tranche and the Capacity Volumes for each meter will be aggregated and applied at a Supply Point level. The Standard Volume charges apply to the aggregated volume of the meters above the Allocated Tranche. The Capacity Volume Charges apply to the aggregated volumes beyond the aggregated Allocated Tranche, up to the aggregated Capacity Volume Thresholds. The Standard Volume charges apply to the aggregated volume of the meters above the Allocated Tranche i.e. where the volumes for each meter serving a Supply Point are aggregated and exceed the Allocated Tranche, 250,000m³ or 1,000,000m³, the corresponding Standard Volume Charges in Part 2 apply to each block the volume passes through.

No volume charges apply if the volume of water used is less than the allocated tranche. All volumetric thresholds (Allocated Tranche and Capacity Volume) are annual figures. These will be applied proportionally for Supply Points that are:

- Occupied for less than the full Fiscal Year¹², or
- Connected for less than the full Fiscal Year¹³.

For the purposes of the Charging Scheme, periods of temporary disconnections are treated as being connected.

The Standard Volume tariffs apply to all consumption recorded on the water meter(s), excluding the Allocated Tranche at the Supply Point. Additionally, the Capacity Volume Charge applies to the volume below the Capacity Volume Threshold (unique for each meter size) excluding the Allocated Tranche (or proportionate sums thereof).

3.1.4.1 The Water Volumetric Charge (Non-Potable)

Supply Points on Scottish Water’s raw water infrastructure, and only those on Scottish Water’s raw water infrastructure, will attract the Water Volumetric Charge at the non-potable level.

3.2 Field Troughs and Drinking Bowls

Charges apply to unmeasured connections and apply per trough or drinking bowl irrespective of the field being in grass or crop. The charge will apply for each trough or drinking bowl. A fixed element is built into each tariff and therefore the Water Meter Based Annual Charge, as described above, does not apply.

Field troughs and drinking bowls fall into two categories:

1. Farms (excluding Crofts and registered small holdings); and
2. Crofts and registered small holdings.

Before Crofts and small holdings charges will be applied, the Licensed Provider will be required to provide evidence annually of the Supply Points being either a registered Croft under Crofting legislation, or provide a small holding registration number granted by the Scottish Government.

3.3 Outside Taps

The outside taps charge applies to all external taps at Supply Points (including farms) where water charges are not based on Rateable Value nor is the supply through a water meter. A fixed element is built into each tariff and therefore the Water Meter Based Annual Charge, as described above, does not apply.

Outside taps fall into two categories:

1. Farms (excluding Crofts and registered small holdings) and other Supply Points; and
2. Crofts and registered small holdings.

Before Crofts and small holdings charges will be applied, the Licensed Provider will be required to provide evidence annually of the Supply Points being either a registered Croft under Crofting legislation or provide a small holding registration number granted by the Scottish Government.

¹² For example, a property occupied for nine months and temporarily disconnected for three of those “occupied” months would have volume thresholds applied for nine months.

¹³ For example, a property that is connected for eight months, occupied for six months and temporarily disconnected for two of those “connected” months would have volume thresholds applied for six months.

4. Primary Charges for Sewerage

4.1 The Sewerage Service

4.1.1 Sewerage Charges

Charges for the sewerage service relate to the three sewerage sub-services:

- Foul Sewerage;
- Property Drainage and;
- Trade effluent.

This section, Section 4.1, covers the Sewerage Charge in relation to the Foul Sewerage, Property Drainage sub-services. Section 4.2 covers the trade effluent sub-service.

4.1.2 The Sewerage Charge in relation to the Foul Sewerage and Property Drainage sub-services

Subject to the provisions of this Part 1, the Sewerage Charge is applied to all Supply Points which:

- are drained to the Public Sewerage System, or have a drain connected, either directly or through an intermediate sewer or drain, to the Public Sewerage System provided for foul water or surface water or both; or
- are Supply Points having the benefit of facilities¹⁴ which drain to the Public Sewerage System or drain so connecting; or
- have a septic tank overflow that drains to the Public Sewerage System.

4.1.2.1 Components of the Sewerage Charge in relation to the Foul Sewerage and Property Drainage sub-services

The Sewerage Charge has three components:

1. a Foul Sewerage Meter Based Annual Charge;
2. a Foul Sewerage Volumetric Charge; and
3. a Rateable Value based Charge for Property Drainage.

4.1.3 The Foul Sewerage Meter Based Annual Charge

The Foul Sewerage Meter Based Annual Charge is based on the size of the water meter on each water supply. Annual meter related charges shown in Part 2 are applied on a daily basis (see 2.1.2). At Supply Points that have not yet been metered, Foul Sewerage Meter Based Annual Charges will apply to assessed meter sizes as described in 2.1.7).

If the exact size of the water meter existing at the Supply Points is not listed within Part 2 of the Charges Scheme, the Meter Based Annual Charge for meters greater than 20mm will be that listed for the next size down with all relevant charges applied¹⁵. For unquoted meters greater than 0mm and less than 20mm, the 20mm charges will apply.

¹⁴ Such facilities may include, but are not limited to, access roads, loading bays and wash bays.

¹⁵ For example, if an existing meter at the Supply Point is 43mm, then the Meter Based Annual Charge applied will be that for a 40mm meter. For unquoted meters less than 20mm the 20mm charges apply.

4.1.3.1 Tariff and Physical Meter Size

The records to be held by the CMA for each metered connection will contain three entries reflecting the “Physical Meter Size”, the “Tariff Meter Size” for water and the “Tariff Meter Size” for sewerage. Charges are based on the “Tariff Meter Sizes”. Generally the “Physical Meter” and the “Tariff Meter” sizes are the same. However, there are circumstances in which the sizes will differ and in those circumstances the “Tariff Meter Size” will be used to calculate charges.

The Foul Sewerage Meter Based Annual Charge will not apply where the return to sewer allowance (see section 4.1.4) is 0% i.e. the “Tariff Meter Size” will be 0mm and the volume thresholds are not in use.

4.1.4 The Foul Sewerage Volumetric Charge

The Foul Sewerage Volumetric Charge is applied to 95% of all consumption recorded on the water meter, or the estimated consumption where the meter is discovered to have stopped recording, or the assessed consumption. The volume component is not applied to water used for firefighting or fire training purposes (See Section 2.3 for further information). At Supply Points that are not metered, sewerage volumetric charges will apply to assessed volumes as described in 2.1.7.

At Supply Points with a metered private water supply the Foul Sewerage Charge will be based on the metered consumption where recorded at the CMA.

At trade effluent discharge points foul sewerage volumetric charges will only apply to the non-domestic allowance (all non-industrial discharges from the Supply Point) specified by Scottish Water for the Supply Point, as described in section 4.2.6.1.

4.1.4.1 Exceptions to the 95% return to sewer allowance

Where the Licensed Provider can show to Scottish Water's satisfaction, that a figure less than 95% of the measured water volume supplied to the Supply Points is being returned to sewer on an average long term basis, a reduced volume percentage (a return to sewer allowance) representing that average long term return will be applied to the volumetric charge.

Where more than one meter supplies the Supply Points, a return to sewer allowance will only be applied to meters where it has been adequately demonstrated that less than 95% of the water supplied by that meter returns to sewer. Where there is a change of occupier or a change of use at the Supply Points, the Chargeable Volume will revert to 95%.

Where a Supply Point qualifies for a return to sewer allowance, the reduced volume percentage applied will be taken into account when deciding on the appropriate meter size to be used when charging measured Foul Sewerage Meter Based Annual Charges. In such cases, Scottish Water will assess the appropriate meter size to determine the Foul Sewerage Meter Based Annual Charge.

Return to sewer allowances will apply from the date on which the Licensed Provider has demonstrated to Scottish Water's satisfaction that such an allowance is justified i.e. the point at which a full application, including all relevant information, is received. All return to sewer allowances applied, are subject to review by Scottish Water. Such reviews will be undertaken through contact with the Licensed Provider.

When Licensed Providers become aware that an applied return to sewer allowance at a Supply Point no longer accurately reflects the actual volume of water returning to sewer, they must inform Scottish Water forthwith and without delay.

4.1.4.2 Components of Volumetric Charges

Volumetric Charges feature three components:

- **Allocated Tranche** – volume per meter (for metered supply points) up to 20m³ on every meter size, proportioned in accordance with how long the meter is installed. No volume charges apply.
- **Standard Volumes** – all volumes beyond the Allocated Tranche; and
- **Capacity Volume** – volumes up to the Capacity Volume Threshold, beyond the Allocated Tranche,

Where two or more measured supplies feed the same Supply Points, the Allocated Tranche and the Capacity Volumes for each meter will be aggregated and applied at a Supply Point level. The standard volume charges apply to the aggregated volume of the meters above the Allocated Tranche. The Capacity Volume Charges apply to the aggregated volumes beyond the aggregated Allocated Tranche, up to the aggregated Capacity Volume Thresholds.

No volume charges apply if the volume discharged is less than the allocated tranche. All volumetric thresholds (Allocated Tranche and Capacity Volume) are annual figures. These will be applied proportionally for Supply Points that are:

- Occupied for less than the full Fiscal Year¹⁶, or
- Connected for less than the full Fiscal Year¹⁷.

4.1.5 Property Drainage Charges

The Property Drainage Charge is applied to all Supply Points which drain to the Public Sewerage System provided for surface water, as described in section 4.1.2.

Area based Property Drainage Charges will only apply to Supply Points that meet the conditions below. In all other cases Property Drainage Charges will be based on Rateable Value.

- qualified for the charge in 2005-06, or
- will not be assigned a Rateable Value by the Assessor or
- qualify for the charge under the conditions outlined below:

In situations where the only part of a premises that drains to the Public Sewerage System provided for surface water is connected for environmental protection reasons, Licensed Providers can apply to Scottish Water to have their property drainage liability re-assessed if the following criteria are met:

- single occupier, non-household site, or
- multiple occupier, non-household site where a single occupier has exclusive access to the localised site area (that is required to be connected to the Public Sewerage System for environmental reasons), where:
 - a) no surface water, except for the localised site area, drains to the Public Sewerage System, and
 - b) there is an available alternate discharge point that could, and would otherwise be used to deal with all surface water on site.

¹⁶ For example, a property occupied for nine months and temporarily disconnected for three of those “occupied” months would have volume thresholds applied for nine months.

¹⁷ For example, a property that is connected for eight months, occupied for six months and temporarily disconnected for two of those “connected” months would have volume thresholds applied for six months.

Where a Licensed Provider successfully applies to have the Property Drainage liability at a Supply Point reassessed on surface area rather than Rateable Value, the reassessed charges will be effective from the later of the date any relevant changes were made to a premises drainage arrangements or the start of the financial year in which a complete application was submitted.

4.2 Trade effluent

4.2.1 The trade effluent charge

The trade effluent charge is payable in respect of trade effluent services at Supply Points issued with a permanent (as opposed to temporary) discharge consent¹⁸. Trade effluent has the meaning given in Appendix 1 of this Part 1. In this section, references to foul sewage and sludge are to those received at Scottish Water's sewerage treatment plants. Charges for Discharge Points which are issued with a temporary consent will be as defined in Section 5.9.

4.2.1.1 Trade effluent charge components

The trade effluent charge is made up of two components:

1. the availability charge at a rate per calendar day; and
2. the operating charge at a rate per cubic metre (m³).

Trade effluent charging is subject to a minimum charge per annum. For each charging year it is the greater of:

- a) the minimum charge for the Fiscal Year, apportioned according to the proportion of the year that the DPID is in charge; or
- b) the sum of the components 4.2.2 and 4.2.3 below.

¹⁸ Effluent covered by "Letter(s) of Authorisation" will be charged at the Foul Sewerage Volumetric Charge where the Supply Point only has "Letter(s) of Authorisation" (i.e. does not have a trade effluent consent), or where the Supply Point has "Letter(s) Of Authorisation" and trade effluent consent(s), and the discharges covered by the "Letter(s) of Authorisation" are served by a dedicated Scottish Water water meter. In all other situations the volume of effluent covered by the "Letter(s) of Authorisation" will be charged at the trade effluent charge rate applicable to the Consented discharge(s) at the Supply Point.

4.2.2 The Availability Charge

The availability charge is derived from the number of calendar days in the year for which the availability is provided, and is calculated according to the charging components for daily volume, suspended solids load and oxygen demand load, derived from the expression:

$$nD \times [CDV \times (Ra + (PTI \times Va)) + (BTI \times Ba \times sBODI) + (SSI \times Sa \times TSSI)]$$

Where:

nD	=	Number of calendar days per annum of availability
Ra	=	Reception charging component in pence/m ³ per calendar day
Va	=	Volumetric/Primary charging component in pence/m ³ per calendar day
Ba	=	Biological Capacity charging component in pence/Kg per calendar day
Sa	=	Sludge Capacity charging component in pence/Kg per calendar day
CDV	=	Chargeable Daily Volume of the trade effluent in m ³
sBODI	=	Chargeable Settled Biochemical Oxygen Demand load of the trade effluent
TSSI	=	Chargeable Total Suspended Solids load of the trade effluent
PTI	=	Preliminary Treatment Indicator
BTI	=	Biological Treatment Indicator
SSI	=	Sewage Sludge Indicator

A modified charge applies at seasonal discharges, refer to 4.2.7.

4.2.3 The Operating Charge

The operating charge is calculated according to the nature, composition and volume of the effluent discharged in the respective period at a rate per cubic metre (m³) derived from the expression:

$$AVD \times [Ro + (PTI \times Vo) + (BTI \times Bo \times (Ot/Os)) + (SSI \times So \times (St/Ss))]$$

Where:

AVD	=	Actual Volume Discharged in m ³
Ro	=	Reception charging component in pence/m ³
Vo	=	Volumetric/Primary charging component in pence/m ³
Bo	=	Secondary Treatment charging component in pence/m ³
So	=	Sludge Treatment charging component in pence/m ³
Ot*	=	the fixed strength (settled Chemical Oxygen Demand) of the trade effluent
Os	=	the standard strength of settled Chemical Oxygen Demand of the foul sewage
St*	=	the fixed strength (suspended solids) of the trade effluent
Ss	=	the standard strength of suspended solids in the foul sewage
PTI	=	Preliminary Treatment Indicator
BTI	=	Biological Treatment Indicator
SSI	=	Sewage Sludge Indicator

*Ot and St are derived from analysis of samples of the trade effluent, or according to the assessed strength of the effluent or any standard strength of the relevant type of trade effluent. Ot is derived after one hour's quiescent settlement at a pH of 7 +/-1.

4.2.4 Application of Mogden Components

Mogden Based Charging Components 'Ra' and 'Ro' (Reception)

The availability unit charge 'Ra' and operational unit charge 'Ro' recover the costs associated with receiving foul water into the sewer and its conveyance through all our sewers, pumping stations and outfalls. Discharges made directly into a WWTP will incur the full R charge.

Mogden Based Charging Components 'Va' and 'Vo' (Volumetric)

The availability unit charge 'Va' and operational unit charge 'Vo' recover the costs associated with volumetric and preliminary or primary treatment which includes:

- (a) all pumping stations with rising mains discharging directly to sewage treatment works,
- (b) all inlet works, including screening, comminution, grit removal and pre-aeration,
- (c) all primary settlement units other than storm treatment works,
- (d) all tidal tanks,
- (e) tertiary treatment for reduction of the concentration of residual suspended solids,

Mogden Based Charging Components 'Ba' and 'Bo' (Biological)

The availability unit charge 'Ba' and operational unit charge 'Bo' recover the costs associated with biological (secondary) treatment which includes:

- (a) Biological filtration plants and humus tanks, including recirculation, alternating double filtration and humus sludge pumping,
- (b) activated sludge plants and final settling tanks, including returned sludge pumping,
- (c) the proportion of total sludge treatment and disposal costs associated with secondary sludge treatment and disposal.

Mogden Based Charging Components 'Sa' and 'So' (Solids)

The availability unit charge 'Sa' and operational unit charge 'So' recover the costs associated with managing the sludge generated from the treatment which includes:

- (a) pumping or otherwise conveying (e.g. by tanker) sludge to treatment and disposal,
- (b) sludge dewatering and treatment, including digestion, conditioning, consolidation, drying, storage, incineration and disposal.

Outfall-only arrangements

Where a discharge bypasses Scottish Water's treatment plant, having been agreed by Scottish Water and SEPA, only the R element will be charged.

4.2.5 Calculation of Fixed Strengths (Ot and St)

In the application of Mogden based trade effluent charges, Ot and St are derived from the analytical results of the sampling activities of the previous year. In exceptional circumstances, Scottish Water may exclude, or if at the request of a Licensed Provider, agree to the exclusion of, data which is not typical of the effluent quality.

Ot and St are generally fixed for the Fiscal Year. Where it becomes apparent that the Ot and St being used for charging are no longer representative of the average strength across the year then Scottish Water, in consultation with the Licensed Provider, may reassess the strengths from the date this becomes apparent.

The analytical data and methodology used to establish Ot and St will be supplied to Licensed Providers prior to the start of the Fiscal Year in which these will be used for charging. Requests for modification of Ot and St proposed by Scottish Water should be made within 8 weeks of the data being supplied, if the modification is to apply from the start of the Fiscal Year. If Scottish Water agrees, requests by the Licensed Provider to modify Ot and St applying to a discharge will apply from the date the request is made.

For new discharges, or where limited or no sampling data is available, Scottish Water will derive Ot and St values based on the following order of priority:

- a) Samples taken of the actual discharge taken over a different period but which can be shown to be representative; or
- b) Process averages from sites known to have generally similar processes; or
- c) 80% of the consented limit for settled chemical oxygen demand (for Ot) and suspended solids (total) (for St).

4.2.5.1 Trade effluent sampling by Licensed Providers

The costs for trade effluent sampling activities are included within the trade effluent charge. Where trade effluent sampling is undertaken by Licensed Providers the costs involved will be credited back to the Licensed Provider. The credit will be applied monthly in the primary wholesale charges bill. The amount to be credited back will be based on the following costs:

- taking and transporting each sample £52.89 per sample
- analysing each sample. See Part 2, Appendix 2

4.2.6 Application of the trade effluent charge

The following conditions will apply with regard to the application of the trade effluent Charge:

- Where preliminary treatment, biological oxidation or sludge treatment is not normally provided or is provided only in part for the trade effluent, the whole or due proportion of the respective charging component V, B or S is omitted as follows:

	PTI	SSI	BTI
Sub-primary	0	0	0
Primary	1	2/3 ^{rds}	0
Secondary	1	1	1

- Each of the charging components, and the due proportion under B and S, are ascertained by Scottish Water on an annual basis.

PTI = Preliminary Treatment Indicator – applies to Va and Vo components within the Availability and Operating charges formulae

BTI = Biological Treatment Indicator – applies to Ba and Bo components within the Availability and Operating charges formulae

SSI = Sewage Sludge Indicator – applies to Sa and So components within the Availability and Operating charges formulae

4.2.6.1 Trade effluent discharge volumes

For the majority of trade effluent Discharge Points, the volume of effluent discharged is based on metered water,

- Where the metered water includes non-industrial water use, the level of non-industrial use is determined by Scottish Water and deducted from the volume of effluent discharged as a non-domestic allowance. The non-domestic allowance is charged as Foul Sewerage Volumetric with the appropriate Foul Sewerage Meter Based Annual Charge.
- Where the metered water includes water that is not discharged back into the Public Sewerage System this demand is determined by Scottish Water and deducted from the volume of effluent discharged as a production / process allowance.

If a Licensed Provider requests a change to the calculated allowance, which is agreed by Scottish Water, this will apply from the date on which the Licensed Provider has demonstrated to Scottish Water's satisfaction that such an allowance is justified i.e. the point at which a full application, including all relevant information, is received.

Where the volume of effluent discharged is not based on metered water a sewerage meter may be used as the basis of measuring trade effluent volumes where agreed with Scottish Water and subject to the sewerage meter being maintained in line with Scottish Water consent conditions.

4.2.6.2 Unmetered Supply Points / Bulk Supplies / private water supplies / sewerage meters

For an unmetered Supply Point with a trade effluent consent, trade effluent charges will not normally apply. Unmetered sites importing materials which create a discharge to sewer will be subject to trade effluent charges on volumes assessed from import records. To enable trade effluent charges, a meter would be created at the CMA with the read being the cumulative volume imported/discharged since the date the meter was created.

Volumes will also be assessed by Scottish Water where it is not possible to determine volumes using the standard method of deducting allowances from the metered water supply to the site or where a sewerage meter cannot be installed. The method of assessment using logical meters is described in CSD0104.

For an entity on a multiple tenancy shared supply with trade effluent volumes served through the landlord's meter, and no appropriate sub-metering in place to discern the volumes from the landlord's or others served on that shared supply, trade effluent charges will not normally apply. Trade effluent volumes will be charged as foul sewerage on the landlords Supply Point. Sites using private water supplies in their trade effluent process are required to install a meter on the private supply in order that the volume of effluent discharged to sewer can be assessed and the appropriate charge applied.

Where the annual volume discharged is established through the use of a sewerage meter and the rainwater which drains from the Supply Point is also recorded by the meter Licensed Providers may request a standard annual allowance. The standard annual allowance will be calculated using the area of the property from which the run-off to the sewer is recorded by the waste meter and the 10 year long term average rainfall for the nearest available Met Office recording station or other verifiable source of such data. When making such a request Licensed Providers should provide details of the area of the property from which the run-off to the sewer is recorded by the waste meter. Successful application requests or requests for amendment will apply from the date on which the Licensed Provider has demonstrated to Scottish Water's satisfaction that such an allowance is justified i.e. the point at which a full application, including all relevant information, is received. No additional allowance is given for groundwater.

4.2.6.3 Modification of Consent

Modification, or review by direction of consent is set out in primary legislation under sections 32 and 36 of the Sewerage (Scotland) Act 1968. A review of Consent conditions can be initiated by Scottish Water or the Non Household Customer via their Licensed Provider. In accordance with primary legislation, before making a direction to review consent conditions, Scottish Water will intimate the proposed changes to the Non Household Customer who has 28 days to make representations in respect of the proposals, thereafter a direction will be issued. The new consent conditions come into effect from a date not earlier than three months after the date of the direction.

Scottish Water wishes to work with dischargers to enable economic development. To facilitate this, Scottish Water may, in consultation with the discharger and their Sewerage License Provider, permit the discharge of volumes and/or loads in excess of those consented for an agreed period. Subject to the wholesale billing parameters being increased to reflect the levels being discharged for the agreed period, without the requirement to formally review the consent.

4.2.7 Seasonal Discharges

A seasonal discharge is defined as one that occurs during regular defined periods of the year and is constrained by the natural and seasonal availability of raw products. In these circumstances, the volume, BOD and TSSI factors used in the calculation of the Availability Charge will be as shown below:

$$[(\text{Volume 1} \times \text{length of period 1}) + (\text{Volume 2} \times \text{length of period 2}) + (\text{Volume 3} \times \text{length of period 3}) + (\text{Volume 4} \times \text{length of period 4})]/12$$

$$[(\text{BOD 1} \times \text{length of period 1}) + (\text{BOD 2} \times \text{length of period 2}) + (\text{BOD 3} \times \text{length of period 3}) + (\text{BOD 4} \times \text{length of period 4})]/12$$

$$[(\text{TSSI 1} \times \text{length of period 1}) + (\text{TSSI 2} \times \text{length of period 2}) + (\text{TSSI 3} \times \text{length of period 3}) + (\text{TSSI 4} \times \text{length of period 4})]/12$$

A 20% premium will apply to the availability charge for registered seasonal dischargers.

The volume, the sBODI and the TSSI for each period and the duration of each period will be specified in the consent. There will be a maximum of 4 periods definable, with no period being shorter than one month, and a year will comprise 12 months, i.e. all months are equal in length in this calculation. The consent document will also show the availability parameters applying in the individually consented periods but not the calculated availability parameters.

Where a Discharge Point with a seasonal discharge consent is either discontinued or terminated, the Licensed Provider will be charged the full value of the availability charges for the period the consent is in operation.

4.2.8 Recovery of Extra-ordinary Costs

Where it can be demonstrated that a discharge of trade effluent caused events which resulted in extra-ordinary costs to Scottish Water, i.e. costs not recovered through the trade effluent Charge to Licensed Providers, the occupier of the Discharge Point giving rise to the discharge, or the holder of the trade effluent consent, as appropriate, will be held liable for such costs and will be charged by Scottish Water.

Extra-ordinary costs may relate to physical damage to assets and costs arising from clean-up costs or additional sampling costs, as a result of a non-compliant discharge, or costs arising from effecting a discontinuation of trade effluent services. Scottish Water may recover costs of pre-emptive measures taken to minimise the impact on Scottish Water’s assets of anticipated breaches of discharge consent.

4.2.9 Treatment Cap

Capped trade effluent arrangements in respect of future increased levels of treatment provided at Scottish Water waste water treatment works continue to be available. Any new arrangements will be phased out over four years (including a grace year) so that in year five standard published charges apply to the affected discharge points. This is consistent with the policy published by the Commission in December 2006. As set out in the Commission’s policy, the first year is a grace year followed by the phased removal of caps commencing in year two.

Phased charges are calculated so that, before allowing for the impact of changes in underlying variables (volume, strength, consent parameters and prices), the wholesale charge will grow in the same proportion each year. This avoids imposing the heaviest monetary increases on customers in the first year of phasing.

For example, a customer who was charged £500 (at a retail level) in year 0, but would have been charged £1,000 under Scottish Water’s standard published charges, can be said to have a 50% discount in year 0. The following table shows the discounts in each year of phasing that will give a constant annual growth rate in the wholesale charge relating to the customer.

Phasing of capped trade effluent arrangements in respect of treatment

Year	0	1	2	3	4
Notional uncapped charge	£1,000	£1,000	£1,000	£1,000	£1,000
Notional capped charge	£500	£500	£629	£794	£1,000
Discount	50%	50%	37%	21%	0%
Notional growth rate	n/a	0%	26%	26%	26%

For discharge points affected by a capped trade effluent arrangement in respect of treatment, a discount may be calculated for 2023-24 by the method described above. The discount will be applied to the wholesale charge calculated for that discharge point in accordance with the standard charges published in this wholesale Charges Scheme.

More detail on the process and calculation of phased charges for discharge points affected by capped trade effluent arrangements are available in *Trade effluent Capping a Technical Note*, published by the Commission in February 2008.

4.2.10 Discontinuation or termination of the trade effluent service

No discount relating to the removal of capping will be applied upon resumption of a trade effluent service at a discharge point where the service has previously either been discontinued or terminated.

5. Other Wholesale Services (Non-Primary Charges)

5.1 Verification of service provision / de-registration requests

If a Licensed Provider considers that the details of a Supply Point held by the CMA are not correct, the Licensed Provider can request that Scottish Water investigate (verify) the services provided to the site, including verifying the details of Scottish Water meters located on-site by submitting a request for:

- De-registration of a supply point or removal of service elements,
- Verification of meter details, or
- Verification of water service or supply configuration

The Licensed Provider will pay abortive visit charges if Scottish Water is unable to complete a survey or any work in connection with any of the above, due to actions of the Licensed Provider or of the Customer.

5.1.1 Deregistration requests

If a Licensed Provider considers that a Supply Point is being charged for services that it does not receive, the Licence Provider can request that Scottish Water investigate the services provided and remove service elements or to de-register the Supply Point (where no physical disconnection of the Supply Point is required). This may include verification of foul sewerage and/or property drainage services. There is no charge for these investigations or the associated administration if the service details held by the CMA prove to be incorrect, unless the service arrangements have been changed without notification to Scottish Water.

A charge per application or Supply Point will apply where Scottish Water's investigations confirm that the recorded services and/or meter details are correct or where the service arrangements have been changed without notification to Scottish Water. In situations where a charge would apply only the system verification fee will apply if Scottish Water can provide the necessary evidence without the need for a site visit.

Where a charge applies and it has been necessary to visit the premises, the standard charge for a site-visit is applied based on a two person service; if additional resources are required Scottish Water will charge the Licensed Provider the Reasonable Costs Incurred of the actual work involved. Additional charges will be applied if the visit is required to be made out-with Standard Hours.

5.1.2 Verification of meter details

If a Licensed Provider considers that the details of a Supply Point held at the CMA are not correct, the Licensed Provider can request that Scottish Water investigate and verify the details of Scottish Water meters located on-site.

A charge per application or Supply Point will apply where Scottish Water's investigations confirm that the recorded meter details are correct or the meter has been changed or relocated without notification to Scottish Water.

Where a charge applies and it has been necessary to visit the premises, the standard charge for a site visit is applied based on a single person service; if additional resources are required Scottish Water will charge the Licensed Provider the Reasonable Costs Incurred of the actual work involved. Additional charges will be applied if the visit is required to be made out-with Standard Hours.

5.1.3 Verification of service arrangements

If a Licensed Provider considers that the details of a Supply Point held at the CMA are not correct or wishes to understand the service arrangements, the Licensed Provider can request that Scottish Water investigate the water service provided to the site. This may include verification of complex supply configurations. There is no charge for these investigations or the associated administration if the service details held by the CMA prove to be incorrect, unless the service arrangements have been changed without notification to Scottish Water.

A charge per application or Supply Point will apply where Scottish Water's investigations confirm that the recorded services and/or meter details are correct, including situations where the service arrangements have been changed without notification to Scottish Water. In situations where a charge would apply only the system verification fee will apply if Scottish Water can provide the necessary evidence without the need for a site visit.

Where a charge applies and it has been necessary to visit the premises the standard charge for a site visit is applied based on a two person service; if additional resources are required Scottish Water will charge the Licensed Provider the Reasonable Costs Incurred of the actual work involved. Additional charges will be applied if the visit is required to be made out-with Standard Hours.

5.1.3.1 Legal Review – associated with verification of water service or supply configurations

A charge per application or Supply Point will also apply where a legal (property ownership) review is necessary to establish the premises ownership at the time the meter was installed to establish that it was appropriate to have metered the supply, and where Scottish Water's investigations confirm that the recorded services and/or meter details are correct including situations where the service arrangements have been changed without notification to Scottish Water.

5.2 Water Supply Shut-off and Reconnection

5.2.1 Temporary Disconnection

Temporary disconnections can only be requested by Licensed Provider's in relation to non-payment or denying access to a meter. Licensed Providers cannot request a temporary disconnection on behalf of their customers.

Where a Licensed Provider requests Scottish Water undertakes a temporary disconnection from the water supply at Supply Points in relation to non-payment or denying access to a meter, Scottish Water will charge the Licensed Provider:

- a survey charge to determine if a temporary disconnection is viable; and
- a standard charge where the standard disconnection process applies, as defined in the disconnection document and where no pipe-work alteration is required.

The level of charge for the survey will depend on whether the survey is to be carried out during or out-with Standard Hours.

During periods of temporary disconnection only Property Drainage and trade effluent availability charges (where applicable) will apply.

5.2.1.1 Non-standard Temporary Disconnections

When requesting a temporary disconnection the Licensed Provider should stipulate if a Survey Only service or a Survey and Estimate service is required. The Survey Only and Survey and Estimate services are:

- **Survey Only** – in the event that Scottish Water’s survey identifies that the non-standard temporary disconnection process applies or that modifications to pipework are required or that the premises is supplied through a shared supply, only the survey findings are to be reported to the Licensed Provider.
- **Survey and Estimate** – in addition to reporting the findings of the field survey, Scottish Water is to provide an estimate of the costs of undertaking the disconnection through the non-standard temporary disconnection process including the costs of modifying pipework or separating the supply.

Where a request is made of Scottish Water and the non-standard disconnection process applies, as defined in the disconnection document, or where the Supply Point to be disconnected is on a shared supply or where pipe-work alteration is required Scottish Water will charge the Licensed Provider:

- a Survey Charge for determining if a temporary disconnection is viable. All costs incurred securing access to permit the survey to be undertaken (e.g. legal costs) may also be recovered; and
- a charge based on the Reasonable Costs Incurred of the actual work involved which may include the recovery of any costs incurred to secure access to allow the work to be undertaken (e.g. legal costs).

5.2.1.2 Advanced Commitment Reduced Charge

Where a survey reveals that a standard disconnection can be made at a Supply Point, it is possible to carry the disconnection out immediately following the survey.

If a Licensed Provider commits to paying standard disconnection fees in advance of a survey, Scottish Water offers a reduced charge that reflects the need only to visit a Supply Point once to undertake both the survey and standard disconnection. In these cases the advanced commitment reduced charge applies.

Where a Licensed Provider commits to paying standard disconnection fees in advance of a survey and the survey reveals that the disconnection cannot be made immediately following the survey and this is not due to an error or omission on the part of Scottish Water, the advanced commitment reduced charge is not applicable and the Licensed Provider will be charged the appropriate individual survey and disconnection charges in full.

5.2.2 Permanent Disconnection

A Licensed Provider can request that Scottish Water undertakes a permanent disconnection either in relation to non-payment or on behalf of its customer. Permanent disconnection may also occur if a non-household customer is found to have illegally used water and/or sewerage services, if the water supply is not byelaws compliant, or if a temporary disconnection continues for a period in excess of three months.

In situations where the Licensed Provider requests a permanent disconnection in relation to non-payment or the customer is found to have illegally used water and/or sewerage services, Scottish Water will charge the Licensed Provider:

- A survey charge to establish if the permanent disconnection is viable, and
- the relevant permanent disconnection charge for each supply that is permanently disconnected at a SPID.

The level of charges for the survey charge and the disconnection will depend on whether or not the activity, be it the survey or the permanent disconnection, is required to be carried out during or out-with Standard Hours.

Scottish Water will not charge survey or disconnection charges for customer requested permanent disconnections.

5.2.3 Inspection Fee

An inspection fee will apply where Scottish Water is required to approve a permanent disconnection that has been carried out by a third party. The level of charges for the inspection will depend on whether or not the inspection is required to be carried out during or out-with Standard Hours.

An Inspection Fee will not apply if the permanent disconnection is requested by the customer.

5.2.4 Reconnection Charges

Scottish Water will apply reconnection charges where a Licensed Provider requests that the water supply at a Supply Point which was previously temporarily disconnected, either at a Licensed Providers request or by Scottish Water for operational reasons, be reconnected. Standard charges will apply where no pipe-work alteration is required and where the standard disconnection process applied (as defined in the Disconnection Document) to the earlier disconnection.

Where the non-standard disconnection process applied (as defined in the Disconnection Document) to the earlier disconnection or where pipe-work alteration is required as part of the reconnection, Scottish Water will charge the Reasonable Costs Incurred.

5.2.5 Service Removal Verification Survey

If the owner of a premises (or the occupier with the owner's agreement) that is connected to Scottish Water's mains by a shared supply serving multiple premises (and therefore the supply cannot be disconnected from Scottish Water's mains) requests that the water supply to their premises is disconnected, Scottish Water will consider that the water service has been removed to the SPID if:

1. the toilets, sinks and other water using equipment in the premises are removed (not simply disconnected), and
2. the connection to the private pipework is terminated, and
3. the property owner agrees (in writing) to make an application for a water supply direct from Scottish Water's mains if a supply is required in the future. The existing penalties for unauthorised connection will continue to apply.

The Service Removal option is not available for SPIDs that have Communal Facilities.

Scottish Water will visit the site to verify the removal of facilities and the Service Removal Verification Survey charge will apply.

Abortive Visit Charges

The Licensed Provider will pay abortive visit charges if Scottish Water is unable to complete a survey or any work in connection with temporary or permanent disconnections or reconnections, due to actions of the Licensed Provider or of the customer.

5.3 Discontinuation and Re-establishment of trade effluent service

Scottish Water will, when requested to do so by a Licensed Provider, visit the Supply Points of a Licensed Providers customer to determine if a temporary discontinuation of the trade effluent service is viable and to determine where viable the likely cost of both the temporary and subsequent permanent discontinuation as well as the possible reconnection. A Survey Charge will apply in every case. Where it is determined that it is possible to discontinue the trade effluent service by physical means the Licensed Provider will be charged the Reasonable Costs Incurred for undertaking this work.

If the discontinuation cannot be achieved by physical means, Scottish Water will take further steps to attempt to discontinue the service. Scottish Water will charge the Licensed Provider, based on Reasonable Costs Incurred, for all work undertaken in relation to the requested discontinuation, even if this proves to be unsuccessful.

If the discontinuation is achieved by non-physical means, this will apply from the date on which the Licensed Provider has demonstrated to Scottish Water's satisfaction that the discontinuation is justified i.e. the point at which a full application, including all relevant information, is received.

Scottish Water will apply charges where a Licensed Provider requests that the trade effluent service at occupied Supply Points which was previously temporarily discontinued be re-established.

The Licensed Provider will pay abortive visit charges if Scottish Water is unable to complete any work in connection with discontinuation and re-establishment of trade effluent service, due to actions of the Licensed Provider or of the customer.

5.4 Metering Services

5.4.1 Standard Circumstances

Generally, standard metering services charges relate to undertaking work in standard circumstances, generally where access is unhindered, where no pipework modifications are required and, unless specifically included, no excavation or traffic management is required and include the provision of "standard specification" meters.

5.4.2 Abortive Visit Charges

For all metering services including changing a meter, replacing/repairing a faulty or damaged meter, meter accuracy test and installation, abortive visit charges will apply when Scottish Water is prevented from undertaking a survey or any work and this is due to actions of either the Licensed Provider or the Customer or erroneous information provided by either the Licensed Provider or the Customer.

5.4.3 Non-Standard Meters

Where Scottish Water is requested by the Licensed Provider to undertake metering activities including the provision of a non-standard meter, the Licensed Provider will pay Scottish Water the difference in capital cost between the non-standard meter and the equivalent standard specification meter as well as any additional cost for fittings.

5.4.4 Meter Installation on a new supply

All new supplies to non-household premises, whether new supplies to new or to existing premises, will be metered. Meters are installed at the time the connection is made.

Where a meter has been installed, charges will be applied on a metered basis immediately following the supply point being brought into charge at the CMA.

The Licensed Provider cannot opt to revert to an unmetered supply after a meter has been installed.

Scottish Water contribution where a Licensed Provider does the work

Please refer to Scottish Water's Contribution Schedule for the contributions Scottish Water will pay to the Licensed Provider where the Licensed Provider installs a water meter on a new Supply Point(s) registered to them.

5.4.5 Meter Installation – existing unmeasured supplies

In response to a Licensed Provider request, Scottish Water will meter unmeasured Supply Points at no additional charge unless Scottish Water declines to install a meter for reasons of excessive expense or it is inappropriate or impractical to install a water meter. Where the cost of installing a meter is deemed to be excessive, the licensed provider will be provided with the estimate of the cost of installing a meter.

Where an installation has been declined, as an alternative to remaining on assessed charges, the Licensed Provider can apply for the Supply Point to be re-assessed (refer to Part 1 of the Wholesale Charges Scheme 2.1.7.1).

Where a meter has been installed, charges will be applied on a metered basis immediately following the Supply Point being brought into charge at the CMA.

The Licensed Provider cannot opt to revert to an unmetered supply after a meter has been installed.

Scottish Water contribution where a Licensed Provider does the work

Please refer to Scottish Water's Contribution Schedule for the contributions Scottish Water will pay to the Licensed Provider where the Licensed Provider installs a water meter that serves existing unmeasured Supply Point(s) registered to them.

5.4.6 Changing of meter at the request of a Licensed Provider

Where a Licensed Provider requests Scottish Water to change a water meter that serves a Supply Point(s) registered to them, the Licensed Provider can request Scottish Water to undertake a site survey to establish if the change is viable and, where viable, the costs involved or instruct Scottish Water to change the meter without a separate survey. This will apply to requests for:

- Like-for-like meter exchanges,
- Meter relocation, and
- Meter rightsizing

The Licensed Provider is liable for the cost of any survey as well as the exchange where a change of meter is requested.

Where a Licensed Provider requests a survey

Where a survey is requested Scottish Water will establish if the change is viable and, if viable, provide a quotation for the requested activity.

Where the Licensed Provider accepts Scottish Water's quotation, Scottish Water will apply a survey charge in addition to its quotation.

If the Licensed Provider chooses not to proceed with Scottish Water's quotation, or the change is not viable, Scottish Water will apply the survey charge.

The level of survey charge will depend on the nature of the change and whether or not the survey is required to be carried out during or out-with Standard Hours.

Where a Licensed Provider does not request a survey

Where a survey has not been requested and the change can be undertaken for the standard charge, Scottish Water will apply the standard charge.

Where a site survey has not been requested but, having visited the site Scottish Water establishes either the change is not viable or, where viable, the change cannot be undertaken for the standard charge, Scottish Water will provide a quotation to the Licensed Provider based on the Reasonable Costs of the actual work required to exchange the meter.

If the Licensed Provider accepts Scottish Water's quotation, Scottish Water will apply a survey charge in addition to its quotation.

If the Licensed Provider chooses not to proceed with Scottish Water's quotation, or the meter change is not viable, Scottish Water will apply the survey charge.

Scottish Water contribution where a Licensed Provider does the work

Please refer to Scottish Water's Contribution Schedule for the contribution Scottish Water will pay to the Licensed Provider where the Licensed Provider exchanges a water meter that serves a Supply Point(s) registered to them.

5.4.6.1 Electro-magnetic meters

Similar charges apply where a Licensed Provider requests an electro-magnetic meter from Scottish Water to replace the existing mechanical meter at a Supply Point.

Existing electro-magnetic meters will not be physically exchanged in size by Scottish Water unless the flow rate changes to an extent that it is judged, by Scottish Water, to be out with the recommended flow range and accuracy bands for the meter size.

Basic electromagnetic meters are Scottish Water's standard specification when providing meters sized 150mm and above.

Electromagnetic meters below 150mm are non-standard specification¹⁹. Where Scottish Water is requested by the Licensed Provider to provide an electromagnetic meter below 150mm, the Licensed Provider will pay Scottish Water, in accordance with the Wholesale Services Agreement, the difference in capital costs between the electromagnetic meter and equivalent standard specification meter.

As with any meter exchange, where the existing meter is deemed to be in good working order, the Licensed Provider will be required to meet all meter exchange costs.

The installation and ongoing care of all electro-magnetic meters will be subject to the terms and conditions in Scottish Water's Electro-magnetic Meter Policy, Terms and Conditions of Supply and the Licensed Provider's Wholesale Services Agreement.

Scottish Water contribution where a Licensed Provider does the work

Please refer to Scottish Water's Contribution Schedule for the contribution Scottish Water will pay to the Licensed Provider where the Licensed Provider exchanges a water meter that serves a Supply Point(s) registered to them.

5.4.7 Replacing/Repairing a faulty/Damaged meter

Licensed Providers are responsible for the due care of a water meter existing on a Supply Point to which they are registered. If the Licensed Provider believes a water meter is faulty or damaged, they must notify Scottish Water.

Where a water meter is faulty/damaged and needs to be replaced or repaired, and the Licensed Provider requests Scottish Water to replace or repair the meter, the Licensed Provider is subject to the standard meter exchange or repair charge, if the fault/damage was caused by an act or omission of the Licensed Provider or its Customer.

Scottish Water's Abortive Visit charge will apply where the site visit establishes that the meter is not faulty or damaged.

Scottish Water contribution where a Licensed Provider does the work

Please refer to Scottish Water's Contribution Schedule for the contribution Scottish Water will pay to the Licensed Provider where the Licensed Provider repairs or replaces the meter at Supply Point(s) registered to them and it can be established that the fault/damage was not caused by an act or omission of the Licensed Provider or its Customer.

5.4.8 Meter Accuracy Test

If the Licensed Provider believes a water meter is not registering accurately, they must notify Scottish Water.

If requested by the Licensed Provider, Scottish Water will arrange to undertake a meter accuracy test and confirm the test results to the Licensed Provider.

¹⁹ Minimum specification mechanical meters are Scottish Water's standard specification when providing meters sized below 150mm

Meter Reading Inaccurately

Where the error of indication for the “tested” meter exceeds tolerances under applicable legislation, no survey charge or meter accuracy test will be charged by Scottish Water.

Any refund or additional charges payable as a result of an inaccurate meter reading will be determined in accordance with the Water (Scotland) 1980 Act.

Meter Reading Accurately

Where the error of indication for the “tested” meter does not exceed tolerances under applicable legislation, Scottish Water will apply the survey charge and meter accuracy test charges.

Scottish Water contribution where a Licensed Provider does the work

Please refer to Scottish Water’s Contribution Schedule for the contribution Scottish Water will pay to the Licensed Provider where the Licensed Provider undertakes a meter accuracy test and the outcome of the test identifies that the meter is found not to be accurate to within tolerances under applicable legislation.

5.5 Development Services

Development in the form of household, business or industrial growth places demands on Scottish Water’s assets and resources. To ensure the efficient use of these assets a series of development charges apply. These charges fall into four categories:

- a) Infrastructure charges;
- b) Services to construction sites; and
- c) Application fees, Connection charges and inspection fees.
- d) Sewer CCTV Review Fees

The route for securing these services varies depending on the nature of the development. The table below shows the various routes. The charges covered in Part 2 of the Charges Scheme relate to the services provided through Licensed Providers.

	Self-Build Houses	Commercial House Development	Non-Household Development
Infrastructure Charges	Direct from Scottish Water	Direct from Scottish Water	Secured through Licensed Provider
Services to construction sites	Direct from Scottish Water	Direct from Scottish Water	Secured through Licensed Provider
Application Fees, Connection Charges and Inspection Fees	Direct from Scottish Water	Direct from Scottish Water	Secured through Licensed Provider
Sewer CCTV Review Fees	Direct from Scottish Water	Direct from Scottish Water	Secured through Licensed Provider

5.5.1 Infrastructure Charges

For new Supply Points or Supply Points which have not previously been connected to Scottish Water's water or waste water network, an infrastructure charge will be payable for each new Supply Point connected to:

- a) the public water mains; and
- b) the waste water system.

Where sites are redeveloped, infrastructure charges will apply to each Supply Point that will exist at the end of the redevelopment.

In relation to business and industrial developments that comprise of a number of sub-units, such as a shopping centre, the infrastructure charges will apply to each of the sub-units that will have a separate Rateable Value within the development.

The application of Infrastructure Charges for student halls of residence are described in Part 3 - Retail Charges Scheme.

5.5.2 Services to construction sites²⁰

Water supplies to a site which is being prepared for development e.g. grouting, will be metered.

Where a site is served by an existing meter the Licensed Provider must ensure,

- i. the occupier is the sole party served by the existing meter,
- ii. the occupier is also the party wishing to use the construction site services²¹; and
- iii. Scottish Water is in agreement that the services can be supplied through the existing meter.

Otherwise the Licensed Provider must ensure a separate metered temporary connection is made.

Standard Water Volumetric Charges and Fixed Charges apply.

5.5.2.1 Site Accommodation

Where the water and/or sewerage supply to site accommodation on a building site is fed from an unmetered mains supply, fixed and volumetric charges will apply. These charges will be in addition to any building water charges. Fixed Charges will apply based on the current 20mm meter based annual charges and the number of weeks the supply has been made available. Volumetric charges will be applied using the current metered volumetric charges and an assessment of the volume of water used. The assessment of the volume of water and sewerage used will be calculated using the following formulae:

Water: Number of people using site accommodation x Weeks On-Site x PCC²²

Sewerage: Number of people using site accommodation x Weeks On-Site x PCC²³ x 95%

²⁰ Exemptions from water and sewerage charges under the Scottish Government Exemption Scheme do not apply to charges for services to construction sites.

²¹ Lease sites may also be considered, where the occupier of the site served by the existing meter is leasing the land to the party wishing to use the construction site services

²² Per Capita Consumption (PCC) for Site Accommodation charges will be based on the procedure for calculating volume at re-assessed unmeasurable premises.

²³ See footnote 21 above.

5.5.2.2 Water for Building Work – Business & Industrial Developments

In addition to the services required for site accommodation (5.5.2.1), building water charges apply to water taken from the public supply for use in construction activities.

The building water charge for the supply of unmetered water used in the building of business and industrial developments will be based on a percentage of the estimated cost reported in planning permission applications and building warrant approvals. The estimated cost is the total price of the contract less the value of any pre-mixed concrete.

Where Scottish Water has approved that a meter supply can be used to supply Building Water for construction activities Standard Water Volumetric Charges and Meter Based Annual Charges will apply.

Scottish Water will charge the Reasonable Costs Incurred of providing and removing a water supply.

Scottish Water will not typically complete a permanent connection to a premises until it has received and processed an associated building water application for the site and is in receipt of the Licensed Provider's acceptance of the building water quotation.

Construction Sites with an Alternative Source of Water

Scottish Water would expect water taken from the public supply to be used in all construction projects. However, if a Licensed Provider believes that a construction project will not require the use of any water supply from Scottish Water they must declare to Scottish Water at the outset of the project that none will be required. If a Licensed Provider does not make the relevant declaration unmetered building water charges will be applied as set out in this section 5.5.2.2.

Use of Standpipes

Where a Licensed Provider applies for a standpipe licence as a mechanism for supplying Building Water, normal site-specific Building Water charges will still apply.

For further details please see Scottish Water's Building Water Charging Policy on the License Providers portal which can be found at www.scottishwater.co.uk/business.

5.5.3 Application Charges

We charge a fee for each application received for connection(s) to the Public Water Supply System and Public Sewerage System. This charge applies both for applications received where the connection(s) will be undertaken by Scottish Water and for applications received where the connection(s) will be undertaken within the market. Once a Connection Offer has been made the Application fee will apply for any subsequent resubmissions for the same site.

5.5.4 Repeat Design Review Charge

Scottish Water reviews designs of pipework (water mains and sewers) that will be provided as part of new development. Where a submission is not of an appropriate standard or is technically deficient, the design will be returned to the developer for amendment. Repeat design review charges will apply in situations where the re-submitted details require to be subjected to further technical review.

5.5.5 Water Connection Charges

Scottish Water will undertake connections to the Public Water Supply System for all self-build houses and commercial house development. In relation to non-household development Licensed Providers will be able to choose an accredited contractor to undertake the final connection or to continue to use Scottish Water to make the connection. All connections must be made in compliance with construction standards set out in Water for Scotland. The charges described in this section 5.5.5 relate to connections undertaken by Scottish Water.

If the Communication Pipe has an outside diameter of less than or equal to 32mm, and where the connection is not to a Trunk Main, a standard charge will apply based on the labour and materials required to complete the pipe-laying work only for connection to the Public Water Supply System. The Licensed Provider will be responsible for:

- a) Arranging all excavation work (or providing suitable ducts, or both);
- b) Filling in and reinstating the footpath and road; and
- c) Providing all materials (other than those required for pipe-laying) including water toby (external stopcock) or meter chamber.

In relation to providing additional connections to existing premises, for example refurbishment, the Licensed Provider is responsible for all internal pipework arrangements.

If the Communication Pipe has an outside diameter greater than 32mm, or if the connection is to a Trunk Main, Scottish Water will charge the Reasonable Costs Incurred of actual work involved.

Water connection charges involving connections to commercial house developments, i.e., where the development is exclusively households, will be billed to the developer directly by Scottish Water.

Water connection charges for tie-ins at mixed development (households and non-households) will be allocated by Scottish Water between the housing developer and the Licensed Provider of the developer of the commercial development.

The cost of installing a meter is included within the water connection charges.

Abortive visit charges will apply when Scottish Water is prevented from undertaking a survey or any work and this is due to actions of either the Licensed Provider or the Customer or erroneous information provided by either the Licensed Provider or the Customer.

5.5.5.1 Changes to Water Connection Charges

There may be occasions when Scottish Water is required to review water connection charges where circumstances change. This may be where:

- 1) The work carried out by Scottish Water is delayed for reasons beyond its control;
- 2) Scottish Water has introduced a new set of charges before the Licensed Provider confirms that they have laid their internal supply pipework;
- 3) The work carried out by Scottish Water has to be done out with normal working hours; or
- 4) The Licensed Provider has not laid the internal supply pipe work within three months of Scottish Water having set the charge.

5.5.6 Inspection Charges

Scottish Water has a regime to inspect connections to water and sewerage infrastructure. Different charges apply depending on whether the inspection requires a site visit or can be done through a desktop inspection.

Inspection fees will apply to all temporary building water connections and permanent water connections. Where a temporary building water connection is to be converted into a permanent water connection an additional inspection is required to confirm it is suitable for re-use.

An inspection charge will apply where Scottish Water is required to approve a sewerage connection where the Licensed Provider has made the sewerage connection.

Inspection charges involving connections to commercial house developments, i.e. where the development is exclusively households, will be billed to the developer directly by Scottish Water.

Abortive visit charges will apply when Scottish Water is prevented from undertaking the inspection as a result of actions of either the Licensed Provider or the Customer or erroneous information provided by either the Licensed Provider or the Customer.

5.5.7 Sewer CCTV Review Fee

Where a development includes the provision of new or enhanced sewers and developers provide a CCTV record to prove that there are no faults in the new infrastructure, a Sewer CCTV Review Fee will apply if Scottish Water identifies faults in the infrastructure the CCTV records. This fee will only apply if faults are detected.

5.5.8 Quotations

Scottish Water will make a connection offer for all new developments, which will include a quotation for the following costs; Application Fee, Building Water, Infrastructure, Inspection and Connection.

The charges stated in the quotation will apply rather than those in the Charges Scheme that is in force at the date of connection.

Once a quote has been issued it must be accepted within 60 days of its receipt. Once accepted the quotation will be valid for a period of one calendar year from quotation date.

5.6 Provision of information

Scottish Water receives enquiries about the location of its services from a range of organisations and individuals and for a range of purposes. In some instances charges will apply, in other circumstances charges will not apply.

5.6.1 When charges will not apply

Plans can be inspected given three working days' notice in advance. There is no charge for inspecting plans at Scottish Water offices.

Scottish Water will not charge Licensed Providers who ask for copies of plans showing the location of Scottish Water assets within the curtilage of Supply Points registered to them or in relation to enquiries regarding prospective 29E departures.

Scottish Water will not charge Local authorities or Statutory Undertakers for the provision of plans.

There is no charge if the plans requested are to allow Scottish Water's pipelines and other assets to be located in an emergency to avoid damage during site investigation works, excavation or other activities or to minimise potential safety and operational issues.

5.6.2 When charges will apply

Charges will apply when Licensed Providers request copy plans of asset locations on land that is not registered to them.

Scottish Water will make a charge for any other administration or consultation for this type of service, such as site visits or advice while inspecting plans. Scottish Water will also make a charge (abortive visit charge) when we arrive on site to provide information and our services are not required or we cannot complete our work for reasons beyond our control.

In order to obtain copy plans regarding the location of Scottish Water services Licensed Providers are required to contact online service providers SIS or National One Call directly.

VAT will be added where applicable.

5.7 Fire hydrants

Installation of a Fire Hydrant at the request of a Licensed Provider

Section 22 of part 5 of the 1980 Act provides legislation for Scottish Water to install fire hydrants at the request and expense of a third party other than the Fire Brigade.

Where such a request is received from Licensed Providers, the following charges will apply:

- a) a survey charge to determine if the installation of a fire hydrant is appropriate, viable and, where viable, the likely cost of the installation; and
- b) the Reasonable Costs Incurred of the actual work involved.

5.8 Sampling and Laboratory Services

When asked by a Licensed Provider to provide information, such as in relation to the quality of the drinking water provided by Scottish Water, and that information is beyond the obligations placed on Scottish Water to make information publicly available, Scottish Water shall produce a quotation to provide the services required.

5.8.1 The scale of the Charge

Sampling and laboratory services are based on quotation.

5.9 Temporary trade effluent consents

Temporary trade effluent consents will be issued for short term discharges of effluent, typically from site remediation or construction activities, of no longer than six months. A consent will be issued for such discharges which will be valid for six months. After six months the consent will automatically terminate.

Where the proposed consented discharge volume and/or loads comprise a substantial proportion of the flow to a sewerage treatment works Scottish Water may issue a full consent and charge accordingly.

Scottish Water reserves the right to authorise and charge for short term discharges other than those from site remediation or construction activities, dependant on the proposed volume or nature of the discharge and potential risk to SW infrastructure.

5.10 Assisting a Licensed Provider's Accredited Entity

In accordance with the Operational Code Licensed Providers may request assistance from Scottish Water to facilitate activities using an Accredited Entity. Where such a request is made the Licensed Provider will be liable for the charges set out in Part 2 of the Charges Scheme.

5.11 Any other goods and services provided

Any other goods and services provided will be charged at the reasonable actual cost of providing the service.

As permitted by Section 25 of the Water Industry (Scotland) Act 2002, Scottish Water may engage in any activity which it considers is not inconsistent with its core functions. By virtue of Section 29 of the Water Industry (Scotland) Act 2002 Scottish Water may charge for any goods and services provided in exercise of such non-core functions. In line with section 29, charges for these activities will be subject to separate charging arrangements agreed directly between the parties.

5.11.1 The Scale of the Charge

Other goods and services provided will be charged based on the Reasonable Costs Incurred.

Appendix 1

Definitions and Acronyms

Accredited Entity	Has the meaning set out in the Operational Code.
Allocated Tranche	This is the volume of water (or sewerage) that is included within the meter based annual charges. Effectively a volumetric rate of 0p is applied to the volume in the Allocated Tranche.
Apportionment Note	Has the meaning set out in Section 1 of Schedule 5 of the Local Government Finance Act 1992.
Assessed Meter Size	Meter Size used to calculate wholesale charges at Supply Points which remain unmetered following Scottish Water's meter installation programme.
Assessed Volume	Consumption used to calculate wholesale charges at Supply Points which remain unmetered following Scottish Water's meter installation programme.
Assessor	The body responsible for assigning Rateable Values to non-household premises.
Assigned Meter Size	Meter Size, assigned as 20mm used to calculate wholesale charges at Supply Points, which remain unmetered following Scottish Water's meter installation programme but which have been subject to re-assessment.
Assigned Volume	Consumption used to calculate wholesale charges at Supply Points which remain unmetered following Scottish Water's meter installation programme but which have been subject to re-assessment.
Business Day	Any day other than a Saturday, a Sunday or a bank holiday in Scotland under the Banking and Financial Dealings Act 1971.
Capacity Volume	This is the volume to which the Capacity Volume Charge applies. The Capacity Volume is the Capacity Volume Threshold less the Allocated Tranche.
Capacity Volume Charge	This is a charge that is applied to the Capacity Volume.
Capacity Volume Threshold	This is the volume, unique for each meter size, at which the Capacity Volume Charge ceases to apply.
Chargeable Volume	The volume of water and/or sewerage used in the calculation of water and/or Sewerage Charge.
Charges Scheme	Scottish Water's Charges Scheme as from time to time made by Scottish Water, and approved by The Commission, under Section 29A of the 2002 Act.
CMA	Has the meaning set out in the Market Code.
Commission	The Water Industry Commission for Scotland
Communication Pipe	The pipe/connection from the boundary of the Supply Points to the public system.
Contribution Offer	Means the amount offered by Scottish Water to the Licensed Provider as a contribution towards the costs associated with works at the relevant Supply Point;
Council Tax	Has the meaning set out in Section 70 (1) of the Local Government Finance Act 1992.
Cumulo Rateable Value	Has the meaning specified in Appendix 3.
Croft	Has the meaning set out in the Crofters (Scotland) Act 1993.
Customer	A Customer of a Licensed Provider, who is supplied with Water Services and/or Sewerage Services by that Licensed Provider.
Discharge Point	Has the meaning defined in the Market Code.

Eligible Premises	Eligible Premises under section 27 of the 2005 Act.
Fiscal Year	Scottish Water's accounting period running from 1 st April to 31 st March.
Foul Sewerage Charges	Relates to charges for Foul Sewerage Services.
Foul Sewerage Services	The disposal of sewage which is not property drainage or trade effluent.
Licensed Provider	Any person licensed to provide Water Services and/or Sewerage Services under the 2005 Act.
Licensed Provider Portal	Accessed through the Scottish Water website this is the gateway to Scottish Water's wholesale services. You can use this site to request services and access useful information on our policies, practices and activities.
LIVE Rateable Value	The monetary valuation in £ of a Supply Point determined by the LRCS used by Scottish Water for the purposes of determining certain wholesale charges from 1 April 2018. This value is the most recent valuation assigned by the LRCA and is recorded at the CMA in the data field called Live Rateable Value.
Market Code	The code designated as such by or under the Water Services (Codes and Services) Directions 2007 (or any other direction which amends, replaces or supplements, or is made in respect of substantially the same subject matter as that direction.
Measured	Has the same meaning as Metered.
Metered	A Supply Point where the water consumption recorded on a water meter is used to calculate water and/or foul sewerage charges.
Nominal Rateable Value	The monetary valuation in £ of a Supply Point that is applied by Scottish Water when a valid Live Rateable Value of £0 has been assigned, as set out under Market Code Subsidiary Document CSD101.
Non-Potable Water	Water not treated to Drinking Water standards supplied to non-household Supply Points through Scottish Water's raw water infrastructure and intended for use for purposes other than cooking, drinking, food preparation and washing, domestic purposes and food production.
Occupancy	The act, condition or fact of occupying something or being occupied - refer to description in Market Code;
Physical Meter Size	The actual size of a water meter used in the measurement of the volume of water supplied to a Supply Points.
Potable Water	Water supplied through Scottish Water's potable network intended for use for all purposes including cooking, drinking, food preparation and washing and other domestic purposes and to premises for food production.
Primary Charges	Charges for Water and Sewerage Services provided by Scottish Water through the Public Water Supply System and the Public Sewerage System.
Property Drainage Services	Property Drainage is the term that is used for the service of dealing with rainwater that drains to the Public Sewerage System from the property.
Property Drainage Charges	Has the meaning specified in Section 4.1.5.
Property Modification	Any change of circumstances that the Assessor considers will have a material change on the rental value of the property that results in the Rateable Value being revised between periodic re-assessments.
Public Water Supply System	This term is defined in the 2005 Act.
Public Sewerage System	This term is defined in section 29 of the 2005 Act.
Rateable Value	The monetary valuation in £ of a Supply Points determined by the Assessor used by Scottish Water for the purposes of determining certain wholesale charges.

Reasonable Costs Incurred	Relates to the actual costs of the resources to be deployed including attributable overheads. Charges calculated using this approach will use one hour as the average travel time in addition to the on-site time.
Re-assessed Volume	Consumption used by Scottish Water to determine the assigned volume for Supply Points which Scottish Water cannot meter and that are now subject to re-assessment.
SAA	Scottish Assessors Association – the Association of the 14 Scottish Assessors.
Scottish Water	A body corporate established under section 20 of the 2002 Act.
Sewerage Charge	Has the meaning specified in Section 4.1.
Sewerage Services	Making arrangements for, or in relation to the provision of sewerage to, or the disposal of sewage (including foul sewerage, property drainage and trade effluent services) from, the Supply Points of another person through the Public Sewerage System.
Standard Hours	8am to 6pm on Business Days.
Supply Point	Has the meaning defined in the Market Code. Water and Sewerage Supply Points are defined analogously.
Tariff Meter Size	The size of a water meter used to determine the fixed water and/or Sewerage Charge to Licensed Providers for water and/or Sewerage Services supplied to a Supply Points through a water meter.
The 1980 Act	Refers to the Water (Scotland) Act 1980.
The 2002 Act	Refers to the Water Industry (Scotland) Act 2002.
The 2005 Act	Refers to the Water Services etc. (Scotland) Act 2005.
The Commission	The Water Industry Commission for Scotland established under Section 1 of the 2002 Act.
Trade Effluent	Means any liquid, either with or without particles of matter in suspension therein, which is wholly or in part produced in the course of any trade or industry carried on at trade Supply Points, including trade waste waters or water heated in the course of any trade or industry and, in relation to any trade Supply Points, means such liquid as aforesaid which is so produced in the course of any trade or industry carried on at those Supply Points.
Trade Effluent Charge	Is defined within Section 4.2.
Trade Effluent Services	The meaning of “trade effluent services” is set out in section 20(15) of the 2005 Act.
Trunk Main	A public water supply pipe connected to a water treatment works or water service reservoir.
Unmeasured	Has the same meaning as Unmetered.
Unmetered	A Supply Point where the calculation of water and/or foul sewerage charges does not use water consumption recorded on a water meter.
Vacancy	Empty space, an unfilled or unoccupied space; the state of being empty or unoccupied – refer to description in Market Code.
Vacant	Containing no objects; empty, untenanted, not occupied or in use; free from business occupation – refer to description in Market Code.
Water Charges	Has the meaning specified in Section 3.1.
Water Services	Making arrangements for or in relation to the supply of water to the Supply Points of another person through the Public Water Supply System.
Wholesale Services Agreement	An agreement between Scottish Water and a Licensed Provider, setting out the terms and conditions of the relationship between the parties, as required by section 16 of the 2005 Act.

Appendix 2

Departures from Part 2 of Scottish Water's Charges Scheme

1. Schedule 3

1.1 Charge calculation

Schedule 3 covers those agreements, known under the 2005 Act as **relevant agreements**, which were in existence at the commencement of Schedule 3²⁴ and through which Scottish Water charged a person in respect of an eligible premises (a **relevant customer**) outside of the Charges Scheme for services provided in exercise of its core functions.

The Commission must assess the charges payable by the relevant customer under the agreement (the **relevant charges**) during any period to which a charge scheme applies. The relevant charges are therefore the maximum retail charge a Licensed Provider may demand and recover from the relevant customer under the agreement.

Where a Licensed Provider makes arrangements for the provision of any services to which relevant charges apply and is accordingly entitled to demand and recover charges from a relevant customer for that provision, the Commission must determine an amount less than the relevant charges, as assessed (referred to as the **relevant amount**). The relevant amount is therefore the maximum wholesale charge Scottish Water may demand and recover from a licence provider for the services to be provided under the agreement.

The Commission has provided a notice to each relevant customer setting out details of the relevant charges (the maximum retail charge) and relevant amount (the maximum wholesale charge) payable under its agreement. Copies of these notices have been provided to Scottish Water and each Licensed Provider. The Commission has also published on its website details of the relevant amounts only for each relevant customer.

1.2 Agreement termination

For Supply Points where the relevant agreement ends during the period in which Part 2 of the Charges Scheme is in force, the charges determined by the Commission under Schedule 3 of the 2005 Act in relation to the relevant agreement will continue to apply through to the end of the Fiscal Year. For Supply Points where the relevant agreement ends on the last day of the Fiscal Year (31 March), the charges payable under the relevant agreement do not continue, i.e. they do not extend into the next Fiscal year, and phased or full charges apply as described in this section.

Prior to the end of the Fiscal Year in which the relevant agreement ends, the customer, the relevant Licensed Provider and Scottish Water may agree a profiled discount relative to the published Part 2 Charges schemes for a period up to 5 years after the Fiscal Year in which the relevant Agreement ends. For avoidance of doubt if a profile of discounts is agreed this will be fixed for the relevant period, and is not revisited each year.

²⁴ Schedule 3 commenced on 1 July 2005. From this date Scottish Water has been unable to create any new relevant agreements and none of the existing relevant agreements may be extended or renewed in any way. Accordingly, all customers with relevant agreements will, on the expiry of those agreements, revert to paying charges in accordance with Part 2 of the Charges Scheme published by the Commission.

In the absence of agreement between the customer, the relevant Licensed Provider and Scottish Water annual discounts will be applied to the published Part 2 Charges Schemes for five years after the Fiscal Year in which the relevant agreement ends.

Excluding the impact of changes in underlying variables (volume and prices), the annual charges payable will change in the same proportion each year. In the fifth year after the end of the Fiscal Year in which the relevant agreement ends there is no discount. For avoidance of doubt the profile of discounts will be fixed for the relevant period, and is not revisited each year.

The table below presents the calculation of the discount profile for premises where the relevant agreement charge in the last year of the agreement (year 0) is £500 and where the corresponding charge under Scottish Water’s standard published charges would have been £1,000. In this example the year 0 discount of 50% is phased out by five 15% increases. This calculation is undertaken once and is not done annually to reflect changes in underlying variables.

Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Published wholesale charge	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
Applied wholesale Charge	£500	£574	£660	£758	£871	£1,000
Published Charge Discount	50%	43%	34%	24%	13%	0%
Notional growth rate	n/a	15%	15%	15%	15%	15%
Year 0 is the Fiscal Year in which the agreement ends						

2. Section 29E

2.1 Charge calculation

Provisions with respect to applications for departure from Part 2 of the Charges Scheme in accordance with Section 29E of the 2002 Act are provided within Clause 7 of each Licensed Provider’s Wholesale Services Agreement.

Appendix 3

1. Rateable Value

1.1 Rateable Value recorded on CMA central systems

For each Supply Point the record at the CMA contains a Rateable Value data item (field) titled **LIVE Rateable Value**, which will be used to calculate Rateable Value related charges for all Supply Points from 1 April 2023.

1.2 Live Rateable Values

As described in 1.1 above, the Live Rateable Value recorded at the CMA is the basis of calculating Rateable Value-related charges for all Supply Points.

For each Supply Point the Live Rateable Value recorded at the CMA will be the Rateable Value most recently assigned to the premises by the Assessor.

The Rateable Values notified by the Assessor as part of the April 2023 Revaluation, will be used for the calculation of Rateable Value related charges from 1 April 2023.

Where an assessor subsequently revises the Live Rateable Value, the Live Rateable Value recorded at the CMA will be updated with the revised Live Rateable Value which will be used for charging purposes effective from:

- the Valuation Notice Issue Date if the revised Live Rateable Value is **higher** than the value recorded at the CMA,
- the Effective Date recorded by the assessor if the revised Live Rateable Value is **lower** than the value recorded at the CMA.

Where a valid Live Rateable Value of £0 has been assigned, Scottish Water will apply a nominal Live Rateable Value of £0.10.

Where the Live Rateable Value is not yet available (e.g. a new development that has not yet been rated by the Assessor), Scottish Water will apply a “Default” Rateable Value based on the type of property and at Scottish Water’s discretion from the following:

- £999.90
- £9,999.90
- £19,999.90
- £99,999.90
- £199,999.90
- £299,999.90
- £599,999.90
- £999,999.90

When the premises is assigned a Rateable Value by the assessor, the Default Rateable Value will be replaced with the Live Rateable Value effective from the Valuation Notice Issue Date, unless the Live Rateable Value is lower than the Default Rateable Value, in which case the Live Rateable Value will be applied from the earlier of the connection date or the effective date notified by the assessor.

Where a revision to a valuation relates to the correction of a manifest error, all charges calculated using the original (wrong) valuation will be recalculated using the corrected valuation.

1.3 Cumulo Rateable Value

Where the Rateable Value has been assigned to a Supply Point other than by the Assessor (commonly referred to as Cumulo Rateable Value and generally relating to facilities operated by utilities), the assigned value will be used as the basis for charging Rateable Value based charges, unless modified in agreement with Scottish Water. Where there is a Cumulo Rateable Value pertaining to a specific utility organisation, this should not be allocated to one Supply Point but should be allocated to all the relevant Supply Points to which it relates. Where this cannot be done, then an alternative means of identifying the Supply Points relevant to a Cumulo Valuation is required. Premises holding Supply Points built after March 2017 will use the Rateable Value allocated from that date.

1.4 Communal Areas

Communal areas may be assigned a Rateable Value that will be used as the basis for charging Rateable Value based charges. Where no Rateable Value has been assigned to the communal areas the amenity associated with the communal areas will be considered to have been included within the Rateable Value of the individual units within the complex.

Appendix 4

Water Resale

What does water re-sale mean?

If you don't receive a bill for your water and waste water services in your home direct from Scottish Water or through your Council Tax bill this may be because your landlord, factor or mobile-home site owner (known as a water re-seller) receives the overall bill and they may then charge you for these services.

If your landlord or factor receives the bill for water services direct they may then charge you for your share of these services. This is known as water re-sale and there are rules that the re-seller (who could be your landlord or factor) has to comply with. The rules are designed to ensure that you are treated fairly by limiting the amount that you can be charged.

Similar situations can arise at business premises where the business does not receive a bill from a Licensed Provider for its water and waste water services, or only receives a bill for property drainage. Water resale provides the same protections to businesses as it does to householders by placing the same requirements on the re-seller.

Throughout this note the terms *affected occupier* and *affected premises* are used to describe the customer of the water re-seller. The terms are fully defined below.

“affected occupier” means where a contractual arrangement for water resale is in place the person responsible to the re-seller for payment and in the absence of any contractual arrangement the person having the benefit of the use of the water resold. This can be a householder or occupier of a business premises.

“affected premises” means the household or business premises occupied by an affected occupier.

What does water re-sale mean if you are a water re-seller?

The introduction of retail competition in the water industry in Scotland for businesses means that all non-household properties now receive a bill direct from their chosen Licensed Provider.

As a water re-seller you may wish to pass these charges onto your individual affected occupiers including occupiers of adjacent premises that may be supplied through your metered water supply. If you do re-sale rules will apply. These rules are there to provide you with information and guidance on charging for water and waste water services.

What are the water re-sale rules?

If you are a water re-seller you can recover no more than the value of the water and waste water invoices you receive from your Licensed Provider plus administration charges²⁵ which are also capped.

²⁵ The administration fee is designed to deal with the administration costs to the re-seller of sub-dividing the water and waste water invoice between affected occupiers, plus the cost of maintaining the water meter(s).

To invoice for water services a re-seller must:

- decide on a method of allocating the invoices across all supplied properties (households and non- households) including, where appropriate, identification of how services used by the re-seller are dealt with;
- advise each affected occupier of the chosen method and provide examples of how the calculations will be undertaken, including scenarios dealing with changes in circumstances such as changes in occupancy or vacant properties; and
- advise each affected occupier of the administration charges that will apply.

In relation to resale arrangements to households on a shared supply, the administration charges are:

- For affected premises that do not have a private meter – not more than £6.90 per year.
- For affected premises that do have a private meter – not more than £13.70 per year.

When do re-sale rules apply?

The rules apply to households when a water re-seller bills you direct at your main residence for the water and waste water services that you receive, rather than you being billed from Scottish Water or through your Council Tax bill.

For businesses, these rules apply when a water re-seller bills you for the water and waste water services that you receive, rather than you being billed from a Licensed Provider.

Are there circumstances when the rules don't apply?

No, water resale applies in all situations where a re-seller sells water and wastewater services to another *affected occupier*, either a householder or business.

Appendix 4A

Example 1

The following example shows how a re-seller could demonstrate to all the affected occupiers within their development that the water and waste water invoices have been allocated correctly. This example is based on a development comprising of an office on the ground floor and 6 flats above.

- The office and 4 of the flats are supplied through private meters that identify the volume of water used which is recorded in the office and each flat. The two remaining flats are unmetered. The owner of the office receives invoices for the complete development and therefore is the re-seller to the other 6 premises.
- Water and waste water invoice total = £1,200 for a 3 month period. This is made up of £350 in fixed charges and £850 in volume related charges based on the amount of water used.
- The volume recorded on the main meter serving the complete development is 850 units and the retail rate is £1 per unit.
- The total volume recorded for the 3 month period of 850 units is then broken down using the volumes recorded on the individual private water meters serving the property; 400 units for the office, 75 units each for 2 of the metered flats and 50 units each for the other 2 metered flats. The remaining balance which is unaccounted for (200 units) is then shared equally between the remaining unmetered flats.
- The re-sellers stated allocation method for calculating individual bills is:
 - **Fixed charges** – shared equally across each property within development.
 - **Volume charges** – where the overall development is metered, the volume charges element can be calculated on the volumetric rate recorded on the private meter for the household/tenant. Any remaining balance of the volume charges will be shared equally between unmetered households.
- Annual Administration charges are applied quarterly. The annual charge is £13.70 per metered property and £6.90 if there is no meter (£3.43 + £1.73 per quarter respectively)
- Charges breakdown: Per quarter

	Volume	Fixed charges	Volume Charge	Admin.	Total Bill
Volume reported on water and waste water invoices	850 units	£350	£850 = 850 units @ £1 per unit		
Office – metered	400 units	£50	£400	£3.43	£453.43
Flat 1 – metered	75 units	£50	£75	£3.43	£128.43
Flat 2 – metered	75 units	£50	£75	£3.43	£128.43
Flat 3 – metered	50 units	£50	£50	£3.43	£103.43
Flat 4 – metered	50 units	£50	£50	£3.43	£103.43
Total volume of sub-meters	650 units				
Unallocated volume	200 units				
Flat 5 Unmetered	allocated 100 units	£50	£100	£1.73	£151.73
Flat 6 Unmetered	allocated 100 units	£50	£100	£1.73	£151.73
Total recovered		£350	£850	£20.61	£1,220.61

Total paid for development for a 3 month period:

Fixed Charges	£350.00
Volume Charges	£850.00
Water and Waste Invoice	£1,200.00
Administration	£20.61
Total:	£1,220.61

Business to business

Where a business resells water to another business, the basis of the resale administration charge may be agreed between the parties to ensure that the purchaser contributes an appropriate share of the reasonable costs incurred by the reseller.

The resale administration charge should reflect the annual costs associated with the arrangements, such as installing and maintaining a private water meter and the recurring costs that relate to the frequency of charging agreed between the parties, such as meter reading, invoicing and the financing costs that reflect the normal payment conditions between the parties.

Unless agreed otherwise by the parties in the business to business resale agreement, these items should be no more than:

- Annual element – the cost of water meter (if applicable) recovered in equal instalments over an 8 year period –to reflect the scale of the investment required by the reseller,
- Recurring element –this element should be the greater of £13.70 or 3% of the resale invoice (including the annual element), for each invoice - to reflect the effort required on the part of the reseller

Example 2 – the reseller has paid £160 to have a meter installed on the supply to a premises covered by a resale arrangement. The parties have agreed that two invoices per year are appropriate and the estimated value of each of these invoices is £500 (including £10 of the annual element (£20/ 2 invoices)). In this situation the maximum resale administration fee on each invoice will be:

Annual element		£20	(£160 / 8 years)
Recurring element	(2 x £15)	£30	greater of £13.70 or 3% x £500 = £15
Total		£50	
Admin fee per invoice	(2 invoices)	£25	per invoice

Example 3 – the reseller has paid £480 to have a meter installed on the supply to a premises covered by a resale arrangement. The parties have agreed that six invoices per year are appropriate and the estimated value of each of these invoices is £200 (including £10 of the annual element (£60/ 6 invoices)). In this situation the maximum resale administration fee on each invoice will be:

Annual element		£60	(£480 / 8 years)
Recurring element	(6 x £13.70)	£82.20	greater of £13.70 or 3% x £200 = £6
Total		£142.20	
Admin fee per invoice	(6 invoices)	£23.70	per invoice

The administration fee is designed to deal with the administration costs to the re-seller of sub-dividing the water and waste water invoice between affected occupiers, plus the cost of maintaining the water meter(s).

For each invoice the re-seller must, provide a summary to each affected occupier, which demonstrates that the invoices have been allocated correctly within the rules and that the sum of the bills is greater than the invoice only by the sum of the administration charges (refer to example 1).

The methods available to re-sellers for allocating invoices across properties include, but are not limited to, one or more of the following:

- the number of affected premises;
- the volume of water through each private meter;
- the total floor space of each affected premises;
- the number of people in each affected premises;
- the Council Tax band or Rateable Value of each affected premises; and
- the number of bedrooms in each household (re-sale to households only).

Can re-sellers provide a better deal?

Competition in the water industry in Scotland means re-sellers have the opportunity to choose from which Licensed Provider to buy water and wastewater services. These benefits of a competitive market will in turn be passed on to the affected occupiers; therefore it is important that re-sellers should be aware of all the options.

Re-sellers are required to test the market regularly and to keep a record of the apparent benefits of switching in order to make an informed decision of whether or not to change Licensed Providers. Records should be made available to affected occupiers on request.

If affected occupiers believe they can get a better deal they should contact their re-seller. Affected occupiers can seek a Court Action if the re-seller has not or cannot provide records to show they have tested the market.

What if an affected occupier thinks they are being charged incorrectly?

The re-seller must make information available to affected occupiers about how each individual bill has been calculated. If an affected occupier thinks they are being charged incorrectly then this is a private matter between them and the re-seller. Scottish Water cannot become involved in any disputes between the affected occupiers and the re-seller.

If the affected occupier thinks they have been overcharged they should firstly bring the matter to the attention of the re-seller. If the affected occupier has paid the bill and then realises that they have been over-charged, and the re-seller does not provide a rebate, they can take the re-seller to the civil courts to recover the amount of overpayment.

If affected occupiers find themselves in this position they may wish to consult Citizens Advice Scotland or a solicitor for advice.