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**New Retail Areas Stakeholder Group: Metering working paper**

## **Datalogging**

### **Background**

On 15 April 2010, the first workshop of the New Retail Areas Stakeholder Metering Group was held. One of the main themes to arise from the metering group was the issue of datalogging and AMR readings.

Many of those present were of the view that customers' most pressing concern with regard to metering was to obtain accurate logging of their existing meters at a reasonable cost, rather than looking to replace the meters themselves. We have therefore decided to focus on datalogging and AMR readers at the next workshop.

### **Datalogging**

We are certainly of the view that datalogging should be encouraged within the non-household competitive market. Data Logging Activities provide customers with important consumption information that will assist with consumption management and direct leakage reduction initiatives. Such data is also important for Scottish Water as part of its leakage reduction program.

Concerns were raised during the workshop as to whether Data Logging Activities should only be provided by licensed providers. Having considered the current market for datalogging, particularly the approach taken by incumbent water companies in England & Wales, we believe that both licensed providers and third party companies should be encouraged to offer datalogging solutions. Competition between third party companies and Licensed Providers should both drive innovation and help to keep prices down for customers. Clearly, we will also need to ensure that third party companies who do wish to provide these services do so in the correct manner.

Another question raised concerned the size of the potential market and the margins available. As we understand it, only mechanical rather than electromagnetic meters may be logged. We have made inquiries with Scottish Water and understand that there are currently around 145,000<sup>1</sup> mechanical meters in the market with only 60 electromagnetic.

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<sup>1</sup> Scottish Water currently believes that around 100,000 of these meters are loggable.

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We believe there is therefore scope for both licensed providers and other third party companies to provide datalogging services to customers.

With regard to the potential margins, it is not our current intention for Data Logging Activities to be included in the Default Charges for licensed providers. Licensed providers will therefore be free to set their own prices albeit with the threat of competition from third party companies as a potential restriction on excess. We do not intend to limit the length of contracts with customers either. Some customers may wish to enter into longer term agreements and we believe that customers should be free to make the decisions on contract length that best suit their individual needs.

One of the issues that will require resolution, however, is the technical standards that should be applicable to the market. This is an area in which we believe that stakeholders have more of the expertise and intuition and we will look for guidance from the next workshop on the best course of action.

### **Contractors and Licensed Providers**

This document therefore sets out a proposed process by which a customer may select either their Licensed Provider or an independent third party contractor (a **Contractor**) to install data logging equipment on Scottish Water's water revenue meters (**Data Logging Activities**).

There will be a twin-track process; Contractors will sign Scottish Water's terms and conditions in order to carry out Data Logging Activities, and Licensed Providers will follow a new process in the Operational Code. The two processes will have the same requirements meaning that customers will be able to choose between the two types of provider without concern as to their ability to offer services.

### **Benefits**

We feel this proposal has several advantages:

- One, it should provide customers with a wide range of data logging providers from which to choose. Competition between independent Contractors and Licensed Providers should also drive innovation and keep prices down.

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- Two, it will clearly assign responsibilities and liabilities between different parties. It will provide the framework in which third party Contractors may operate alongside Licensed Providers.
- Three, the distribution of data generated by the activities will be clarified. If Licensed Providers have access to data then Scottish Water will be able to request copies of that data.
- Four, with the current processes refined, there would be the potential for increases in data logging with the expected efficiency, environmental and leakage reduction benefits. Improved confidence in providing data logging services should also help to promote innovation in this sector.
- Five, the bureaucracy created for Licensed Providers and Contractors should be kept to a minimum.
- Six, the processes created lay foundations for future metering relationships that may be part of the potential meter activity transfer.

**Documents**

Below are a set of draft terms and conditions for Contractors wishing to install data logging equipment on Scottish Water's revenue meters. It is intended that all Contractors agree to accept and abide by these terms and conditions before they will be allowed to carry out Data Logging Activities on Scottish Water's meters. These terms and conditions will form the legal relationship between Scottish Water and all Contractors.

We also propose to update the Operational Code with a new Process 12A to mirror the proposed terms and conditions. This new Process will regulate the relationship between Scottish Water and Licensed Providers for Data Logging Activities. Since Contractors are not a party to the Operational Code, their relationship will be based on Scottish Water's term and conditions only.

The terms and conditions and the Operational Code will state the minimum technical requirements any installed equipment must meet, as well as the form that must be submitted to Scottish Water prior to installation [(Form M)]. They will also contain provisions as to the costs Scottish Water may seek to recover in particular circumstances.

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## Process

Below we outline the individual steps in the process for non-household customers wishing to take advantage of Data Logging Activities:

1. Customers appoint either their Licensed Provider or a Contractor to serve as their provider of data logging services.
2. If the customer chooses a Contractor, that Contractor will be required to sign and be bound by Scottish Water's terms and conditions.
3. If the customer chooses their Licensed Provider, the Licensed Provider will follow the requirements of Process 12A of the Operational Code.
4. In both cases, either the Contractor or Licensed Provider will submit Form M to Scottish Water at least [*10 business days*] before installation of any equipment. Form M will identify the meter and type of logger to be used. Scottish Water will have [*5 business days*] from submission of Form M to inform the Contractor or Licensed Provider that the type of logger proposed is incompatible with the meter at the supply point. A failure to respond by Scottish Water within [*5 business days*] from submission of Form M will indicate that Scottish Water has no issue with the installation.
5. Where a Contractor is chosen, the non-household customer may or may not agree to share the data collected with their Licensed Provider. If they allow the data to be shared with the Licensed Provider, the Licensed Provider will also provide that data to Scottish Water if requested to do so.
6. In the case of a Licensed Provider providing data logging services, the Licensed Provider will provide the data to Scottish Water if requested to do so.

If Scottish Water's water revenue meter is damaged as a result of any Data Logging Activities, Scottish Water will look to recover the cost of repairing the meter from either the Contractor or Licensed Provider.

If the meter needs to be replaced or inspected, Scottish Water will request the Licensed Provider or Contractor to remove its equipment. If the equipment is not removed, Scottish

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Water may remove it, return it to the Licensed Provider or Contractor and recover the cost of the work required.

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**Appendix 1**

**The Installation and Removal of Data Logging Equipment  
on Scottish Water's Water Revenue Meters**

**Terms and Conditions**

**Terms and Conditions – Data Logging Activities**

This document sets out the Terms and Conditions to which all third party datalogging contractors (**the Contractor**) who wish to install and/or remove data logging equipment (**Data Logging Activities**) must adhere in connection with Scottish Water's (**Scottish Water's**) water revenue meters.

1. Interpretation

Any references to "meter" or "meters" in this document refer to Scottish Water owned water revenue meters, and any references to "logger" or "loggers" refer to datalogging equipment owned and installed by the Contractor.

2. Authorisation and Scope

- 2.1. Scottish Water will make its meters available to the Contractor to facilitate the provision of Data Logging Activities to non-household customers, provided the Contractor confirms its agreement to these Terms and Conditions by signing the Declaration below and returning this document to Scottish Water at the address indicated.
- 2.2. No-one other than the Contractor or a Licensed Provider will be permitted by Scottish Water to carry out Data Logging Activities on any meter installed at a Supply Point.
- 2.3. Any datalogging equipment installed by Scottish Water will remain the property and responsibility of Scottish Water at all times. Likewise, any loggers installed by the Contractor will remain the property and responsibility of the Contractor at all times.
- 2.4. All Data Logging Activities undertaken by the Contractor will be conducted in accordance with these Terms and Conditions.

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- 2.5. If the Contractor wishes to carry out Data Logging Activities on a meter where Scottish Water's data logging equipment already exists, Scottish Water will allow the Contractor to add its own data logging equipment to the meter where feasible.
  - 2.6. Where the installation of the Contractor's data logging equipment is infeasible, at the Contractor's request and subject to the confirmed consent of the relevant Non-Household Customer, Scottish Water will provide to the Contractor a data file containing the relevant data, at a minimum of once a month.
  - 2.7. These Terms and Conditions do not apply to Data Logging Activities on electromagnetic meters installed at Supply Points.
3. Notification
- 3.1. Before carrying out Data Logging Activities on a meter, the Contractor will notify Scottish Water of its intentions including details of the supply point, the meter to which the logger will be attached and the type of logger to be used.
  - 3.2. The Contractor will notify Scottish Water of its intention to carry out Data Logging Activities a minimum of 10 business days before installation of the logger, using the [Form M] attached to this agreement.
  - 3.3. Scottish Water will have 5 business days from submission of [Form M] to inform the Contractor that the type of logger proposed is incompatible with the meter at the supply point.
  - 3.4. The Contractor will provide Scottish Water with contact details in the relevant section below.
4. Technical standards
- 4.1. Any loggers installed on a meter must not interfere with the operation or integrity of that meter and must conform to the minimum technical standards set out in [Annex 1] below. Where the meter is located on Scottish Water's infrastructure, the Contractor will not be permitted to interfere with the integrity of the meter chamber or housing.

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- 4.2. When carrying out Data Logging Activities, no existing ancillary equipment attached to the meter and belonging to Scottish Water will be removed by the Contractor, either temporarily or permanently, without the prior written permission of Scottish Water.
- 4.3. Where data logging equipment installed by the Contractor interferes with a meter or where the meter is damaged as a result of Data Logging Activities being conducted by the Contractor, Scottish Water may repair or replace the meter in accordance with the relevant processes set out in the Operational Code.
5. Operational Code Considerations
  - 5.1. The Contractor accepts that Scottish Water may change, inspect or temporarily remove a meter in accordance with the relevant processes set out in the Operational Code at the request of the Licensed Provider registered to the Supply Point (at which the meter is located) under the Market Code.
  - 5.2. Where data logging equipment installed by the Contractor is attached to the meter, the Contractor will be required to remove the equipment prior to Scottish Water's visit. Scottish Water will provide a minimum of 10 business days notice to the Contractor prior to its visit. Unless otherwise agreed, Scottish Water will notify the Contractor by email at the address given below.
6. Costs
  - 6.1. All costs relating to Data Logging Activities conducted by the Contractor, including the costs of installation and/or removal of the logger, are to be borne by the Contractor.
  - 6.2. Where the installation of the Contractor's data logging equipment is infeasible and Scottish Water has provided to the Contractor a data file, no charge will be applied by Scottish Water for providing such data to the Contractor.
  - 6.3. Where Scottish Water requests the removal of the Contractor's logger but it is not removed prior to Scottish Water's visit, the Contractor will be invoiced for the reasonable cost incurred by Scottish Water in undertaking the removal and return of the logger to the Contractor. In such circumstances,



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Scottish Water will not be liable for any costs associated with replacing or re-installing the data logging equipment whatsoever.

- 6.4. Where Scottish Water has repaired or replaced a meter because of interference or damage caused by the Contractor's Data Logging Activities, the Contractor will be liable for the reasonable cost of repairing or replacing the meter.
  - 6.5. Where Scottish Water either removes a logger under clause 6.3 or repairs or replaces a meter under clause 6.4, the hourly charges payable by the Contractor will be the same as those that a Licensed Provider would be liable to pay for a meter installation on the Standard basis under the published Wholesale Charges Scheme.
  - 6.6. All amounts due under this agreement shall be paid by the Contractor to Scottish Water in full without any deduction or withholding, and the Contractor shall not be entitled to claim set-off or to counterclaim against Scottish Water in relation to the payment of the whole or part of any such amount.
7. Responsibilities of the Contractor
- 7.1. The Contractor will indemnify Scottish Water against any liability to the Contractor or any third party arising from the Data Logging Activities, or the use of the data, except to the extent such liability arises directly or indirectly from the actions or omissions of Scottish Water.
  - 7.2. Where the Contractor undertakes Data Logging Activities, the Contractor is responsible for obtaining all associated consents, approvals, permits, authorisations or agreements, and giving all notices (including any consents, approvals, permits, authorisations, agreements or notices required under the New Roads and Street Works Act 1991 or the Transport (Scotland) Act 2005), as required.
  - 7.3. Where the Contractor undertakes Data Logging Activities, the Contractor is responsible for complying with all associated health and safety obligations, including the health and safety of its employees, its customers, its customer's employees, Scottish Water's employees and all other people who may be affected by its activities.

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**8. Status and Amendment**

- 8.1. These Terms and Conditions constitute the whole agreement between the parties and supersede all previous versions applied by Scottish Water.
- 8.2. A Contractor seeking to continue carrying out Data Logging Activities from the date of issue of these Terms and Conditions will be required to re-confirm its agreement to this version by signing the Declaration below and returning this document to Scottish Water at the address indicated.
- 8.3. Either Scottish Water or the Contractor may seek to amend these Terms and Conditions at any time on giving 30 days' notice to the other party. However, any amendment to these Terms and Conditions shall only take effect with the written agreement of both parties.
- 8.4. These Terms and Conditions are personal to the parties and neither party shall assign, transfer, mortgage, charge, subcontract or deal in any other manner with any or all of its rights and obligations under these Terms and Conditions without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed).

**9. Termination**

- 9.1. Without prejudice to any rights that have accrued under this agreement or any of its rights or remedies, the Contractor may at any time terminate this agreement with immediate effect by giving written notice to Scottish Water.
- 9.2. Without prejudice to any rights that have accrued under this agreement or any of its rights or remedies, Scottish Water may terminate this agreement with immediate effect by giving written notice to the other party if:
  - 9.2.1. the Contractor fails to pay any amount due under this agreement on the due date for payment and remains in default not less than 60 days after being notified in writing to make such payment; or
  - 9.2.2. the Contractor commits a material breach of any material term of this agreement (other than failure to pay any amounts due under this agreement) and (if such breach is remediable) fails to remedy that breach within a period of 10 business days after being notified in writing to do so; or

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- 9.2.3. the Contractor suspends or ceases to carry on its business.
- 9.3. The parties acknowledge and agree that any breach of clauses 4.1, 4.2 and 7 shall constitute a material breach of a material term for the purposes of this clause.
- 9.4. On termination of this agreement for any reason, the Contractor shall as soon as reasonably practicable:
  - 9.4.1. Remove all loggers from Scottish Water's meters, failing which, Scottish Water may remove and take possession of them. Until the loggers are returned or repossessed, Scottish Water shall be solely responsible for their safe-keeping.

**Declaration**

**We agree to the foregoing Terms and Conditions:**

Full Name (please print) .....

On behalf of (enter Contractor's name) .....

Position in Company .....

Signature .....

Date .....

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**Contractor's Contact details:**

Full Name (please print) .....

Position in Company .....

Address .....

.....

.....

.....

Contact number .....

Contact email .....

*When complete, please return these Terms and Conditions with the duly signed Declaration to Scottish Water, Wholesale Service Desk, 55 Buckstone Terrace, Fairmilehead, Edinburgh, EH10 6XH.*

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**Appendix 2**

**The Installation and Removal of Data Logging Equipment  
on Scottish Water's Water Revenue Meters**

**Operational Code Process 12A**

**Metering**

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**Process 12A - Installation of datalogging equipment on a meter**

**Purpose and scope of Process 12A: -**

The Licensed Provider will follow this Process when carrying out all data logging activities on behalf of a Non-Household Customer. The Licensed Provider will submit [Form M] to Scottish Water. [Form M] will identify the supply point, meter and type of data logger to be used.

The installation of datalogging equipment on a meter owned by Scottish Water is the responsibility of the Licensed Provider and that equipment will remain the property and responsibility of the Licensed Provider at all times. Any datalogging equipment installed on a meter must not interfere with that meter and must conform to the technical requirements contained within the [technical standards at Annex 1].

The cost of any datalogging equipment, including the cost of installation will be met in full by the Licensed Provider. Where Scottish Water either removes a logger or repairs or replaces a meter as a result of Data Logging Activities being conducted by the Licensed Provider, the hourly charges payable by the Licensed Provider will be those payable for a meter installation on the Standard basis under the published Wholesale Charges Scheme.

**Process:**

**Step 1**

Before carrying out Data Logging Activities on a meter, the Licensed Provider will submit [Form M] to Scottish Water at least 10 business days before installation of any equipment. [Form M] will identify the supply point, meter and type of logger to be used. Scottish Water will have 5 business days from submission of [Form M] to inform the Licensed Provider that the type of logger proposed is incompatible with the meter at the supply point.

**Step 2**

When carrying out Data Logging Activities, the Licensed Provider:

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- will ensure that any loggers installed on a meter do not interfere with the operation or integrity of that meter and conform to the minimum technical standards set out in [Annex 1];
- will not interfere with the integrity of the meter chamber or housing where the meter is located on Scottish Water's infrastructure; and
- will not remove, either temporarily or permanently, any existing ancillary equipment attached to the meter and belonging to Scottish Water, without the prior written permission of Scottish Water.

**Step 3**

If the Licensed Provider wishes to carry out Data Logging Activities on a meter where Scottish Water's data logging equipment already exists, Scottish Water will allow the Licensed Provider to add its own data logging equipment to the meter where feasible. Where the installation of the Licensed Provider's data logging equipment is infeasible, at the Licensed Provider's request Scottish Water will provide to the Licensed Provider a data file containing the relevant data, at a minimum of once a month.

**Step 4**

Scottish Water is required to change, inspect or temporarily remove a meter in accordance with the Processes in the Operational Code any data logging equipment installed by the licensed provider must be removed prior to Scottish Water's visit. Scottish Water will provide a minimum of 10 business days notice to the licensed provider prior to its visit.

Where Scottish Water requests the removal of the Licensed Provider's logger but it is not removed prior to Scottish Water's visit, the Licensed Provider will be invoiced for the reasonable cost incurred by Scottish Water in undertaking the removal and return of the logger to the Licensed Provider. In such circumstances, Scottish Water will not be liable for any costs associated with replacing or re-installing the data logging equipment whatsoever.

**Step 5**

Where data logging equipment installed by the Licensed Provider interferes with a meter or where the meter is damaged as a result of Data Logging Activities being conducted by the Licensed Provider, Scottish Water may repair or replace the meter in accordance with the relevant processes in the Operational Code.

Where Scottish Water has repaired or replaced a meter because of interference or damage caused by the Licensed Provider's Data Logging Activities, the Licensed Provider will be liable for the reasonable cost of repairing or replacing the meter.