

**Market Code Schedule 23**

**Code Subsidiary Document No. 0207**

**RF Charge Calculation, Allocation and Aggregation**

**Version 11.0**

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## Change History

Version Number	Date of Issue	Reason For Change	Change Control Reference	Sections Affected
1.0	2010-03-29	New Release for RF Calculation	MCCP046-CC	All
1.1	2010-10-27	Clarification reapplication of SGES Credit	MCCP064	Footnote to section 2.4.10
1.2	March 2011	Enduring Rollover Solution	MCCP053	Equation section 2.3.19
1.3	2012-03-29	Introduction of Deregistration	MCCP052, MCCP079	Sections 2.1 and 3.1
2.0	2013-04-12	Trade Effluent Changes	MCCP095	Sections throughout CSD
3.0	2013-05-01	Trade Effluent Changes	Commission Letter 29/04/2013	Sections 3.3, 3.4, Appendix
4.0	2013-10-14	Trade Effluent Changes	Commission Letter 11/10/2013	Sections 3.3, 3.4, Appendix
5.0	2014-09-21	Typos	MCCP149	
6.0	2015-03-31	SGES Changes	MCCP161-CC	Sections 2, 3 and Appendix
7.0	2015-09-24	Remove Trade Effluent (TE) Vols Remove Transitional Indicators (TI)	MCCP166 MCCP173	
8.0	2017-03-16	Vacancy Charging	MCCP204-CC MCCP207-CC	Sections 2 and 3
9.0	2017-09-17	Editorial changes	MCCP213	Sections 2 and 3
10.0	2018-02-01	Live RV Charging and Transition February 2018 CSD Drafting	MCCP214 – CC MCCP219	Sections 2 and 3

11.0	2018-04-01	TTRAN and PPDISC	MCCP227-CC	
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# Contents

<b>1. PURPOSE AND SCOPE</b> .....	<b>5</b>
1.1. INTRODUCTION.....	5
1.2. SCHEME OF CHARGES .....	5
<b>2. PRIMARY WATER CHARGES</b> .....	<b>8</b>
2.1. GENERAL.....	8
2.2. MEASURED SUPPLY POINTS - OVERVIEW .....	9
2.3. AWA ALGORITHM FOR WATER SPID .....	9
2.4. MEASURED SUPPLY POINTS – CHARGES .....	18
2.5. UNMEASURED SUPPLY POINTS – OVERVIEW .....	21
2.6. RV BASED CHARGES.....	22
2.7. RE-ASSESSED CHARGES .....	27
2.8. MISCELLANEOUS CHARGES .....	28
<b>3. PRIMARY SEWERAGE CHARGES</b> .....	<b>31</b>
3.1. GENERAL.....	31
3.2. MEASURED SUPPLY POINTS - OVERVIEW .....	32
3.3. AWA ALGORITHM FOR SEWERAGE SPID .....	32
3.4. MEASURED SEWERAGE SUPPLY - CHARGES .....	37
3.5. UNMEASURED SEWERAGE SUPPLY POINTS - OVERVIEW .....	40
3.6. RV BASED CHARGES.....	40
3.7. RE-ASSESSED CHARGES .....	46
3.8. PROPERTY DRAINAGE .....	47
3.9. ROADS DRAINAGE.....	48
3.10. TRADE EFFLUENT CHARGES.....	50
<b>A. APPENDIX</b> .....	<b>56</b>
A.1. MATTERS ARISING FROM THE WHOLESAL CHARGES SCHEME.....	56
A.2. VARIABLES.....	58
A.3. METER ADVANCE PERIODS .....	66

# 1. Purpose and Scope

## 1.1. Introduction

**1.1.1.** The purpose of this document is to provide details of how the CMA will calculate the Primary Charges for Water and Sewerage in accordance with the Scottish Water Wholesale Charges Scheme and allocate them to the appropriate Licensed Provider and to Scottish Water in respect of any SPIDs subject to a Temporary Transfer for the Tariff Year Settlement Run (RF). For the avoidance of doubt, no calculations are carried out in respect of the Non-Primary components of the Wholesale Charges.

**1.1.2.** This document describes a detailed charge calculation process which forms the CMA's interpretation of the Scottish Water Wholesale Charges Scheme (WCS) for the Financial Years 2008-09 to 2013-14 inclusive<sup>1</sup>. Specific assumptions in respect of how the calculation implements the Wholesale Charges Scheme are documented in the Appendix to both provide transparency and to formalise their adoption.

**1.1.3.** The process will also calculate the Primary Charges for Water and Sewerage for years beyond 2013-14 provided that the form of the Charges described in the WCS do not diverge from the form of the Charges for 2008-09 to 2013-14, and that the Charges can be successfully parameterised.

**1.1.4.** The process (including the process in respect of Trade Effluent Charges) will be a complete re-calculation based upon the data submitted by the Market Participants and as it exists in the Central Systems at the time of the RF Settlement Run. The process assumes that data has been correctly submitted, and does not necessarily fully describe situations where either incomplete or inconsistent data has been submitted by Market Participants.

## 1.2. Scheme of Charges

**1.2.1.** The process details the computation, allocation and aggregation of the various components of the Primary Charges described in the WCS. The various components of the Services are shown in the following table.

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<sup>1</sup> As of the time of writing

Overview of Wholesale Charges Components			
SERVICE	COMPONENT	SUB COMPONENT	SERVICE ELEMENT
Primary Water Charges	Water Charges	Measured Supply Point	Meter Based Charges
			Volumetric Charges
		Unmeasured Supply Points – RV Based Charges	Meter Based Charges
			Volumetric Charges
		Unmeasured Supply Points – Re-assessed Charges	Meter Based Charges
			Volumetric Charges
	Miscellaneous Charges	Field Troughs and Drinking Bowls	Farms
			Crofts
		Outside Taps	Farms
			Crofts
Primary Sewerage Charges	Foul Sewerage	Measured Supply Point	Meter Based Charges
			Volumetric Charges
		Unmeasured Supply Points – RV Based Charges	Meter Based Charges
			Volumetric Charges
		Unmeasured Supply Points – Re-assessed Charges	Meter Based Charges
			Volumetric Charges
	Property Drainage		
	Roads Drainage		
	Trade Effluent Charges		

**1.2.2.** The CMA shall re-compute all the components of Primary Water Charges and Primary Sewerage Charges. This calculation will take into account all relevant changes to the chargeable parameters associated with the Tariff Year Settlement, and take account of all the data submitted to the Central Systems at the time the RF Settlement Run is carried out. A detailed specification of the computation of each of the components is given below.

**1.2.3.** The Tariff Year Settlement Run (RF) is the final Settlement Run for any Year. It has three key differences from the monthly Invoice Period Settlement Runs:

- The single calculation of the full Tariff Year Settlement;
- In respect of Measured Supply Points (both water and sewerage) the calculation of a single Actual Weighted Average Unit Rate (AWA) to compute the charges for all measured volumes for the Tariff Year; and
- The application of annual minimum charges for Trade Effluent.

**1.2.4.** Details of certain transitional charging arrangements which are catered for in the WCS are provided in the appendices to CSD0205. The various arrangements including LUVA discounts, small meter premium and the phasing premium are fully taken into account in the process described below.

## 2. Primary Water Charges

### 2.1. General

**2.1.1.** The following calculation is carried out for each Water SPID which is or has been Tradable when the Settlement Run is carried out. This includes SPIDs which are currently Tradable or Temporarily Disconnected, as well as Disconnected or Deregistered SPIDs which have been Tradable. The calculation excludes SPIDs which are Disconnected or Deregistered but were New, Partial or Rejected when they were so Disconnected or Deregistered.

**2.1.2.** A Settlement Day runs from midnight to midnight.

**2.1.3.** Define the RF Settlement Period by a pair of days  $D_l^{RF}$ ,  $D_u^{RF}$  such that the RF Settlement Period comprises Settlement Days  $d$  such that  $D_l^{RF} \leq d < D_u^{RF}$ . Note that the lowest bound day  $D_l^{RF}$  is included, but the upper bound day  $D_u^{RF}$  is not. In this description, the full Settlement Year 2008-09 would be described by

$$\begin{aligned} D_l^{RF} &= 1st\ April\ 2008 \\ D_u^{RF} &= 1st\ April\ 2009 \end{aligned}$$

**2.1.4.** If the SPID has a Permanent Disconnection Date, define the SPID Disconnection Date to be the date of Permanent Disconnection. If the SPID has a Deregistration Date, define the SPID Disconnection Date to be the date of Deregistration.

**2.1.5.** Define the SPID Chargeable Period as the period for which the SPID is in (potentially) charge (from the SPID Connection Date to the day before the SPID Disconnection Date (if it exists) or the last day of the tariff year (if the SPID Disconnection Date does not exist) inclusive. Here, “potentially” refers to the condition above that the SPID is or has been Tradable. This SPID Chargeable Period can equivalently be defined by a pair of days  $D_l^A$ ,  $D_u^A$  where.

$$\begin{aligned} D_l^A &= \text{SPID Connection Date} \\ D_u^A &= \begin{cases} \text{the SPID Disconnection Date, if it exists} \\ \text{otherwise, the day immediately after the end of the tariff year} \end{cases} \end{aligned}$$

and the SPID is chargeable for all days  $d$  where  $d \geq D_l^A$  and  $d < D_u^A$ . The lower bound day is included, but the upper bound day is not.

**2.1.6.** If  $D_l^A \geq D_u^A$  then there are no chargeable days.



**2.1.7.** For the avoidance of doubt the SPID Chargeable Period includes periods of vacancies, temporary disconnections, SGES etc. Appropriate adjustments for charges for these periods are made further on in the process.

**2.1.8.** For each SPID, establish the SPID Settlement Chargeable Period  $D_l^S \leq d < D_u^S$  which is the (possibly empty) sub-period for which the SPID Chargeable Period intersects the RF Settlement Period, and is given by  $D_l^S, D_u^S$  where

$$D_l^S = \max(D_l^A, D_l^{RF})$$

$$D_u^S = \min(D_u^A, D_u^{RF})$$

**2.1.9.** If  $D_l^S \geq D_u^S$  then the SPID does not have a SPID Settlement Chargeable Period for that RF Settlement Period. If there is no such SPID Settlement Chargeable Period then no charges are computed for this SPID. The remaining sections in respect of Primary Water Charges are only applicable to SPIDs for which charges will be computed.

## **2.2. Measured Supply Points - Overview**

**2.2.1.** First compute the AWA for each Water SPID which is a Measured Supply Point or a Re-Assessed Supply Point, and then compute, allocate and aggregate the Meter Based Charges and the Volumetric Charges. Re-assessed charges are implemented as if they were metered charges; see section 2.7 for details.

## **2.3. AWA Algorithm for Water SPID**

**2.3.1.** For each T17 Meter Chain  $K$ , establish the T17 Meter Chain "Active Period"  $D_{Kl}^A \leq d < D_{Ku}^A$ . If the T17 Meter Chain has not been removed from the Water SPID then set  $D_{Ku}^A = D_u^{RF}$

**2.3.2.** For each T17 Meter Chain  $K$ , establish the T17 Meter Chain Chargeable  $D_{Kl}^C \leq d < D_{Ku}^C$  which is the (possibly empty) sub-period for which the Active Period intersects the SPID Settlement Chargeable Period, and is given by  $D_{Kl}^C, D_{Ku}^C$  where

$$D_{Kl}^C = \max(D_{Kl}^A, D_l^S)$$

$$D_{Ku}^C = \min(D_{Ku}^A, D_u^S)$$

**2.3.3.** If  $D_{Kl}^C \geq D_{Ku}^C$  then the T17 Meter Chain does not have a Chargeable period for that RF Settlement Period.

**Standard Volume Band Limits**

**2.3.4.** Let the Allocated Tranche be  $VFA$ , and  $V1$  and  $V2$  be the knots described in the Scheme of Charges which define the bands for the Standard Volume Charges above the Allocated Tranche. Let  $B1$ ,  $B2$  and  $B3$  be the corresponding prices. Thus:

Standard Volume Charges	Price
Greater than zero and up to $VFA$	0
Greater than $VFA$ and up to $V_1$	$B_1$
Greater than $V_1$ and up to $V_2$	$B_2$
Greater than $V_2$	$B_3$

**Yearly proportion for the Allocated Tranche  $VFA$**

**2.3.5.** For each T17 Meter Chain, define the term  $PVT_K$  as <sup>2</sup>

$$PVT_K = \begin{cases} 0 & \text{if the T17 Meter Chain Treatment is SWWater or LogicalWater – ie not a Private Meter} \\ 1 & \text{otherwise – ie Private} \end{cases}$$

**2.3.6.** Define Meter Active ( $MA_{Kd}$ ) for a specific T17 Meter Chain K as

$$MA_{Kd} = \begin{cases} 1 & \text{if } D_{Kl}^C \leq d < D_{Ku}^C \\ 0 & \text{otherwise} \end{cases}$$

i.e.  $MA_{Kd}$  has the value of 1 when d is within a T17 Meter Chain Chargeable Period.

**2.3.7.** Then for each Settlement Day  $d$  in the SPID Settlement Chargeable Period define SPID SWWater Meter Active ( $SSWMA_d$ ) as

$$SSWMA_d = \max_K ( MA_{Kd} \times (1 - PVT_K) )$$

and the Vacancy Adjusted SPID SWWater Meter Active ( $VASSWMA$ ) as

<sup>2</sup> This is also applicable pre-MCCP095, as all existing meters were set to Meter Treatment SWWater

$$VASSWMA_d = SSWMA_d \times (1 - VAC_d)$$

where

$$VAC_d = \begin{cases} 0 & \text{if the SPID is occupied, or if the CId is True for a single MAV within a} \\ & \text{continuous period of Settlement Days } d \text{ when the SPID is vacant} \\ 1 & \text{otherwise} \end{cases}$$

Where  $C_{id}$  is the Consumption Indicator and is set to True only for a day,  $d$ , within a Meter Advance Period with  $MAV > 0$ , for days on or after 2017-04-01.

**2.3.8.** Compute the Total SWWater Meter Active Days ( $TSWMAD$ ) as

$$TSWMAD = \sum_d VASSWMA_d$$

**2.3.9.** Then define the Yearly Proportion  $YP$  as

$$YP = \frac{TSWMAD}{DIY}$$

where  $DIY$  is the total number of days within the Settlement Period (ie 365 days or 366 days as appropriate for an RF Settlement).

**2.3.10.** Then the Proportional Volume Limits  $PV1$  and  $PV2$  are given by

$$\begin{aligned} PV_1 &= YP \times V_1 \\ PV_2 &= YP \times V_2 \end{aligned}$$

### Allocated Tranche

**2.3.11.** For each meter in a T17 Meter Chain  $K$  for each Settlement Day  $d$  in the T17 Meter Chain Chargeable Period establish the Water Chargeable Meter Size  $WCMS_{Kd}$ . Note the Wholesale Charges Scheme refers to the "Tariff Meter Size" rather than the "Chargeable Meter Size".

For each day define the Meter Free Allocation ( $MFA$ ) as

$$MFA_{Kd} = \begin{cases} VFA \times MA_{Kd} & \text{if } WCMS_{Kd} > 0 \\ 0 & \text{otherwise} \end{cases}$$

**2.3.12.** The Proportional Free Allocation  $PFA$  is given by

$$PFA = \sum_{Kd} \frac{(1 - VAC_d) \times MFA_{Kd}}{DIY}$$

### Capacity Volume Charges

**2.3.13.** The Wholesale Charges Scheme defines meter related charges in respect of a limited number of meter sizes, and for each non-zero Chargeable Meter Size provides a mapping from the Chargeable Meter Size to an entry in the corresponding table of meter sizes.

**2.3.14.** The Central Systems holds a related table comprising Lower Meter Size ( $LMS_i$ ), Upper Meter Size ( $UMS_i$ ) and the Capacity Volume Threshold ( $CVT_i$ ) for  $i = 1 \dots n_T$ , where

$$\begin{aligned} LMS_1 &= 1 \\ LMS_i &= UMS_{i-1} + 1 \text{ for } i = 2 \dots n_T \\ UMS_{n_T} &= \infty \text{ (in practice, the largest integer representable in the CS)} \end{aligned}$$

and  $n_T$  is the number of entries in the table.

**2.3.15.** Thus each Water Chargeable Meter Size  $WCMS_{Kd} > 0$  falls uniquely within a single band  $LMS_i \leq WCMS_{Kd} \leq UMS_i$ , and each such band ( $LMS_i, UMS_i$ ) maps to a unique Capacity Volume Threshold  $CVT_i = CVT_i(LMS_i, UMS_i)$

**2.3.16.** The Meter Capacity Volume Threshold ( $MCVT_{Kd}$ ) is then given by the table of Capacity Volume Thresholds

$$MCVT_{Kd} = \begin{cases} 0 & \text{if } WCMS_{Kd} = 0 \\ CVT_i(LMS_i, UMS_i) \times MA_{Kd} & \text{if } WCMS_{Kd} > 0 \\ 0 & \text{otherwise} \end{cases}$$

where ( $LMS_i, UMS_i$ ) is the band corresponding to  $WCMS_{Kd}$

**2.3.17.** The Proportional Capacity Volume Threshold ( $PCVT$ ) applicable for the SPID for the year is given by

$$PCVT = \sum_{Kd} \frac{(1 - VAC_d) \times MCVT_{Kd}}{DIY}$$

**Volumetric Charges**

**2.3.18.** For each T17 Meter Chain which has a Chargeable Period in the Settlement Year, for each Settlement Day  $d$  in the T17 Meter Chain Chargeable Period, establish whether the day is within a Meter Pre-Advance Period, a Meter Advance Period (MAP) or a Meter Post-Advance Period. (see definitions in section A.3).<sup>3</sup>

**2.3.19.** For each Settlement Day  $d$  within a Meter Advance Period, the Meter Advance Volume (MAV) is given by  $MAV = R_2 - R_1 + flag_2 \times 10^n$  where

- $D_1$  is the first date of the Meter Advance Period;
- $R_1$  is the corresponding read;
- $D_2$  is the day after the last date of the Meter Advance Period.
- $R_2$  is the corresponding read.
- $flag_2 = \begin{cases} 1 & \text{if the Rollover Flag has been set for the meter reading } R_2 \\ 0 & \text{if it has not been set, and} \end{cases}$
- $n$  is number of digits on the meter dial

**2.3.20.** Compute the Meter Advance Chargeable Days  $MACD$  as

$$MACD = \sum_{d=D_1}^{D_2-1} (1 - VAC_d) \times (1 - TDISC_d) \times CONN_d$$

where

$$TDISC_d = \begin{cases} 1 & \text{if the SPID is Temporarily Disconnected during the Settlement Day } d; \text{ or} \\ 0 & \text{otherwise} \end{cases}$$

$$CONN_d = \begin{cases} 1 & \text{if } D_l^A \leq d < D_u^A, \text{ and} \\ 0 & \text{otherwise} \end{cases}$$

**2.3.21.** For each day  $d$  within the Meter Advance Period compute the Unadjusted Actual Daily Volume  $UADV_{kd}$  as

$$UADV_{kd} = \frac{MAV}{MACD}$$

<sup>3</sup> Note - the terms “Meter Pre-Advance Period”, “Meter Advance Period” and “Meter Post-Advance Period” are all formally defined in the Market Code, Schedule 1. However, non-definitive diagrams describing each of these periods are provided in the Appendix A.3

And the Actual Daily Volume  $ADV_{Kd}$  as

$$ADV_{Kd} = \begin{cases} \frac{MAV}{MACD} & \text{if } MACD > 0 \\ 0 & \text{if } MACD = 0 \end{cases}$$

**2.3.22.** For days within a Meter Post-Advance Period compute the Unadjusted Estimated Daily Volume  $UEDV_{Kd}$  as

$$UEDV_{Kd} = UADV_{Kd} \text{ for the last day } d \text{ for which there is a value of } UADV_{Kd}$$

**2.3.23.** The Estimated Daily Volume  $EDV_{Kd}$  is calculated as

$$EDV_{Kd} = UEDV_{Kd} \times (1 - VAC_d) \times (1 - TDISC_d)$$

**2.3.24.** For days within a Meter Pre-Advance Period compute the Unadjusted Estimated Daily Volume  $UEDV_{Kd}$  as

$$UEDV_{Kd} = \begin{cases} \frac{YVE}{DIY} & \text{for the meter in the T17 Meter Chain if that meter has an LP YVE; else} \\ \frac{ILE}{DIY} & \text{the Industry Level Estimate for that meter} \end{cases}$$

**2.3.25.** To establish the  $ILE$  for a meter  $K$  for the Settlement Day  $d$  first establish the Water Chargeable Meter Size  $WCMS_{Kd}$

**2.3.26.** The Central Systems have a table Industry Level Estimates, comprising a series of monotonically increasing Meter Size  $MS_i$  and Industry Level Estimates  $ILE_i$ , for  $i = 1 \dots n_T$  where  $n_T$  is the number of entries in the table. (**Note** This is potentially a different  $n_T$  from the one in 2.3.13) Then the Tabular Meter Size ( $TMS_{Kd}$ ) in respect of the Industry Level Estimate for the T17 Meter Chain  $K$  for the Settlement Day  $d$  is

$$TMS_{Kd} = \begin{cases} MS_j & \text{where } j \text{ has the minimum value such as } MS_j \geq WCMS_{Kd} \\ MS_{n_T} & \text{if } WCMS_{Kd} \geq MS_{n_T} \end{cases}$$

And the Industry Level Estimate  $ILE$  for the T17 Meter Chain  $K$  for the Settlement Day  $d$  is then given by the table of Industry Level Estimates as

$$ILE = ILE_i(TMS_{Kd})$$

**2.3.27.** Not used.

**2.3.28.** For all  $K, d$  compute the Daily Volume  $DV_{Kd}$

$$DV_{Kd} = \begin{cases} ADV_{Kd} & \text{for periods within a Meter Advance Period} \\ EDV_{Kd} & \text{for period within a Meter Pre – Advance or Post – Advance Period} \\ 0 & \text{for any other Settlement Day } d \end{cases}$$

**2.3.29.** For each meter  $K$ , and Settlement Day  $d$ , the Derived Daily Volume  $DDV_{Kd}$  is calculated as

$$DDV_{Kd} = \begin{cases} DV_{Kd} - \sum_L DV_{Ld} & \text{or} \\ 0 & \text{for any } d \text{ not in the T17 Meter Chain Chargeable Period} \end{cases}$$

where the sum is over all meters  $L$  which are sub-meters of meter  $K$ . The derivation of the appropriate terms  $DV_{Ld}$  for the sub-meters is the same as for the meter  $K$ .

**Note** The above equation describes the subtraction of sub-meter volumes from a main meter volume to establish the Derived Daily Volume. It has not yet been possible to verify that interaction of (i) the subtraction of the meter volumes, and (ii) the shifting of volumes described above in respect of vacancy works precisely in the order specified by the equation. The intention is to document the Central Systems behaviour rather than to propose any changes to the Central Systems behaviour.

**2.3.30.** The Actual Yearly Volume ( $AYV$ ) for the Water SPID is then

$$AYV = \sum_{Kd} DDV_{Kd} \times (1 - PVT_K)$$

### Volumes for the LUVA Charges

**2.3.31.** For each Settlement Day  $d$  in the SPID Settlement Chargeable Period define LUVA Chargeable ( $LC_d$ ) as

$$LC_d = \begin{cases} 1 & \text{if the SPID has the LUVA flag set, and } SWMC_d > 0 \\ 0 & \text{if the SPID does not have the LUVA flag set, or } SWMC_d = 0 \end{cases}$$

**2.3.32.** Compute the Total LUVA Days ( $TLD$ ) as

$$TLD = \sum_{D_l^S \leq d < D_u^S} LC_d \times (1 - VAC_d)$$

**2.3.33.** The LUVA Proportion  $LUVAP$  is defined as

$$LUVAP = \frac{TLD}{DIY}$$

**2.3.34.** The Proportional LUVA Volume limits  $PLVLL, PLV_1, PLV_2$  are given by

$$\begin{aligned} PLVLL &= LUVAP \times VLL \\ PLV_1 &= LUVAP \times V_1 \\ PLV_2 &= LUVAP \times V_2 \end{aligned}$$

where  $VLL$  is the lower limit for the LUVA Adjustment as defined in the Wholesale Charges Scheme.

**2.3.35.** Define the LUVA Annual Volume ( $LAV$ ) (which is similar to the  $AYV$  sum above as defined in paragraph 2.3.30) except that the condition that the SPID has the LUVA flag set for each Settlement Day must be applied.

$$LAV = \sum_{Kd} DDV_{Kd} \times LC_d \times (1 - PVT_K)$$

### Phasing Premium

**2.3.36.** For each Settlement Day  $d$  in the SPID Settlement Chargeable Period, for each T17 Meter Chain  $K$  define Premium Chargeable ( $PC_{Kd}$ ) as

$$PC_{Kd} = \begin{cases} 0 & \text{if } WCMS_{Kd} = 0 \\ 1 & \text{if the SPID is not in a LUVA period, and } 1 \leq LMS_i \leq 20 \text{ and } MA_{Kd} > 0 \\ 0 & \text{otherwise} \end{cases}$$

where  $LMS_i$  is the lower limit of the band ( $LMS_i, UMS_i$ ) corresponding to  $WCMS_{Kd}$  identified in Section 2.3.13 .

**2.3.37.** Define the Uncapped Premium Annual Volume  $UPAV$  as

$$UPAV = \sum_{Kd} DDV_{Kd} \times PC_{Kd} \times (1 - PVT_K)$$

**2.3.38.** Define the Total Premium Days  $TPD$  as

$$TPD = \sum_{Kd} (1 - VAC_d) \times PC_{Kd}$$

**2.3.39.** Define the Proportional Premium Volume Limit  $PPVL$  as



$$PPVL = \sum_{Kd} \frac{(1 - VAC_d) \times MCVT_{Kd} \times PC_{Kd}}{DIY}$$

### Charges – the Standard Volume Charges

**2.3.40.** The Wholesale Charges Scheme defines charges for a volume  $V$  which is allocated across different charge bands (based upon a whole year's usage) in accordance with paragraph 2.3.4

**2.3.41.** The Proportional Free Allocation is  $PFA$  and the Proportional Volume Limits are  $PV_1$  and  $PV_2$  have already been defined. The Actual Yearly Volume is  $AYV$ . Then allocate the  $AYV$  into the different charge bands for the Allocated Tranche  $VFA$ , and Charge Bands 1, 2 and 3 ( $VA_1, VA_2$  and  $VA_3$ ) as

$$\begin{aligned} VFA &= \max(\min(AYV, PFA), 0) \\ VA_1 &= \max(\min(AYV, PV_1) - PFA, 0) \\ VA_2 &= \max(\min(AYV, PV_2) - PV_1, 0) \\ VA_3 &= \max(AYV - PV_2, 0) \end{aligned}$$

**2.3.42.** The Standard Volume Charge ( $SVCHARGE$ ) is defined as

$$SVCHARGE = B_1 \times VA_1 + B_2 \times VA_2 + B_3 \times VA_3$$

### Charges – Capacity Volume Charges

**2.3.43.** If the Capacity Volume Price as defined in the Scheme of Charges is  $CVP$ , then the Capacity Volume Charge  $CVCHARGE$  is

$$CVCHARGE = CVP \times \max(\min(AYV, PCVT) - PFA, 0)$$

### Charges – LUVA Adjustment

**2.3.44.** Allocate the LUVA Annual Volume ( $LAV$ ) into volumes  $LVA_1, LVA_2$  and  $LVA_3$  over the various charge bands to establish the LUVA adjustment.

$$\begin{aligned} LVA_1 &= \max(\min(LAV, PLV_1) - PLVLL, 0) \\ LVA_2 &= \max(\min(LAV, PLV_2) - PLV_1, 0) \\ LVA_3 &= \max(LAV - PLV_2, 0) \end{aligned}$$

**2.3.45.** If the LUVA adjustments are  $LPP_1, LPP_2$  and  $LPP_3$ <sup>4</sup> then the LUVA Adjustment Charge ( $LACHARGE$ ) is

$$LACHARGE = LPP_1 \times B_1 \times LVA_1 + LPP_2 \times B_2 \times LVA_2 + LPP_3 \times B_3 \times LVA_3$$

### Charges – Phasing Premium

**2.3.46.** The Proportional Phasing Premium Free Allocation ( $PPPFA$ ) is

$$PPPFA = \frac{TPD \times VFA}{DIY}$$

and the Premium Volume ( $PVA$ ) on which the charge is payable is therefore

$$PVA = \max(\min(UPAV, PPVL, AYV) - PPPFA, 0)$$

**2.3.47.** If the Premium Phasing for the Year is  $PP_Y$ <sup>5</sup> then the Phasing Premium Charge  $PPCHARGE$  is given by

$$PPCHARGE = PP_Y \times (B_1 + CVP) \times PVA$$

### AWA

**2.3.48.** The Annual Weighted Average (AWA) for the SPID is then given by:

$$AWA = \begin{cases} 0 & \text{if } AYV \leq 0 \\ \frac{SVCHARGE + CVCHARGE + LACHARGE + PPCHARGE}{AYV} & \text{if } AYV > 0 \end{cases}$$

## 2.4. Measured Supply Points – Charges

**2.4.1.** Define the Discounts for the SPID for each day  $d$  in the SPID Chargeable Period, i.e. Water Schedule 3 ( $WS3_d$ ), Schedule 29e ( $S29e_d$ ) and whether the SPID is eligible for Scottish Government Exemption Scheme ( $SGES_d$  and  $PCEd$ ).

<sup>4</sup> Expressed as percentages in Central Systems, but used here as fractions

<sup>5</sup> Expressed as a percentage in Central Systems, but used here as a fraction

## Meter Based Charges

**2.4.2.** Carry out the following calculations for each SPID which has a SPID Settlement Chargeable Period for the RF Settlement Period.

**2.4.3.** Carry out the following calculations for each T17 Meter Chain which has a Chargeable Period for that RF Settlement Period:

**2.4.4.** In accordance with 2.3.13 the Wholesale Charges Scheme defines meter related charges in respect of a limited number of meter sizes, and for each non-zero Chargeable Meter Size provides a mapping from the Chargeable Meter Size to an entry in the corresponding table of meter sizes.

**2.4.5.** The Central Systems holds a related table comprising Lower Meter Size ( $LMS_i$ ), Upper Meter Size ( $UMS_i$ ) and the Water Meter Annual Non-Volumetric Charges ( $WMANVC_i$ ) for  $i = 1 \dots n_T$ , where

$$\begin{aligned} LMS_1 &= 1 \\ LMS_i &= UMS_{i-1} + 1 \text{ for } i = 2 \dots n_T \\ UMS_{n_T} &= \infty \text{ (in practice, the largest integer representable in the CS)} \end{aligned}$$

and  $n_T$  is the number of entries in the table.

**2.4.6.** Thus each Water Chargeable Meter Size  $WCMS_{Kd} > 0$  falls uniquely within a single band  $LMS_i \leq WCMS_{Kd} \leq UMS_i$ , and each such band ( $LMS_i, UMS_i$ ) maps to a unique Water Meter Annual Non-Volumetric Charges  $WMANVC_i = WMANVC_i(LMS_i, UMS_i)$

**2.4.7.** The Unadjusted Water Meter Based Charge ( $UWMBC_{Kd}$ ) is then given by the table of Water Meter Annual Non-Volumetric Charges as

$$UWMBC_{Kd} = \begin{cases} 0 & \text{if } WCMS_{Kd} = 0 \\ WMANVC_i(LMS_i, UMS_i) \times MA_{Kd} \times (1 - VAC_d) & \text{if } WCMS_{Kd} > 0 \\ 0 & \text{otherwise} \end{cases}$$

For days prior to 2017-04-01 and

$$UWMBC_{Kd} = \begin{cases} 0 & \text{if } WCMS_{Kd} = 0 \\ WMANVC_i(LMS_i, UMS_i) \times MA_{Kd} \times (1 - PPDISC) & \text{if } WCMS_{Kd} > 0 \\ 0 & \text{otherwise} \end{cases}$$

For days on or after 2017-04-01

where  $(LMS_i, UMS_i)$  is the band corresponding to  $WCMS_{Kd}$

and where

$$PPDISC_d = \begin{cases} 1 & \text{if the SPID has a status of Pending PDISC on Settlement day } d \\ 0 & \text{Otherwise} \end{cases}$$

**2.4.8.** The Unadjusted Discounted Water Meter Based Charge ( $UDWMBC_{Kd}$ ) is then given

$$UDWMBC_{Kd} = UWMBC_{Kd} \times (1 - WS3_d - S29e_d)$$

**2.4.9.** Not Used.

**2.4.10.** The Water Meter Based Charge <sup>6</sup>  $WMBC_{Kd}$  is

$$WMBC_{Kd} = \begin{cases} UDWMBC_{Kd} & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDWMBC_{Kd} \times (1 - PCEd) - SGESWR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

where  $SGESWR_Y$  is the SGES Water refund applicable for the Financial Year  $Y$ ,  $PCEd$  is the percentage of the exemption applicable on that day, and where  $SER_d$  is the number of Service Element Reports for the SPID.

**2.4.11.** For each Settlement Day  $d$  for a Water SPID there are:

- two Service Element Reports for each T17 Meter Chain which is chargeable on that day;
- two Service Element Reports for each Unmeasurable Service Element which is chargeable on that day; and
- a Service Element Report for each Miscellaneous Charge which is chargeable on that day. The Miscellaneous charges are:
  - Field Troughs and Drinking Bowls; and
  - Outside Taps.

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<sup>6</sup> There are rare circumstances where the allocation of the SGES refund in the Central Systems is not uniformly distributed across the various Service Element Reports as in this equation. This is as a result of the practical implementation of the algorithms described in this CSD, which are based upon calculating charges for chunks of time where the charging parameters are otherwise constant. However, even in such cases, the total of the SGES distributed across the various Service Elements will still be correct

**2.4.12.** The CMA will allocate the Meter Based Charge to Licensed Provider for which the SPID was registered in respect of each Settlement Day. It will then aggregate Volumes and Charges, and report them in accordance with CSD0201.

### Volumetric Charges

**2.4.13.** The Unadjusted Daily Metered Cost ( $UDMC_{Kd}$ ) is

$$UDMC_{Kd} = AWA \times DDV_{Kd} \times (1 - WS3_d - S29e_d) \times (1 - PVT_K)$$

For days prior to 2017-04-01 and

$$UDMC_{Kd} = AWA \times DDV_{Kd} \times (1 - WS3_d - S29e_d) \times (1 - PVT_K) \times (1 - PPDISC_d)$$

For days on or after 2017-04-01

**2.4.14.** Not Used.

**2.4.15.** The Daily Metered Cost <sup>7</sup>  $DMC_{Kd}$  is

$$DMC_{Kd} = \begin{cases} UDMC_{Kd} & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDMC_{Kd} \times (1 - PCEd) - SGESWR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

where  $SGESWR_Y$  is the SGES Water refund applicable for the Financial Year Y, PCEd is the percentage of the exemption applicable on that day, and where  $SER_d$  is the number of Service Element Reports for the SPID.

**2.4.16.** The CMA will allocate the Meter Based Charge to the Licensed Provider for which the SPID was registered in respect of each Settlement Day. It will then aggregate Volumes and Charges, and report them in accordance with CSD0201.

## 2.5. Unmeasured Supply Points – Overview

**2.5.1.** The following Water SPIDs are subject to Unmeasured Charging:

- RV Based Charging
  - Water SPIDs which have been declared unmeasurable

<sup>7</sup> Compare the footnote at section 2.4.10

- Re-assessed Charging
  - Water SPIDs which have been agreed are subject to Re-Assessed Charging

## 2.6. RV Based Charges

### RV Non-Volumetric Charges

**2.6.1.** Define the discounts for the SPID for each day  $d$  in the SPID Chargeable Period, i.e. Water Schedule 3 ( $WS3_d$ ), Schedule 29e ( $S29e_d$ ) and whether the SPID is eligible for the Scottish Government Exemption Scheme ( $SGES_d$ ).

**2.6.2.** The SPID Settlement Chargeable Period has already been defined as the period time given by the days  $D_l^S, D_u^S$

**2.6.3.** The relevant SPID RV Unmeasurable Period is defined as the period of time for which the Water SPID has been declared unmeasurable and is likewise given by a pair of days  $D_l^{RV}, D_u^{RV}$ .

**2.6.4.** Then the SPID RV Unmeasurable Chargeable Period  $D_l^C \leq d < D_u^C$  which is the (possibly empty) sub-period for which the RV Unmeasurable Period intersects the SPID Settlement Chargeable Period, and is given by  $D_l^C, D_u^C$  where

$$D_l^C = \max(D_l^{RV}, D_l^S)$$

$$D_u^C = \min(D_u^{RV}, D_u^S)$$

**2.6.5.** If  $D_l^C \geq D_u^C$  then the SPID does not have an RV Unmeasurable Period for that RF Settlement Period.

**2.6.6.** For each Settlement Day  $d$  in the SPID RV Unmeasurable Chargeable Period define the Rateable Value  $RV_d$ , the Live Rateable Value  $LRV_d$  and the RV Transition Flag  $RVTF_d$

Where

$$RVTF_d = \begin{cases} 1 & \text{if the Supply Point is in transition for the purposes of RV Volumetric} \\ & \text{and RV Non – Volumetric Charges} \\ 0 & \text{Otherwise} \end{cases}$$

**2.6.7.** For days prior to 2017-04-01, in accordance with the Wholesale Scheme of Charges define the Water Chargeable Meter Size ( $WCMS_d$ ) which corresponds to  $RV_d$ , and each  $WCMS_i$  corresponds to a unique Water Meter Annual Non-Volumetric Charge ( $WMANVC_i = WMANVC_i(WCMS_d)$ ). For days on or after 2017-04-01 and prior to 2018-04-01, in accordance with the Wholesale Scheme of Charges, for days when the SPID is not vacant, define the Water Chargeable Meter Size ( $WCMS_d$ ) which corresponds to  $RV_d$ , and each  $WCMS_i$  corresponds to a unique Water Meter Annual Non-Volumetric Charge ( $WMANVC_i = WMANVC_i(WCMS_d)$ ). For days on or after 2018-04-01, in accordance with the Wholesale Scheme of Charges, for days when the SPID is not vacant, define LRVWCMSd, corresponding to LRVd to create either an LRVWMANVCi or a WMANVCi and define RVWCMSd, corresponding to RVd to create an RVWMANVCi. For days when the SPID is vacant (on or after 2017-04-01), WCMSd, RVWCMSd and LRVWCMSd shall be 20mm.

**2.6.8.** The Unadjusted Water Meter Based Charge ( $UWMBC_d$ ) is given by the table of Water Meter Annual Non-Volumetric Charges as

$$UWMBC_d = \frac{WMANVC_i(WCMS_i) \times (1 - VAC_d)}{DIY}$$

for days prior to 2017-04-01 and

$$UWMBC_d = \frac{WMANVC_i(WCMS_i)}{DIY} \times (1 - PPDISC_d)$$

for days on or after 2017-04-01 and prior to 2018-04-01.

$$UWMBC_d = \begin{cases} (RVF \cdot RVUWMBC_d + (1 - RVF) \cdot LRVUWMBC_d) \times (1 - PPDISC_d) & \text{if } RVTF_d = 1 \\ RLRVUWMBC_d (1 - PPDISC_d) & \text{if } RVTF_d = 0 \end{cases}$$

where

$$RVUWMBC_d = \frac{RVWMANVC_i(RVWCMS_i)}{DIY}$$

and

$$LRVUWMBC_d = \frac{LRVWMANVCi(LRVWCMSi)}{DIY}$$

and

$$RLRVUWMBC_d = \frac{WMANVCi(LRVWCMSi)}{DIY}$$

for days on or after 2018-04-01, where RVF is a transition factor established in accordance with the Wholesale Scheme of Charges.

**2.6.9.** The Unadjusted Discounted Water Meter Based Charge ( $UDWMBC_d$ ) is then given by

$$UDWMBC_d = UWMBC_d \times (1 - WS3_d - S29e_d)$$

**2.6.10.** Not Used.

**2.6.11.** The Water Meter Based Charge <sup>8</sup>  $WMBC_d$  is

$$WMBC_d = \begin{cases} UDWMBC_d & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDWMBC_d \times (1 - PCEd) - SGESWR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

Where, as above,  $SGESWR_Y$  is the SGES Water refund applicable for the Financial Year Y, PCEd is the percentage of the exemption applicable on that day, and  $SER_d$  is the number of Service Element Reports for the SPID.

**2.6.12.** The CMA will allocate the Meter Based Charge to Licensed Provider for which the SPID was registered in respect of each Settlement Day. It will then aggregate Volumes and Charges, and report them in accordance with CSD0201.

### RV Volumetric Charges

**2.6.13.** For each Settlement Day  $d$  in the SPID RV Unmeasurable Chargeable Period define the Rateable Value  $RV_d$ , the Live Rateable Value  $LRV_d$  and the RV Transition Flag  $RVTf_d$ .

<sup>8</sup> Compare the footnote at section 2.4.10



**2.6.14.** The equivalent Actual Yearly Volume  $AYV_d$  given by

$$AYV_d = \begin{cases} (0.0373 \times RV_d - 24) \times (1 - VAC_d) & \text{if } RV_d \geq 650 \\ 0 & \text{otherwise} \end{cases}$$

for days prior to 2018-04-01.

The equivalent RV based Actual Yearly Volume  $RVAYV_d$  given by

$$RVAYV_d = \begin{cases} [(0.0373 \times RV_d - 24)] \times (1 - VAC_d) & \text{if } RV_d \geq 650 \\ 0 & \text{otherwise} \end{cases}$$

And the equivalent LRV based Actual Yearly Volume  $LRVAYV_d$  given by

$$LRVAYV_d = \begin{cases} [(0.0248 \times LRV_d - 24)] \times (1 - VAC_d) & \text{if } LRV_d \geq 960 \\ 0 & \text{otherwise} \end{cases}$$

for days on or after 2018-04-01, where RVF is a transition factor, established in accordance with the Wholesale Scheme of Charges

and the equivalent Derived Daily Volume  $DDV_d$  is given by

$$DDV_d = \frac{AYV_d}{DIY}$$

for days prior to 2018-04-01.

The equivalent RV based Daily Derived Volume  $RVDDV_d$  is given by

$$RVDDV_d = \frac{RVAYV_d}{DIY}$$

for days on or after 2018-04-01 and

the equivalent LRV based Daily Derived Volume  $LRVDDV_d$  is given by

$$LRVDDV_d = \frac{LRVAYV_d}{DIY}$$

for days on or after 2018-04-01.

**2.6.15.** The same calculation used to derive AWA in section 2.3 can be used to derive an Equivalent AWA  $AWA_d$  for each day of the RV Unmeasurable Chargeable Period, based upon an equivalent whole year calculation and using the equivalent Actual Yearly Volume  $AYV_d$  and the meter size  $WCMS_d$  for days prior to 2018-04-01. For days on or after 2018-04-01, an equivalent RVAWA, LRVAWA and RLRVAWA should be calculated, where the same calculation used to derive AWA in section 2.3 can be used to derive the RVAWA<sub>d</sub>, the LRVAWA<sub>d</sub> and the RLRVAWA<sub>d</sub>, based upon an equivalent whole year calculation, using;

- For the RVAWA<sub>d</sub>. The equivalent RV Actual Yearly Volume  $RVAYV_d$  and meter size  $RVWCMS_d$  and specific volumetric prices;  $RVB_1$ ,  $RVB_2$ ,  $RVB_3$  and  $RVCVP$ .
- For the LRVAWA. The equivalent LRV Actual Yearly Volume  $LRVAYV_d$  and meter size  $LRVWCMS_d$  for the LRVAWA and specific volumetric prices;  $LRVB_1$ ,  $LRVB_2$ ,  $LRVB_3$  and  $LRVCVP$ .
- For the RLRVAWA. The equivalent LRV Actual Yearly Volume  $LRVAYV_d$  and meter size  $LRVWCMS_d$  for the LRVAWA and volumetric prices as used for metered Supply Points;  $B_1$ ,  $B_2$ ,  $B_3$  and  $CVP$ .

**2.6.16.** The Unadjusted Daily Metered Cost ( $UDMC_d$ ) is given by

$$UDMC_d = AWA_d \times DDV_d \times (1 - WS3_d - S29e_d)$$

for days prior to 2017-04-01.

$$UDMC_d = AWA_d \times DDV_d \times (1 - WS3_d - S29e_d) \times (1 - PPDISC_d)$$

For days on or after 2017-04-01 and prior to 2018-04-01.

$$UDMC_d = \begin{cases} (RVF \times RVUDMC_d + (1 - RVF) \times LRVUDMC_d) \times (1 - PPDISC_d) & \text{if } RVTF = 1 \\ RLRVUDMC_d \times (1 - PPDISC_d) & \text{if } RVTF = 0 \end{cases}$$

where

$$RVUDMC_d = RVAWA_d \times RVDDV_d \times (1 - WS3_d - S29e_d)$$

and

$$LRVUDMC_d = LRVAWA_d \times LRVDDV_d \times (1 - WS3_d - S29e_d)$$

and

$$RLRVUDMC_d = RLRVAWA_d \times LRVDDV_d \times (1 - WS3_d - S29e_d)$$

for days on or after 2018-04-01.

**2.6.17.** Not Used.

**2.6.18.** The Daily Metered Cost <sup>9</sup>  $DMC_d$  is

$$DMC_d = \begin{cases} UDMC_d & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDMC_d \times (1 - PCEd) - SGESWR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

Where, as above,  $SGESWR_Y$  is the SGES Water refund applicable for the Financial Year Y, PCEd is the percentage of the exemption applicable on that day and  $SER_d$  is the number of Service Element Reports for the SPID.

**2.6.19.** The CMA will allocate the Meter Based Charge to the Licensed Provider for which the SPID was registered in respect of each Settlement Day. It will then aggregate Volumes and Charges, and report them in accordance with CSD0201.

## **2.7. Re-Assessed Charges**

**2.7.1.** Re-assessed Charges were introduced on 1st April 2009. However, it should be noted that the methods within the Central Systems for calculating Re-Assessed Charges do not carry out any verification that the data only applies for periods of time on or after the date of introduction of Re-Assessed Charges.

**2.7.2.** Re-Assessed Charges are implemented by the use of Pseudo Meters. CSD0104 describes the installation, removal and maintenance of Pseudo Meters.

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<sup>9</sup> Compare the footnote at section 2.4.10

**2.7.3.** Subject to the one minor exception noted in the following paragraph, the CMA computes charges for Pseudo Meters as for all other T17 Meter Chains in accordance with sections 2.3 and 2.4. For example, where a SPID has a Pseudo Meter installed for part of a year and a physical meter for part of the year, the CMA will compute a single AWA which is applicable to both the Pseudo Meter volume and the physical meter volume.

**2.7.4.** When a Pseudo Meter is installed, Scottish Water is obliged under CSD0104 to provide an opening meter read of 0, and a YVE. While the Pseudo Meter is installed, the CMA will reject any other meter reads which are submitted. The CMA will therefore compute the Derived Daily Volume using the value of YVE submitted by Scottish Water. When a Pseudo Meter is removed, Scottish Water must provide a final closing meter read of 0. However, the CMA does not store the closing meter within the meter reads table. Thus, following the removal of the Pseudo Meter, and the CMA will continue to compute the Derived Daily Volumes during a T17 Meter Chain Chargeable Period using the value of YVE submitted, rather than using the opening and closing meter reads of 0 (which would otherwise provide a zero volume).

## **2.8. Miscellaneous Charges**

**2.8.1.** This section applies to the following Miscellaneous Charges:

- Field Troughs and Drinking Bowls; and
- Outside Taps.

**2.8.2.** Define the Discounts for the SPID for each day  $d$  in the SPID Chargeable Period i.e. Water Schedule 3 ( $WS3_d$ ), Schedule 29e ( $S29e_d$ ) and whether the SPID is eligible for Scottish Government Exemption Scheme ( $SGES_d$  and  $PCEd$ ).

**2.8.3.** The SPID Settlement Chargeable Period has already been defined as the period time given by the days  $D_l^S$ ,  $D_u^S$ . As above define the relevant Chargeable Period for each of the Miscellaneous Charges.

**2.8.4.** For each miscellaneous charge define and for each Settlement Day  $d$  in the relevant Chargeable period define

- the number of Troughs and Drinking Bowls ( $TDB_d$ ); and
- the number of Outside Taps ( $OT_d$ ).

**2.8.5.** Also for each Settlement Day  $d$  define

$$FARM_d = \begin{cases} 1 & \text{if the SPID is classified as being farm} \\ 0 & \text{otherwise} \end{cases}$$

and

$$CROFT_d = \begin{cases} 1 & \text{if the SPID is classified as being croft} \\ 0 & \text{otherwise} \end{cases}$$

**2.8.6.** Let the following prices be defined as per the Wholesale Charges Scheme:

Annual Price Farm Troughs and Drinking Bowls  $FTDBP$

Annual Price Croft Troughs and Drinking Bowls  $CTDBP$

Annual Price Farm Outside Tap  $FOTP$

Annual Price Croft Outside Tap  $COTP$

**2.8.7.** Calculate the Unadjusted Troughs and Drinking Bowls Charge  $UTDBC_d$  and the Unadjusted Outside Taps Charge  $UOTC_d$  as

$$\begin{aligned} UTDBC_d &= (FTDBP \times FARM_d + CTDBP \times CROFT_d) \times TDB_d \times (1 - VAC_d) / DIY \\ UOTC_d &= (FOTP \times FARM_d + COTP \times CROFT_d) \times OT_d \times (1 - VAC_d) / DIY \end{aligned}$$

for days prior to 2017-04-01 and

$$\begin{aligned} UTDBC_d &= (FTDBP \times FARM_d + CTDBP \times CROFT_d) \times TDB_d / DIY \\ UOTC_d &= (FOTP \times FARM_d + COTP \times CROFT_d) \times OT_d / DIY \end{aligned}$$

for days on or after 2017-04-01.

**2.8.8.** The Unadjusted Discounted Troughs and Drinking Bowls Charge  $UDTDBC_d$  and the Unadjusted Discounted Outside Taps Charge  $UDOTC_d$  are given by

$$\begin{aligned} UDTDBC_d &= UTDBC_d \times (1 - WS3_d - S29e_d) \\ UDOTC_d &= UOTC_d \times (1 - WS3_d - S29e_d) \end{aligned}$$

**2.8.9.** The Troughs and Drinking Bowls Charge  $TDBC_d$  and the Outside Taps Charge  $OTC_d$  are given by<sup>10</sup>

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<sup>10</sup> Compare the footnote at section 2.4.10

$$OTC_d = \begin{cases} UDOTC_d & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDOTC_d \times (1 - PCEd) - SGESWR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

$$TDBC_d = \begin{cases} UDTDBC_d & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDTDBC_d \times (1 - PCEd) - SGESWR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

Where, as above,  $SGESWR_Y$  is the SGES Water refund applicable for the Financial Year  $Y$ ,  $PCEd$  is the percentage of the exemption applicable on that day, and  $SER_d$  is the number of Service Element Reports for the SPID.

**2.8.10.** The CMA will allocate the Miscellaneous Charges to the Licensed Provider for which the SPID was registered in respect of each Settlement Day. It will then aggregate the volumes and charges, and report them in accordance with CSD0201.

### 3. Primary Sewerage Charges

#### 3.1. General

**3.1.1.** The following calculation is carried out for each Sewerage SPID which is or has been Tradable when the Settlement Run is carried out. This includes SPIDs which are currently Tradable or Temporarily Disconnected, as well as Disconnected or Deregistered SPIDs which have been Tradable. The calculation excludes SPIDs which are Disconnected or Deregistered but were New, Partial or Rejected when they were so Disconnected or Deregistered.

**3.1.2.** A Settlement Day runs from midnight to midnight.

**3.1.3.** Define the RF Settlement Period by a pair of days  $D_l^{RF}$ ,  $D_u^{RF}$  such that the RF Settlement Period comprises Settlement Days  $d$  such that  $D_l^{RF} \leq d < D_u^{RF}$ . Note that the lowest bound day  $D_l^{RF}$  is included, but the upper bound day  $D_u^{RF}$  is not. In this description, the full Settlement Year of 2008-09 would be described by

$$\begin{aligned} D_l^{RF} &= 1st\ April\ 2008 \\ D_u^{RF} &= 1st\ April\ 2009 \end{aligned}$$

**3.1.4.** If the SPID has a Permanent Disconnection Date, define the SPID Disconnection Date to be the date of Permanent Disconnection. If the SPID has a Deregistration Date, define the SPID Disconnection Date to be the date of Deregistration.

**3.1.5.** Define the SPID Chargeable Period as the period for which the SPID is in (potentially) charge (from the SPID Connection Date to the day before the SPID Disconnection Date (if it exists) or the last day of the tariff year (if the SPID Disconnection Date does not exist) inclusive. Here, "potentially" refers to the condition above that the SPID is or has been Tradable. This SPID Chargeable Period can equivalently be defined by a pair of days  $D_l^A$ ,  $D_u^A$

where

$$\begin{aligned} D_l^A &= SPID\ Connection\ Date \\ D_u^A &= \begin{cases} the\ SPID\ Disconnection\ Date, & \text{if it exists} \\ otherwise, the day immediately after the end of the tariff year \end{cases} \end{aligned}$$

and the SPID is chargeable for all days  $d$  where  $d \geq D_l^A$  and  $d < D_u^A$ . The lower bound day is included, but the upper bound day is not.

**3.1.6.** If  $D_l^A \geq D_u^A$  then there are no chargeable days.

**3.1.7.** For the avoidance of doubt the SPID Chargeable Period includes periods of vacancies, temporary disconnections, SGES etc. Appropriate adjustments for charges for these periods are made further on in the algorithm

**3.1.8.** For each Sewerage SPID, establish the SPID Settlement Chargeable Period  $D_l^S \leq d < D_u^S$  which is the (possibly empty) sub-period for which the SPID Chargeable Period intersects the RF Settlement Period, and is given by  $D_l^S, D_u^S$  where

$$D_l^S = \max(D_l^A, D_l^{RF})$$
$$D_u^S = \min(D_u^A, D_u^{RF})$$

**3.1.9.** If  $D_l^S \geq D_u^S$  then the Sewerage SPID does not have a SPID Settlement Chargeable Period for that RF Settlement Period. If there is no such SPID Settlement Chargeable Period then set  $AWA = 0$  and skip the test of the AWA Calculation of this Sewerage SPID.

## **3.2. Measured Supply Points - Overview**

**3.2.1.** First compute the AWA for each Sewerage SPID which is either a Measured Supply Point or a Re-Assessed Supply Point, and then compute, allocate and aggregate the Meter Based Charges and the Volumetric Charges. Re-assessed charges are implemented as if they were metered charges, see section 3.7 for details.

## **3.3. AWA Algorithm for Sewerage SPID**

**3.3.1.** Establish if there is a Related Water Supply Point (*RWSP*). If there is no such Related Water Supply Point, then set  $AWA = 0$  and skip the rest of the AWA Calculation for this Sewerage SPID.

**3.3.2.** For each T17 Meter Chain  $K$  associated with the *RWSP* (a "Related T17 Meter Chain") establish the T17 Meter Chain Active Period  $D_{Kl}^A \leq d < D_{Ku}^A$ . If the Related T17 Meter Chain has not been removed from the *RWSP* then set  $D_{Ku}^A = D_u^{RF}$

**3.3.3.** For each Related T17 Meter Chain  $K$ , define the T17 Meter Chain Chargeable Period  $D_{Kl}^C \leq d < D_{Ku}^C$  which is the (possibly empty) sub-period for which the Active Period intersects the SPID Settlement Chargeable Period for the Sewerage SPID, and is given by  $D_{Kl}^C, D_{Ku}^C$



where

$$D_{Kl}^C = \max(D_{Kl}^A, D_l^S)$$
$$D_{Ku}^C = \min(D_{Ku}^A, D_u^S)$$

**3.3.4.** If  $D_{Kl}^C \geq D_{Ku}^C$  then the Related T17 Meter Chain does not have a Chargeable period for that RF Settlement Period.

**3.3.5.** Establish if there are any Trade Effluent consents (DPIDs) associated with the Sewerage SPID. For each such DPID  $T$ <sup>11</sup> associated with the Sewerage SPID establish the DPID Active Period

$$D_{Tl}^A \leq d < D_{Tu}^A$$

**3.3.6.** For each DPID  $T$  the DPID Chargeable Period  $D_{Tl}^C \leq d < D_{Tu}^C$  is the (possibly empty) sub-period for which the DPID Active Period intersects the SPID Settlement Chargeable Period for the Sewerage SPID, and is given by  $D_{Tl}^C, D_{Tu}^C$

where

$$D_{Tl}^C = \max(D_{Tl}^A, D_l^S)$$
$$D_{Tu}^C = \min(D_{Tu}^A, D_u^S)$$

**3.3.7.** If  $D_{Tl}^C \geq D_{Tu}^C$  then then the DPID does not have a Chargeable Period for that RF Settlement Period.

**3.3.8.** For each Settlement Day  $d$  for each DPID  $T$  with a Chargeable Period  $D_{Tl}^C \leq d < D_{Tu}^C$  establish the Non Domestic Allowance  $NDA_{Td}$ . For all other days  $d$  for each DPID  $T$  set  $NDA_{Td} = 0$ .

Note there is a difference in interpretation between the usage of NDA for Settlement Runs covering periods before<sup>12</sup> 1st April 2013 and those on or after 1st April 2013. For Settlement Runs covering periods before 1st April 2013 the cutover, *NDA* referred to a non-domestic allowance for the whole of the Sewerage SPID. For Settlement Runs covering periods after 1st April 2013, *NDA* refers to a non-domestic allowance only in respect of Water Meters (SWWater or PrivateWater meters) associated with the Trade Effluent DPID.

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<sup>11</sup> The subscript T indicates it's a DPID

<sup>12</sup> See Appendix A re cutover between the methods

## Sewerage Standard Volume Band Limits

**3.3.9.** Let the  $SFA$  be the Sewerage Allocated Tranche, and  $BS_1$  be the price for Sewerage Standard Volumes above the Allocated Tranche as defined in the Wholesale Charges Scheme. Thus:

Sewerage Standard Volume Charges	Price
Greater than zero and up to $SFA$	0
Greater than $SFA$	$BS_1$

**3.3.10.** Define the Sewerage Meter Chargeable ( $SMC_{Kd}$ ) for a Related T17 Meter Chain  $K$  as

$$SMC_{Kd} = \begin{cases} 1 & \text{if } D_{kl}^c \leq d < D_{ku}^c \text{ and } RTS_{Kd} > 0 \\ 0 & \text{otherwise} \end{cases}$$

where  $RTS_{Kd}$  is the Return to Sewer allowance<sup>13</sup> for the Related T17 Meter Chain  $K$  for the Settlement Day  $d$ .

**3.3.11.** For each Settlement Day  $d$  in the SPID Settlement Chargeable Period define Total Sewerage Meter Chargeable ( $TSMC_{Kd}$ ) as

$$TSMC_{Kd} = \sum_K SMC_{Kd}$$

## Sewerage Free Allocation

**3.3.12.** For each meter  $K$  for each Settlement Day  $d$  in the T17 Meter Chain Chargeable Period establish the Sewerage Chargeable Meter Size  $SCMS_{Kd}$

**3.3.13.** For each day define the Meter Sewerage Free Allocation ( $MSFA_{Kd}$ ) as

$$MSFA_{Kd} = \begin{cases} SFA \times SMC_{Kd} & \text{if } SCMS_{Kd} > 0 \\ 0 & \text{otherwise} \end{cases}$$

**3.3.14.** The Sewerage Proportional Free Allocation  $SPFA$  is given by

$$SPFA = \sum_{Kd} \frac{(1 - VAC_d) \times MSFA_{Kd}}{DIY}$$

<sup>13</sup> Expressed as a percentage in Central Systems, but used here and elsewhere as a fraction

**Volume limits for the Sewerage Capacity Volume Charges**

**3.3.15.** The Wholesale Charges Scheme defines meter related charges in respect of a limited number of meter sizes, and for each non-zero Sewerage Chargeable Meter Size provides a mapping from the Sewerage Chargeable Meter Size to an entry in the corresponding table of meter sizes. The table entries in respect of Sewerage do not necessarily correspond to the table entries in respect of water.

**3.3.16.** The Central Systems holds a related table comprising Lower Meter Size ( $LMS_i$ ), Upper Meter Size ( $UMS_i$ ) and the Sewerage Capacity Volume Threshold ( $SCVT_i$ ) for  $i = 1 \dots n_T$ , where

$$\begin{aligned} LMS_1 &= 1 \\ LMS_i &= UMS_{i-1} + 1 \text{ for } i = 2 \dots n_T \\ UMS_{n_T} &= \infty \text{ (in practice, the largest integer representable in the CS)} \end{aligned}$$

**3.3.17.** Thus each Sewerage Chargeable Meter Size  $SCMS_{Kd} > 0$  falls uniquely within a single band  $LMS_i \leq SCMS_{Kd} \leq UMS_i$ , and each such band ( $LMS_i, UMS_i$ ) maps to a unique Sewerage Capacity Volume Threshold  $SCVT_i = SCVT_i(LMS_i, UMS_i)$

**3.3.18.** The Meter Sewerage Capacity Volume Threshold ( $MSCVT_{Kd}$ ) is then given by the table of Sewerage Capacity Volume Thresholds as

$$MSCVT_{Kd} = \begin{cases} 0 & \text{if } SCMS_{Kd} = 0 \\ SCVT_i(LMS_i, UMS_i) \times SMC_{Kd} & \text{if } SCMS_{Kd} > 0 \\ 0 & \text{otherwise} \end{cases}$$

where ( $LMS_i, UMS_i$ ) is the band corresponding to  $SCMS_{Kd}$

**3.3.19.** The Sewerage Proportional Capacity Volume Threshold ( $SPCVT$ ) applicable for the Sewerage SPID for the year is given by

$$SPCVT = \sum_{Kd} \frac{(1 - VAC_d) \times MSCVT_{Kd}}{DIY}$$

**3.3.20.** Then derive  $DDV_{Kd}$  as per the AWA Algorithm for Water in the paragraphs following 2.3.18

**3.3.21.** For Settlement Runs relating to periods before 1st April 2013, the Sewerage Derived Daily Volume  $SDDV_{Kd}$  for each Related T17 Meter Chain  $K$  for each day  $d$  in a Related T17 Meter Chain Chargeable Period is

$$SDDV_{Kd} = \begin{cases} \sum_T \frac{(1 - VAC_d) \times (1 - TDISC_d) \times SMC_{Kd} \times NDA_{Td}}{DIY \times TSMC_d} & \text{for all days } d \text{ which} \\ & \sum_T NDA_{Td} > 0, \text{ and} \\ & TSMC_d > 0 \\ DDV_{Kd} \times RTS_{Kd} & \text{otherwise} \end{cases}$$

**3.3.22.** For Settlement Runs relating to periods after 1st April 2013 each DPID  $T$  may be associated with a meter  $K$ . This association can be described by a variable  $MDASSOC_{KTd}$  which will take the value 1 when there is an association, and take the value 0 when there is no association. Each meter-DPID association has a related meter-DPID Volume ( $MDVOL_{KTd}$ ) which represents the fraction<sup>14</sup> of a specific meter's volume which is associated with a DPID. For the avoidance of doubt, if there is no association, i.e.  $MDASSOC_{KTd} = 0$ , then  $MDVOL_{KTd}$  will also be taken to be 0.

**3.3.23.** Define the term NDA Split ( $NDASPLIT_{Td}$ ) as

$$NDASPLIT_{Td} = \sum_K MDASSOC_{KTd} \times SMC_{Kd}$$

Then,

$$SDDV_{Kd} = \begin{cases} \frac{(1 - VAC_d) \times (1 - TDISC_d) \times SMC_{Kd}}{DIY} \times \sum_{\substack{T \text{ where} \\ MDASSOC_{KTd}=1 \text{ and} \\ NDASPLIT_{Td}>0 \text{ and} \\ T \text{ is active}}} \frac{NDA_{Td}}{NDASPLIT_{Td}} & \text{when} \\ \sum_{\substack{T \text{ where} \\ MDASSOC_{KTd}=1 \text{ and} \\ NDASPLIT_{Td}>0 \text{ and} \\ T \text{ is active}}} \frac{NDA_{Td}}{NDASPLIT_{Td}} > 0 \\ DDV_{Kd} \times RTS_{Kd} & \text{otherwise} \end{cases}$$

**3.3.24.** Then for all Settlement Runs, Actual Sewerage Yearly Volume ( $ASYV$ ) for the Sewerage SPID is then

$$ASYV = \sum_{Kd} SDDV_{Kd}$$

<sup>14</sup> Expressed as a percentage in Central Systems but used here as a fraction

**Charges – Standard Sewerage Volume Charges**

**3.3.25.** The Wholesale Charges Scheme defines charges for a volume  $V$  which is allocated across different charge bands (based upon a whole year’s usage) in accordance with paragraph 3.3.9

**3.3.26.** The Sewerage Proportional Free Allocation is  $SPFA$  and the Actual Sewerage Yearly Volume is  $ASYV$  and have both previously been defined. Then calculate the Sewerage Standard Volume Charge ( $SSVCHARGE$ ) as

$$SSVCHARGE = BS_1 \times \max(ASYV - SPFA, 0)$$

**Charges –Sewerage Capacity Volume Charges**

**3.3.27.** If the Sewerage Capacity Volume Price as defined in the Scheme of Charges is  $SCVP$ , then the Sewerage Capacity Volume Charge  $SCVCHARGE$  is

$$SCVCHARGE = SCVP \times \max(\min(ASYV - SPCVT) - SPFA, 0)$$

**AWA**

**3.3.28.** The Annual Weighted Average (AWA) for the Sewerage SPID is then given by:

$$AWA = \begin{cases} 0 & \text{if } ASYV \leq 0 \\ \frac{SSVCHARGE + SCVCHARGE}{ASYV} & \text{if } ASYV > 0 \end{cases}$$

**3.4. Measured Sewerage Supply - Charges**

**3.4.1.** The discounts for the SPID for each day  $d$  in the SPID Chargeable Period are Sewerage Schedule 3 ( $SS3_d$ ), Schedule 29e ( $S29e_d$ ) and whether the SPID is eligible for Scottish Government Exemption Scheme ( $SGES_d$  and  $PCed$ ).

**3.4.2.** Carry out the following calculations for each SPID which has a SPID Settlement Chargeable Period for the RF Settlement Period.

**3.4.3.** Carry out the following calculations for each Related T17 Meter Chain which has a Chargeable Period for that RF Settlement Period:

## Meter Based Charges

**3.4.4.** As per 3.3.15 the Wholesale Charges Scheme defines meter related charges in respect of a limited number of meter sizes, and for each non-zero Chargeable Meter Size provides a mapping from the Chargeable Meter Size to an entry in the corresponding table of meter sizes.

**3.4.5.** The Central Systems holds a table comprising Lower Meter Size ( $LMS_i$ ), Upper Meter Size ( $UMS_i$ ) and the Sewerage Meter Annual Non-Volumetric Charges ( $SMANVC_i$ ) for  $i = 1 \dots n_T$ , where

$$\begin{aligned} LMS_1 &= 1 \\ LMS_i &= UMS_{i-1} + 1 \text{ for } i = 2 \dots n_T \\ UMS_{n_T} &= \infty \text{ (in practice, the largest integer representable in the CS)} \end{aligned}$$

and  $n_T$  is the number of entries in the table.

**3.4.6.** Thus each Sewerage Chargeable Meter Size  $SCMS_{Kd} > 0$  falls uniquely within a single band  $LMS_i \leq SCMS_{Kd} \leq UMS_i$ , and each such band ( $LMS_i, UMS_i$ ) maps to a unique Sewerage Meter Annual Non-Volumetric Charged  $SMANVC_i = SMANVC_i(LMS_i, UMS_i)$

**3.4.7.** Then Unadjusted Sewerage Meter Based Charge ( $USMBC_{Kd}$ ) is then given by the table of Sewerage Meter Annual Non-Volumetric Charges as

$$USMBC_{Kd} = \begin{cases} 0 & \text{if } SCMS_{Kd} = 0 \\ SMANVC_i(LMS_i, UMS_i) \times SMC_{Kd} \times (1 - VAC_d) & \text{if } SCMS_{Kd} > 0 \\ 0 & \text{otherwise} \end{cases}$$

for days prior to 2017-04-01 and

$$USMBC_{Kd} = \begin{cases} 0 & \text{if } SCMS_{Kd} = 0 \\ SMANVC_i(LMS_i, UMS_i) \times SMC_{Kd} \times (1 - PPDISC_d) & \text{if } SCMS_{Kd} > 0 \\ 0 & \text{otherwise} \end{cases}$$

for days on or after 2017-04-01

where ( $LMS_i, UMS_i$ ) is the band corresponding to  $SCMS_{Kd}$

**3.4.8.** Then the Unadjusted Discounted Sewerage Meter Based Charge ( $UDSMBC_{Kd}$ ) is then given

$$UDSMBC_{Kd} = USMBC_{Kd} \times (1 - SS3_d - S29e_d)$$

**3.4.9.** Not Used.

**3.4.10.** The Sewerage Meter Based Charge <sup>15</sup>  $SMBC_{Kd}$  is

$$SMBC_{Kd} = \begin{cases} UDSMBC_{Kd} & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDSMBC_{Kd} \times (1 - PCEd) - SGESSR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

Where  $SGESSR_Y$  is the SGES Sewer refund applicable for the Financial Year Y, PCEd is the percentage of the exemption applicable on that day and where  $SER_d$  is the number of Service Element Reports for the SPID.

**3.4.11.** For each Settlement Day d there are:

- two Service Element Reports for each Related T17 Meter Chain <sup>16</sup> which is chargeable on that day
- two Service Element Reports for each Unmeasurable Service Element which is chargeable on that day
- a single Service Element for each DPID which is chargeable on that day
- a Service Element Report for Roads Drainage if it is chargeable on that day
- a Service Element Report for Property Drainage if it is chargeable on that day

**3.4.12.** The CMA will allocate the Meter Based Charge to the Licensed Provider for which the SPID was registered in respect of each Settlement Day. It will then aggregate Volumes and Charges, and report them in accordance with CSD0201.

### Sewerage Volumetric Charges

**3.4.13.** The Unadjusted Daily Metered Cost ( $UDMC_{Kd}$ ) is

$$UDMC_{Kd} = AWA \times SDDV_{Kd} \times (1 - SS3_d - S29e_d)$$

For days prior to 2017-04-01

<sup>15</sup> Compare the footnote at section 2.4.10

<sup>16</sup> When the RTS is zero there may be less than two Service Elements per Related T17 Meter Chain. In particular, there will be no service element for Meter Based Charges

$$UDMC_{Kd} = AWA \times SDDV_{Kd} \times (1 - SS3_d - S29e_d) \times (1 - PPDISC_d)$$

For days on or after 2017-04-01

**3.4.14.** Not Used.

**3.4.15.** The Daily Metered Cost <sup>17</sup>  $DMC_{Kd}$  is

$$DMC_{Kd} = \begin{cases} UDMC_{Kd} & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDMC_{Kd} \times (1 - PCEd) - SGESSR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

where  $SGESSR_Y$  is the SGES Sewer refund applicable for the Financial Year  $Y$ ,  $PCEd$  is the percentage of the exemption applicable on that day and where  $SER_d$  is the number of Service Element Reports for the SPID.

**3.4.16.** The CMA will allocate the Daily Metered Cost and the Volume to Licensed Provider to whom it was Registered in respect of each Settlement Day. It will aggregate these volumes and charges, and report them in accordance with CSD0201.

### 3.5. Unmeasured Sewerage Supply Points - Overview

- RV Based Charging
  - Water SPIDs which have been declared unmeasurable
- Re-assessed Charging
  - Water SPIDs which have been agreed are subject to Re-Assessed Charging

**3.5.1.** The following Sewerage SPIDs are subject to Unmeasured charging:

- RV Based Charging
  - Sewerage SPIDs which have been declared unmeasurable.
- Re-assessed Charging
  - Sewerage SPIDs which have been agreed are subject to Re-Assessed Charging

Information on transition charging is provided in the Appendices to CSD0205.

### 3.6. RV Based Charges

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<sup>17</sup> Compare the footnote at section 2.4.10



## RV Non-Volumetric Charges

**3.6.1.** The discounts for the SPID for each day  $d$  in the SPID Chargeable Period are Sewerage Schedule 3 ( $SS3_d$ ), Schedule 29e ( $S29e_d$ ) and whether the SPID is eligible for the Scottish Government Exemption Scheme ( $SGES_d$  and  $PCEd$ ).

**3.6.2.** The SPID Settlement Chargeable Period has already been defined as the period time given by the days  $D_l^S$ ,  $D_u^S$ .

**3.6.3.** The relevant SPID RV Unmeasurable Period is defined as the period of time for which the Sewerage SPID has been declared unmeasurable and is likewise given by a pair of days  $D_l^{RV}$ ,  $D_u^{RV}$ .

**3.6.4.** The SPID RV Unmeasurable Chargeable Period Chargeable Period  $D_l^C \leq d < D_u^C$  is the (possibly empty) sub-period for which the RV Unmeasurable Period intersects the SPID Settlement Chargeable Period, and is given by  $D_l^C$ ,  $D_u^C$  where

$$D_l^C = \max(D_l^{RV}, D_l^S)$$

$$D_u^C = \min(D_u^{RV}, D_u^S)$$

**3.6.5.** If  $D_l^C \geq D_u^C$  then the SPID does not have an RV Unmeasurable Period for that RF Settlement Period.

**3.6.6.** For each Settlement Day  $d$  in the SPID RV Unmeasurable Chargeable Period define the Rateable  $RV_d$ , the Live Rateable Value LRV $_d$  and the RV Transition Flag RVT $_d$ .

**3.6.7.** For days  $d$ , prior to 2017-04-01, in accordance with the Wholesale Scheme of Charges define the Sewerage Chargeable Meter Size ( $SCMS_d$ ) which corresponds to  $RV_d$ , and each  $SCMS_i$  corresponds to a unique Sewerage Meter Annual Non-Volumetric Charge  $SMANVC_i = SMANVC_i(SCMS_d)$ . For days on or after 2017-04-01 and prior to 2018-04-01, in accordance with the Wholesale Scheme of Charges, for days when the SPID is not vacant, define the Sewerage Chargeable Meter Size ( $SCMS_d$ ) which corresponds to  $RV_d$ , and each  $SCMS_i$  corresponds to a unique Sewerage Meter Annual Non-Volumetric Charge ( $SMANVC_i = SMANVC_i(SCMS_d)$ ). For days on or after 2018-04-01, in accordance with the Wholesale Scheme of Charges, when the SPID is not vacant, define LRVSCMS $_d$ , corresponding to LRV $_d$  to create either an LRVSMANVC $_i$  or an SMANVC $_i$  and define RVSCMS $_d$ , corresponding to RV $_d$  to create an RVSMANVC $_i$ . For days when the SPID is vacant (on or after 2017-04-01), SCMS $_d$ , RVSCMS $_d$  and LRVSCMS $_d$  shall be 20mm.

**3.6.8.** The Unadjusted Sewerage Meter Based Charge ( $USMBC_{Kd}$ ) is given by the table of Sewerage Meter Annual Non-Volumetric Charges as

$$USMBC_{Kd} = \frac{SMANVC_i(SCMS_i) \times (1 - VAC_d)}{DIY}$$

for days prior to 2017-04-01 and

$$USMBC_{Kd} = \frac{SMANVC_i(SCMS_i)}{DIY} \times (1 - PPDISC_d)$$

for days on or after 2017-04-01 and prior to 2018-04-01 and

$$USMBC_d = \begin{cases} (RVF \times RVUSMBC_d + (1 - RVF) \times LRVUSMBC_d) \times (1 - PPDISC_d) & \text{if } RVTF = 1 \\ RLRVUSMBC_d (1 - PPDISC_d) & \text{if } RVTF = 0 \end{cases}$$

where

$$RVUSMBC_d = \frac{RVSMANVC_i(RVSCMS_i)}{DIY}$$

and

$$LRVUSMBC_d = \frac{LRVSMANVC_i(LRVSCMS_i)}{DIY}$$

and

$$RLRVUSMBC_d = \frac{SMANVC_i(LRVSCMS_i)}{DIY}$$

for days on or after 2018-04-01.

**3.6.9.** The Unadjusted Discounted Sewerage Meter Based Charge ( $UDSMBC_d$ ) is then given by

$$UDSMBC_{Kd} = USMBC_{Kd} \times (1 - SS3_d - S29e_d)$$

**3.6.10.** Not Used.

**3.6.11.** The Sewerage Meter Based Charge <sup>18</sup>  $SMBC_{Kd}$

$$SMBC_{Kd} = \begin{cases} UDSMBC_{Kd} & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDSMBC_{Kd} \times (1 - PCEd) - SGESSR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

where  $SGESSR_Y$  is the SGES Sewer refund applicable for the Financial Year Y, PCEd is the percentage of the exemption applicable on that day and where  $SER_d$  is the number of Service Element Reports for the SPID.

**3.6.12.** The CMA will allocate the Meter Based Charge to the Licensed Provider for which the SPID was registered in respect of each Settlement Day. It will then aggregate Volumes and Charges, and report them in accordance with CSD0201.

### RV Volumetric Charges

**3.6.13.** For each Settlement Day d in the SPID RV Unmeasurable Chargeable Period define the Rateable Value  $RV_d$ , the Live Rateable Value LRVd and the RV Transition Flag RVTfD.

**3.6.14.** The equivalent Actual Sewerage Yearly Volume  $ASYV_d$  given by

$$ASYV_d = \begin{cases} 0.95 \times (0.0373 \times RV_d - 24) \times (1 - VAC_d) & \text{if } RV_d \geq 650 \\ 0 & \text{otherwise} \end{cases}$$

for days prior to 2018-04-01.

The equivalent RV based Actual Sewerage Yearly Volume  $RVASYV_d$  is given by

$$RVASYV_d = \begin{cases} 0.95 \times [(0.0373 \times RV_d - 24)] \times (1 - VAC_d) & \text{if } RV_d \geq 650 \\ 0 & \text{otherwise} \end{cases}$$

And the equivalent Live RV based Actual Yearly Sewerage Volume  $LRVASYV_d$  is given by

$$LRVASYV_d = \begin{cases} 0.95 \times [(0.0248 \times LRV_d - 24)] \times (1 - VAC_d) & \text{if } LRV_d \geq 960 \\ 0 & \text{otherwise} \end{cases}$$

for days on or after 2018-04-01, where RVF is a transition factor established in accordance with the Wholesale Scheme of Charges.

<sup>18</sup> Compare the footnote at section 2.4.10

and the equivalent Sewerage Derived Daily Volume  $SDDV_d$  is given by

$$SDDV_d = \frac{ASYV_d}{DIY}$$

for days prior to 2018-04-01.

The equivalent RV based Sewerage Daily Derived Volume  $RVSDDV_d$  is given by

$$RVSDDV_d = \frac{RVASYV_d}{DIY}$$

for days on or after 2018-04-01 and

the equivalent Live RV based Sewerage Daily Derived Volume  $LRVSDDV_d$  is given by

$$LRVSDDV_d = \frac{LRVASYV_d}{DIY}$$

for days on or after 2018-04-01.

**3.6.15.** The same calculation used to derive AWA in section 3.3.28 can be used to derive an Equivalent  $AWA_d$  for each day of the RV Unmeasurable Chargeable Period, based upon an equivalent whole year calculation and using the equivalent Actual Sewerage Yearly Volume  $ASYV_d$  and the meter size  $SCMS_d$  for days prior to 2018-04-01. For days on or after 2018-04-01, an equivalent  $RVAWA_d$  and  $LRVAWA_d$  should be calculated, where the same calculation used to derive AWA in section 3.3 can be used to derive the  $RVAWA_d$  and the  $LRVAWA_d$ , based upon an equivalent whole year calculation, using;

- For the  $RVAWA_d$ . The equivalent RV Actual Yearly Volume  $RVASYV_d$  and meter size  $RVSCMS_d$  and specific volumetric prices;  $RVSB_1$  and  $RVCSVP$ .
- For the  $LRVAWA_d$ . The equivalent LRV Actual Yearly Volume  $LRVASYV_d$  and meter size  $LRVSCMS_d$  for the  $LRVAWA_d$  and specific volumetric prices;  $LRVSB_1$  and  $LRVCSVP$ .
- For the  $RLRVAWA_d$ . The equivalent LRV Actual Yearly Volume  $LRVASYV_d$  and meter size  $LRVSCMS_d$  for the  $LRVAWA_d$  and volumetric prices as used for metered Supply Points;  $SB_1$  and  $CSVP$ .

**3.6.16.** The Unadjusted Daily Metered Cost ( $UDMC_d$ ) =

$$UDMC_d = AWA_d \times SDDV_d \times (1 - SS3_d - S29e_d)$$

for days prior to 2017-04-01.

$$UDMC_d = AWA_d \times SDDV_d \times (1 - SS3_d - S29e_d) \times (1 - PPDISC_d)$$

For days on or after 2017-04-01 and prior to 2018-04-01.

$$UDMC_d = \begin{cases} RVF \times RVUDMC_d + (1 - RVF) \times LRVUDMC_d \times (1 - PPDISC_d) & \text{if } RVTF = 1 \\ RLRVUDMC_d \times (1 - PPDISC_d) & \text{if } RVTF = 0 \end{cases}$$

where

$$RVUDMC_d = RVAWA_d \times RVSDDV_d \times (1 - WS3_d - S29e_d)$$

and

$$LRVUDMC_d = LRVAWA_d \times LRVSDDV_d \times (1 - WS3_d - S29e_d)$$

and

$$RLRVUDMC_d = RLRVAWA_d \times LRVSDDV_d \times (1 - WS3_d - S29e_d)$$

for days on or after 2018-04-01.

**3.6.17.** Not Used.

**3.6.18.** The Daily Metered Cost  $DMC_d$ <sup>19</sup> is

$$DMC_d = \begin{cases} UDMC_d & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDMC_d \times (1 - PCE_d) - SGESSR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

<sup>19</sup> Compare the footnote at section 2.4.10

where  $SGESSR_Y$  is the SGES Sewerage refund applicable for the Financial Year  $Y$ ,  $PCEd$  is the percentage of the exemption applicable on that day and where  $SER_d$  is the number of Service Element Reports for the SPID.

**3.6.19.** The CMA will allocate the Meter Based Charge to the Licensed Provider for which the SPID was registered in respect of each Settlement Day. It will then aggregate Volumes and Charges, and report them in accordance with CSD0201.

### **3.7. Re-assessed Charges**

**3.7.1.** Re-assessed Charges were introduced on 1st April 2009. However, it should be noted that the methods within the Central Systems for calculating Re-Assessed Charges do not carry out any verification that the data only applies for periods of time on or after the date of introduction of Re-assessed Charges.

**3.7.2.** Re-assessed Charges are implemented by the use of Pseudo Meters. In respect of Sewerage SPIDs, the Pseudo Meter is installed at the Related Water Supply Point. In respect of Re-assessed charges, there is always such a Related Water Supply Point as in respect of Sewerage Services only Supply Points, there will be a related Pseudo Water Services Supply Point.

**3.7.3.** Subject to the one minor exception noted in the following paragraph, the CMA computes charges for Pseudo Meters as for all other T17 Meter Chains in accordance with sections 3.3 and 3.4. For example, where the related Water SPID has a Pseudo Meter installed for part of a year and a physical meter installed for part of a year, the CMA will compute a single sewerage AWA which is applicable to the sewerage volumes relating to both the Pseudo Meter and the physical meter.

**3.7.4.** When a Pseudo Meter is installed, Scottish Water is obliged under CSD0104 to provide an opening meter read of 0, and both a YVE and a RTS. While the Pseudo Meter is installed, the CMA will reject any other meter reads which are submitted. The CMA will therefore compute the Sewerage Derived Daily Volume using the value of YVE and RTS submitted by Scottish Water (or where applicable appropriate NDA values relating to Trade Effluent). When a Pseudo Meter is removed, Scottish Water must provide a final closing meter read of 0. However, the CMA does not store the closing meter within the meter reads table.

**3.7.5.** Thus, following the removal of the Pseudo Meter, and the CMA will continue to compute the Sewerage Derived Daily Volumes during a T17 Meter Chain Chargeable Period using the values of YVE and RTS submitted (or where applicable NDA values), rather than using the opening and closing meter reads of 0 (which would otherwise provide a zero volume).

### 3.8. Property Drainage

**3.8.1.** This section applies to the Property Drainage charges.

**3.8.2.** The Discounts for the SPID for each day  $d$  in the SPID Chargeable Period are Sewerage Schedule 3 ( $SS3_d$ ), Schedule 29e ( $S29e_d$ ) and whether the SPID is eligible for Scottish Government Exemption Scheme ( $SGES_d$  and  $PCEd$ ).

**3.8.3.** The SPID Settlement Chargeable Period has already been defined as the period time given by the days  $D_l^S$ ,  $D_u^S$ . As above define the relevant Chargeable Period for Property Drainage.

**3.8.4.** For each Settlement Day  $d$  in the relevant Chargeable Period define the Rateable Value  $RV_d$  the Live Rateable Value  $LRV_d$ , the RV Transition Flag  $RVTF_d$  and whether Property Drainage ( $PD_d$ ) is chargeable:

$$PD_d = \begin{cases} 1 & \text{if Property Drainage is chargeable} \\ 0 & \text{if Property Drainage is not chargeable} \end{cases}$$

**3.8.5.** As per the Wholesale Charges Scheme define the Annual Price for Property Drainage per pound Rateable value for the RVd ( $RVDP$ ), for the LRVd ( $LRVDP$ ) and for the LRVd for Supply Points not in transition for the purposes of property drainage charges (PDP).

**3.8.6.** Then define the Unadjusted Property Drainage Charge  $UPDC_d$  as

$$UPDC_d = PDP \times PD_d \times RV_d \times (1 - VAC_d) / DIY$$

for days prior to 2017-04-01.

$$UPDC_d = PDP \times PD_d \times RV_d / DIY$$

for days on or after 2017-04-01 and prior to 2018-04-01 and

$$UPDC_d = \begin{cases} RVF \times RVUPDC_d + (1 - RVF) \times LRVUPDC_d & \text{if } RVTF = 1 \\ RLRVUPDC_d & \text{if } RVTF = 0 \end{cases}$$

where

$$RVUPDC_d = [RVDPDP \times PD_d \times RV_d]/DIY$$

and

$$LRVUPDC_d = [LRVPDP \times PD_d \times LRV_d]/DIY$$

and

$$RLRVUPDC_d = [PDP \times PD_d \times LRV_d]/DIY$$

for days on or after 2018-04-01, where RVF is a transition factor established in accordance with the Wholesale Scheme of Charges.

**3.8.7.** The Unadjusted Discounted Property Drainage Charge  $UDPDC_d$  is given by

$$UDPDC_d = UPDC_d \times (1 - SS3_d - S29e_d)$$

**3.8.8.** The Property Drainage Charge  $PDC_d$ <sup>20</sup> is given by

$$PDC_d = \begin{cases} UDPDC_d & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDPDC_d \times (1 - PCEd) - SGESSR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

Where, as above,  $SGESSR_Y$  is the SGES Sewerage refund applicable for the Financial Year Y, PCEd is the percentage of the exemption applicable on that day and  $SER_d$  is the number of Service Element Reports for the SPID.

**3.8.9.** The CMA will allocate the Property Drainage Charges to the Licensed Provider for which the SPID was registered in respect of each Settlement Day. It will then aggregate the volumes and charges, and report them in accordance with CSD0201.

**3.8.10. Note:** There are a small number of SPIDs on Area Based Property Drainage Charges. The calculation for them is the same as above with the price per area replacing the price per pound Rateable Value, and the area replacing the Rateable Value.

### 3.9. Roads Drainage

**3.9.1.** This section applies to the Roads Drainage charges.

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<sup>20</sup> Compare the footnote at section 2.4.10



**3.9.2.** The discounts for the SPID for each day  $d$  in the SPID Chargeable Period are Sewerage Schedule 3 ( $SS3_d$ ), Schedule 29e ( $S29e_d$ ) and whether the SPID is eligible for Scottish Government Exemption Scheme ( $SGES_d$  and  $PCEd$ ).

**3.9.3.** The SPID Settlement Chargeable Period has already been defined as the period time given by the days  $D_l^S$ ,  $D_u^S$ . As above define the relevant Chargeable Period for Roads Drainage.

**3.9.4.** For each Settlement Day  $d$  in the relevant Chargeable Period define the Rateable Value  $RV_d$ , the Live Rateable Value  $LRV_d$ , the RV Transition Flag  $RVTF$  and whether Roads Drainage ( $RD_d$ ) is chargeable:

$$RD_d = \begin{cases} 1 & \text{if Roads Drainage is chargeable} \\ 0 & \text{if Roads Drainage is not chargeable} \end{cases}$$

**3.9.5.** As per the Wholesale Charges Scheme define the Annual price for Roads Drainage per pound Rateable value for the RVd ( $RVRDP$ ), for the LRVd ( $LRVRDP$ ) and for the LRVd for Supply Points not in transition for the purposes of Roads Drainage Charges ( $RDP$ ).

**3.9.6.** The Unadjusted Roads Drainage Charge  $URDC_d$  is

$$URDC_d = RDP \times RD_d \times RV_d \times (1 - VAC_d) / DIY$$

for days prior to 2017-04-01.

$$URDC_d = RDP \times RD_d \times RV_d / DIY$$

for days on or after 2017-04-01 and prior to 2018-04-01.

$$URDC_d = \begin{cases} RVF.RVURDC_d + (1 - RVF).LRVURDC_d & \text{if } RVTF = 1 \\ RLRVURDC_d & \text{if } RVTF = 0 \end{cases}$$

where

$$RVURDC_d = [RVRDP \times RD_d \times RV_d] / DIY$$

and

$$LRVURDC_d = [LRVRDP \times RD_d \times LRV_d] / DIY$$

and

$$RLRVURDC_d = [RDP \times RD_d \times LRV_d] / DIY$$

for days on or after 2018-04-01, where RVF is a transition factor established in accordance with the Wholesale Scheme of Charges.

**3.9.7.** The Unadjusted Discounted Roads Drainage Charge  $UDRDC_d$  is given by

$$UDRDC_d = URDC_d \times (1 - SS3_d - S29e_d)$$

**3.9.8.** The Roads Drainage Charge <sup>21</sup>  $RDC_d$  is then given by

$$RDC_d = \begin{cases} UDRDC_d & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDRDC_d \times (1 - PCEd) - SGESSR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

Where, as above,  $SGESSR_Y$  is the SGES Sewerage refund applicable for the Financial Year Y, PCEd is the percentage of the exemption applicable on that day and  $SER_d$  is the number of Service Element Reports for the SPID.

**3.9.9.** The CMA will allocate the Roads Drainage Charges to the Licensed Provider for which the SPID was registered in respect of each Settlement Day. It will then aggregate the volumes and charges, and report them in accordance with CSD0201.

### 3.10. Trade Effluent Charges

**3.10.1.** For each Trade Effluent DPID  $T$  establish the DPID "Active Period"  $D_{Tl}^A \leq d < D_{Tu}^A$ . If the DPID has been discontinued, then set  $D_{Tl}^A = D_{Tu}^A$

**3.10.2.** For each Trade Effluent DPID  $T$  establish the DPID Chargeable Period  $D_{Tl}^C \leq d < D_{Tu}^C$  which is the (possibly empty) sub-period for which the Active Period intersects the SPID Settlement Chargeable Period, and is given by where

$$\begin{aligned} D_{Tl}^C &= \max(D_{Tl}^A, D_l^S) \\ D_{Tu}^C &= \min(D_{Tu}^A, D_u^S) \end{aligned}$$

**3.10.3.** If  $D_{Tl}^C \geq D_{Tu}^C$  then the DPID does not have a Chargeable Period for that RF Settlement Period.

<sup>21</sup> Compare the footnote at section 2.4.10

**3.10.4.** The CMA shall use the following procedure for calculating the Daily Actual Volume Discharged ( $DAVD_d$ )

**3.10.5.** For each T17 Meter Chain K define the variable  $TEM_K$  as

$$TEM_K = \begin{cases} 1 & \text{if the T17 Meter Chain is either PrivateEffluent or TankeredEffluent} \\ 0 & \text{if the T17 Meter Chain K is either SWWater or PrivateWater} \end{cases}$$

noting that a T17 Meter Chain K has a constant meter treatment over its entire history.

**3.10.6.** Then define the term NDA Included in Sewerage Calculations  $NDAINC_{Td}$  as

$$NDAINC_{Td} = \begin{cases} 1 & \text{if } \sum_K MDVOL_{KTd} \times (1 - TEM_K) > 0 \\ 0 & \text{if } \sum_K MDVOL_{KTd} \times (1 - TEM_K) = 0 \end{cases}$$

**3.10.7.** Then the Daily Actual Volume Discharged  $DAVD_{Td}$  is

$$DAVD_d = \sum_K (DDV_{Kd} \times (1 - PA_{Td}) \times MDVOL_{KTd}) - \frac{(NDA_{Td} \times NDAINC_{Td} + FA_{Td})}{DIY} \times (1 - VAC_d) \times (1 - TDISC_d)$$

where  $PA_{Td}$  is the Percentage Allowance<sup>22</sup>, and  $FA_{Td}$  is the Fixed Allowance

**3.10.8.** In accordance with the Wholesale Scheme of Charges define the variables Preliminary Treatment Indicator ( $PTI$ ), Biological Treatment Indicator ( $BTI$ ) and Sewage Sludge Indicator ( $SSI$ ) as per the following table.

Treatment Types			
	$PTI$	$SSI$	$BTI$
Sub-primary	0	0	0
Primary	1	$\frac{2}{3}$	0

<sup>22</sup> Expressed as a percentage in Central Systems, but used here as a fraction

Secondary	1	1	1
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**3.10.9.** Then the Unadjusted Daily Availability Charge  $UAC_{C_d}$  can be calculated as <sup>23</sup>

$$UAC_{C_d} = [(CDV_d \times (Ra + PTI \times Va)) + (BTI \times Ba \times sBODl_d) + (SSI \times Sa \times TSSl_d)] \times SF \times (1 - VAC_d)$$

for days prior to 2017-04-01 and

$$UAC_{C_d} = [(CDV_d \times (Ra + PTI \times Va)) + (BTI \times Ba \times sBODl_d) + (SSI \times Sa \times TSSl_d)] \times SF$$

for days on or after 2017-04-01

and the Unadjusted Daily Operating Charge ( $UOP_{C_d}$ ) can be calculated as

$$UOP_{C_d} = DAVD_d \times (Ro + PTI \times Vo + (BTI \times Bo \times (Ot_d/O_s)) + (SSI \times So \times (St_d/S_s)))$$

where the following parameters are derived from the Trade Effluent DPID

- $CDV_d$  = Chargeable Daily Volume of the Trade Effluent in  $m^3$   
 $sBODl_d$  = Settled Biochemical Oxygen Demand load of the Trade Effluent  
 $TSSl_d$  = Total Suspended Solids load of the Trade Effluent  
 $SF$  = Seasonal Factor, which is set to a value of 1.2 where a Discharge Point is subject to seasonal discharge in accordance with the provisions set out in the Wholesale Charges Scheme. In all other cases the CMA sets the Seasonal Factor to a value of 1;  
 $Ot_d$  = the fixed strength (settled Chemical Oxygen Demand) of the Trade Effluent  
 $St_d$  = the fixed strength (settleable solids) of the Trade Effluent

and the following terms are derived from the Wholesale Scheme of Charges:

- $Ra$  = Reception charging component in pence/ $m^3$  per Day  
 $Va$  = Volumetric/Primary charging component in pence/ $m^3$  per Day  
 $Ba$  = Biological Capacity charging component in pence/kg per Day  
 $Sa$  = Sludge Capacity charging component in pence/kg per Day  
 $Ro$  = 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/ $m^3$   
 $O_s$  = The standard strength of settled chemical oxygen Demand of the Foul Sewerage  
 $S_s$  = The standard strength of settleable solids in the foul sewage.

<sup>23</sup> for the avoidance of doubt, this equation will apply unchanged before and after 1st April 2013

**3.10.10.** The Unadjusted Discounted Daily Availability Charge  $UDAC_{C_d}$  and the Unadjusted Discounted Daily Operating Charge ( $UDOP_{C_d}$ ) are given by

$$UDAC_{C_d} = UAC_{C_d} \times (1 - TES3_d)$$

$$UDOP_{C_d} = UOP_{C_d} \times (1 - TES3_d)$$

where  $TES3_d$  is any applicable Trade Effluent Schedule 3 discount.

**3.10.11.** The Daily Availability Charge  $AC_{C_d}$  and the Daily Operating Charge ( $OP_{C_d}$ ) are given by <sup>24</sup>

$$AC_{C_d} = \begin{cases} UDAC_{C_d} & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDAC_{C_d} \times (1 - PCEd) - SGESSR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

$$OP_{C_d} = \begin{cases} UDOP_{C_d} & \text{if no } SGES_d \text{ or } SER_d = 0 \\ UDOP_{C_d} \times (1 - PCEd) - SGESSR_Y / (DIY \times SER_d) & \text{if } SGES_d \text{ and } SER_d > 0 \end{cases}$$

Where, as above  $SGESSR_Y$  is the SGES Sewerage refund applicable for the Financial Year  $Y$ ,  $PCEd$  is the percentage of the exemption applicable on that day and  $SER_d$  is the number of Service Element Reports for the SPID.

**3.10.12.** The CMA will then calculate the Wholesale Charge payable for the Settlement Day  $DTEC_d$  in respect of a Discharge Point using the following formula:

$$DTEC_d = AC_{C_d} + OP_{C_d}$$

**3.10.13.** For the avoidance of doubt, any monthly Trade Effluent charge computed in accordance with CSD0205 is the sum of the relevant terms  $DTEC_d$

**3.10.14.** In respect of RF annual charges, a minimum charge (as set out in the Wholesale Charges Scheme) is payable in respect of a Discharge Point. At the end of each Year, as part of the RF Settlement Run, the CMA will calculate whether the Wholesale Charges payable in respect of a Discharge Point are less than the minimum charge.

**3.10.15.** Where either

- a Sewerage Service Supply Point (with a related Discharge Point) has been vacant for part of the Year (applicable for periods prior to 2017-04-01);
- a Sewerage Services Supply Point (with related Discharge Point(s)) has been registered for a period less than a Year;

<sup>24</sup> Compare the footnote at section 2.4.10

- a Sewerage Services Supply Point (with related Discharge Point(s)) qualifies for exemption under the Scottish Government Exemption Scheme; or
- a Discharge Point was commenced in the Central Systems during the Year,

the CMA will calculate the proportionate minimum charge prior to its use in comparing it to the Wholesale Charges payable in respect of the Discharge Point for that Year, using the following formula:

$$MC_A = MC \times DIY_{DP}/DIY$$

where:

$MC_A$  is the minimum charge payable for the Discharge Point over the Year;

$MC$  is the minimum charge as set out in the Wholesale Charges Scheme for the relevant Year;

$DIY_{DP}$  is the number of days in the relevant Year (for Years prior to 2017 – 04 – 01) within the DPID Chargeable Period that the SPID was neither vacant nor exempt under the Scottish Government Exemption Scheme;

$DIY_{DP}$  is the number of days in the relevant Year (for Years after 2017 – 04 – 01) within the DPID Chargeable Period that the SPID was not exempt under the Scottish Government Exemption Scheme; and

$DIY$  is the number of days in the relevant Year.

**3.10.16.** The CMA will then aggregate the Year Trade Effluent Charges  $YTEC_{DP}$  for each Discharge point by summing the values  $DTEC_d$  for Days which do NOT have a SGES refund charge.

**3.10.17.** The CMA will then compare the Year Trade Effluent Charge against the Discharge Point's minimum charge and where the Year Trade Effluent Charge is less than the Discharge Point's minimum charge ( $YTEC_{DP} < MC_A$ ), then the CMA then will calculate any minimum charge payable by each Licensed Provider (in respect of Settlement Days for which there is not a SGES refund) as follows:

$$MC_{LP} = MC_A \times NRD_{LP}/DIY_{DP}$$

Where:

$MC_{LP}$  is the minimum charge payable by the Licensed Provider in respect of the Discharge Point over the relevant Year (excluding SGES);

$MC_A$  is the minimum charge payable in respect of the Discharge Point for the relevant Year;

$NRD_{LP}$  is the number of days in the relevant Year (for Years prior to 2017 – 04 – 01) that the relevant Supply Point was Registered to the Licensed Provider and the Discharge Point is neither not exempt under the Scottish Government Exemption Scheme nor vacant;

$NRD_{LP}$  is the number of days in the relevant Year (for Years after 2017 – 04 – 01) that the relevant Supply Point was Registered to the Licensed Provider and the Discharge Point is exempt under the Scottish Government Exemption Scheme ; and

$DIY_{DP}$  is the number of days in the relevant Year from the date that the Discharge Point was commenced in the Central Systems.

**3.10.18.** For each Licensed Provider, the CMA will then report the minimum charge  $MC_{LP}$  (as adjusted by the SGES refund for Settlement Days for which a refund is available.)

## A. Appendix

### A.1. Matters arising from the Wholesale Charges Scheme

**A.1.1.** The following assumptions have been made in the implementing the various Whole- sale Scheme of Charges. This Appendix is provided to clarify and formalise the adoption of the various assumptions.

**A.1.2. *20mm Phasing Premium*** This charge is applied for all years for SPIDs which have meters which are charged as 20mm meters (or smaller), but excluding meters with a chargeable size of 0mm.

**A.1.3. *0mm Meters*** Standard volume charges are applied to volumes associated with meters which have been set a chargeable size of 0mm. However, there is no Free Allocation or Capacity Volume associated with such meters, nor are any meter based charges applied.

**A.1.4. *TDISC*** Following clarification from the Commission, all non-volumetric charges are applied during periods of Temporary Disconnection, including meter based charges, roads drainage, property drainage and charges for miscellaneous services.

**A.1.5. *SGES*** For SPIDs which are flagged as exempt under the Scottish Government Exemption Scheme, a payment is made from Scottish Water to the Licensed Provider and a specified percentage of all other charges from the Licensed Provider to Scottish Water are waived.

**A.1.6. *RTS*** For meters with a return to sewer allowance of 0%, all associated Foul Sewerage Meter based annual charges are zero in accordance with the Wholesale Scheme of Charges.

**A.1.7. *Re-assessed Charges*** The Central Systems have the functionality in respect of the Re-assessed Charges which were introduced in 2009-10. There is no functionality which prevents data being submitted for a SPID which charge a SPID in 2008-09 with this method. It is a requirement on Market Participants not to submit data that would utilise this method in 2008-09.

**A.1.8. *Property Drainage*** The Central Systems have a charging method in respect of Property Drainage Charges whereby a few properties which have the Area Property are charged on an area basis. There are no methods for updating the relevant areas for these properties. However, the charges while being correctly calculated are labelled by the system as being "the Property Drainage RV" as opposed to the Area Based Property Drainage charges.



**A.1.9. Metered Volumes** The CSDs have built in specific methods for establishing metered volumes for Measured Supply Points. In particular, it has built in rules in respect of Industry Level Estimates and YVE allowances. The CSDs also describe how meter volumes are interpolated, extrapolated and adjusted for vacancy.

**A.1.10. Multiple Discounts** Where both a Schedule 29e discount and a Schedule 3 discount are submitted in respect of a SPID, these discounts are added. No check is carried out that the discounts add to less than 100%. At present, there is no facility in the Central Systems to apply a Schedule 29e discount to Trade Effluent Charges.

**A.1.11. Proportionality** The Wholesale Charges Scheme defines charges for a volume  $V$  which is allocated across different charge bands (based upon a whole year's usage). The relevant charges bands are proportioned taking account of (i) the length of time a Supply Point (i) is as a Measured Supply Point and (ii) has the LUVA adjustments applied. Similarly, the Phasing Premium is proportioned taking account of the length of time the SPIDs has meter(s) to which the Phasing Premium applies.

**A.1.12. AWA** The whole year AWA calculation is applied to Measured Supply Points and to Supply Points on Reassessed Charges. It is not applied for Unmeasured Supply Points where charges are based upon RV.

**A.1.13. Application of LUVA Adjustment and Phasing Premium** The LUVA Adjustment and the Phasing Premium in the AWA calculations for the year. Other discounts including Schedule 3, Schedule 29e and SGEs are applied per Settlement day.

**A.1.14. LUVA Adjustment** According to the Scheme of Charges the LUVA Adjustment applies Large User Volume Agreements (LUVA) as in 2006/07. The Central Systems applies the adjustment to SPIDs in accordance with the way the LUVA flag is set for the period or sub-period of the Settlement Run.

**A.1.15. Negative Volumes** If a series of meter reads is not all monotonically increasing (taking account where applicable of the rollover algorithm) it is possible for the Central Systems to compute negative volumes for a SPID. If the total volume of water or sewerage supplied over the course of a year is negative, then the relevant AWA and the volumetric charges will be zero. However, where the total volume supplied to a SPID to be positive, but negative volumes occur either in respect of a single

meter for the full year, or for the SPID for part of the year then the charges in respect of that single meter or that part of the year will be negative.

**A.1.16. *TE Minimum Charges*** Minimum Charges for Trade Effluent are applied per DPID rather than per SPID. They are pro-rated for the length of time a DPID is active over the course of the year. In respect of a single SPID with multiple DPIDs, a greater than minimum charge on one DPID does not offset charges on another DPID which does not reach the minimum.

**A.1.17. *TE Minimum Charges*** Where there are multiple LPs which share a DPID which needs to have minimum charges applied then the allocation of minimum charges is pro-rata on a daily basis, irrespective of volumetric charges occurred by each LP. See CSD0206 for details.

**A.1.18. *Percentages and Fractions*** A number of variables in this CSD which represent fractions are expressed as percentages within the Wholesale Scheme of Charges. The equations in this CSD use them as fractions rather than as percentage. Thus the CSD has equations with the terms such as  $(1 - f)$  rather than terms with explicit percentages such as  $(1 - \frac{f}{100})$ .

## A.2. Variables

**A.2.1.** This section provides details of all the variables used in this CSD0207.

Actual Daily Volume	$ADV_{Kd}$
Actual Sewerage Yearly Volume	$ASYV$
Actual Yearly Volume	$AYV$
Allocated Tranche	$VFA$
Annual Price Croft Outside Tap	$COTP$
Annual Price Croft Troughs and Drinking Bowls	$CTDBP$
Annual Price Farm Outside Tap	$FOTP$
Annual Price Farm Troughs and Drinking Bowls	$FTDBP$
Annual Price Property Drainage	$PDP$
Annual Price Roads Drainage	$RDP$

Annual Volumes (per charge band)	$VA_1, VA_2, VA_3$
Annual Weighted Average	$AWA$
Availability Charge	$AC_{Cd}$
Biological Capacity charging component in pence/kg per Day	$Ba$
Biological Treatment Indicator	$BTI$
Capacity Volume Charge	$CVCHARGE$
Capacity Volume Price	$CVP$
Capacity Volume Threshold	$CVT_i$
Chargeable Daily Volume of the Trade Effluent in $m^3$	$CDV_d$
Connected	$CONN_d$
Consumption Indicator	$Cl_d$
Croft	$CROFT_d$
Daily Actual Volume Discharged	$DAVD_d, DAVD_{Td}$
Daily Availability Charge	$AC_{Cd}$
Daily Metered Cost	$DMC_d, DMC_{Kd}$
Daily Operating Charge	$OP_{Cd}$
Daily Trade Effluent Charge	$DTEC_d$
Daily Volume	$DV_{Ld}, DV_{Kd}$
Days	$D_1, D_2$
Days in Year	$DIY$
Days in Year within DPID Chargeable Period DPID neither vacant nor in SGES	$DIY_{DP}$
DPID	$T$
Derived Daily Volume	$DDV_{Kd}$
DPID Active Period	$D_{Tl}^A, D_{Tu}^A$

DPID Chargeable Period	$D_{Tu}^C, D_{Tu}^C$
DPID Minimum Charge (and LP's share)	$MC_A, MC_{LP}$
Equivalent AWA	$AWA_d$
Equivalent Actual Sewerage Yearly Volume	$ASYV_d$
Equivalent Actual Yearly Volume	$AYV_d$
Estimated Daily Volume	$EDV_{Kd}$
Farm	$FARM_d$
Fixed Allowance	$FA_{Td}$
Fixed strength (settled Chemical Oxygen Demand) of the Trade Effluent	$Ot$
Fixed strength (settleable solids) of the Trade Effluent	$St$
Industry Level Estimates	$ILE$
Live Rateable Value	LRVd
Lower Meter Size	$LMS, LMS_i$
LUVA Adjustment	$LACHARGE$
LUVA Annual Volume	$LAV$
LUVA Annual Volume(per charge band)	$LVA_1, LVA_2, LVA_3$
LUVA Charge Bands	$LV_1, LV_2, LV_3$
LUVA Chargeable	$LC_d$
LUVA Phasing	$LPP_1, LPP_2, LPP_3$
LUVA Proportion	$LUVAP$
LUVA Volume Limits	$VLL, V_1, V_2$
Meter Active	$MA_{Kd}$
Meter Advance Chargeable Days	$MACD$
Meter Advance Period	$MAP$

Meter Advance Volume	$MAV$
Meter DPID Association	$MDASSOC_{KTd}$
Meter DPID Volume	$MDVOL_{KTd}$
Meter Capacity Volume Threshold	$MCVT_{KTd}$
Meter Free Allocation	$MFA, MFA_{Kd}$
Meter Readings	$R_1, R_2$
Meter Sewerage Capacity Volume Threshold	$MSCVT_{Kd}$
Meter Sewerage Free Allocation	$MSFA, MSFA_{Kd}$
Meter Size	$MS_i$
NDA Included	$NDAINC$
NDA Split	$NDASPLIT$
Non Domestic Allowance	$NDA_{Td}$
Number of Days DPID registered to an LP and neither vacant nor SGES	$NRD_{LP}$
Number of table items	$nT$
Outside Taps	$OT_d$
Outside Taps Charge	$OTC_d$
Percentage Allowance	$PA_{Td}$
Percentage Exemption for the day	$PCEd$
Phasing Premium for the Year	$PP_Y$
Phasing Premium Charge	$PPCHARGE$
Preliminary Treatment Indicator	$PTI$
Premium Chargeable	$PC_{Kd}$
Premium Phasing	$PP$
Premium Volume	$PVA$

Private	$PVT_K$
Property Drainage	$PD_d$
Property Drainage Charge	$PDC_d$
Proportional Capacity Volume Threshold	$PCVT$
Proportional Free Allocation	$PFA$
Proportional LUVA Volume limits	$PLVLL, PLV_1, PLV_2$
Proportional Phasing Premium Free Allocation	$PPPFA$
Proportional Premium Volume Limit	$PPVL$
Proportional Volume Limits	$PV_1, PV_2$
Return to Sewerage	$RTS_{Kd}$
Roads Drainage	$RD_d$
Roads Drainage Charge	$RDC_d$
Rateable Value Factor	$RVF$
Rateable Value	$RV_d$
Reception charging component in pence/ $m^3$	$Ro$
Reception charging component in pence/ $m^3$ per Day	$Ra$
RV Unmeasurable Period	$D_l^{RV}, D_u^{RV}$
RV Unmeasurable Chargeable Period	$D_l^C, D_u^C$
Schedule 29e Discount	$S29e_d$
Seasonal Factor	$SF$
Settlement Day	$d$
Secondary Treatment charging component in pence/ $m^3$	$Bo$
Service Element Reports	$SER_d$
Sewage Sludge Indicator	$SSI$

Sewerage Allocated Tranche	<i>SFA</i>
Sewerage Capacity Volume Charge	<i>SCVCHARGE</i>
Sewerage Capacity Volume Price	<i>SCVP</i>
Sewerage Capacity Volume Thresholds	<i>SCVT<sub>i</sub></i>
Sewerage Chargeable Meter Size	<i>SCMS<sub>Kd</sub></i>
Sewerage Derived Daily Volume	<i>SDDV<sub>Kd</sub></i>
Sewerage Meter Chargeable	<i>SMC<sub>Kd</sub></i>
Sewerage Meter Annual Non-Volumetric Charge	<i>SMANVC<sub>i</sub></i>
Sewerage Meter Based Charge	<i>SMBC<sub>Kd</sub></i>
Sewerage Proportional Capacity Volume Threshold	<i>SPCVT</i>
Sewerage Proportional Free Allocation	<i>SPFA</i>
Sewerage Schedule 3	<i>SS3</i>
Sewerage Standard Volume Charge	<i>SSVCHARGE</i>
Sewerage Standard Volume Price	<i>BS1</i>
Sludge Treatment charging component in pence/m <sup>3</sup>	<i>So</i>
Sludge Capacity charging component in pence/kg per Day	<i>Sa</i>
SPID Chargeable Period	<i>D<sub>l</sub><sup>A</sup>, D<sub>u</sub><sup>A</sup></i>
SPID Settlement Chargeable Period	<i>D<sub>l</sub><sup>S</sup>, D<sub>u</sub><sup>S</sup></i>
SPID SWWater Meter Active	<i>SSWMA<sub>d</sub></i>
SPID Water Meter Chargeable	<i>SWMC<sub>d</sub></i>
Sewerage Schedule 3 Discount	<i>SS3<sub>d</sub></i>
SGES Refund Applicable	<i>SGES<sub>d</sub></i>
SGES Water Refund	<i>SGESWR</i>
SGES Sewerage Refund	<i>SGESSR</i>

Standard strength of Settled Chemical Oxygen Demand of the foul sewage	$O_s$
Standard strength of settleable solids in the foul sewage	$S_s$
Standard Volume Charge	$SVCHARGE$
Trade Effluent Meter	$TEM_K$
Trade Effluent Schedule 3	$TES3_d$
Trade Effluent Yearly Estimate Volume	$TEYVE$
T17 Meter Chain	$K$
T17 Meter Chain "Active Period"	$D_{Kl}^A, D_{Ku}^A$
T17 Meter Chain Chargeable Period	$D_{Kl}^C, D_{Ku}^C$
Tabular Meter Size	$TMS_{Kd}$
Temporarily Disconnected	$TDISC_d$
Total LUVA Days	$TLD$
Total Premium Days	$TPD$
Total Sewerage Meter Chargeable	$TSMC_d$
Total SWWater Meter Active Days	$TSWMAD$
Troughs and Drinking Bowls	$TBD_d$
Troughs and Drinking Bowls Charge	$TBDC_d$
Unadjusted Daily Availability Charge	$UAC_{Cd}$
Unadjusted Daily Operating Charge	$UOP_{Cd}$
Unadjusted Actual Daily Volume	$UADV_{Kd}$
Unadjusted Daily Metered Cost	$UDMC_{Kd}$
Unadjusted Discounted Daily Availability Charge	$UDAC_{Cd}$
Unadjusted Discounted Daily Operating Charge	$UDOC_{Cd}$
Unadjusted Discounted Outside Taps Charge	$UDOTC_d$



Unadjusted Discounted Property Drainage Charge	$UDPDC_d$
Unadjusted Discounted Roads Drainage Charge	$UDRDC_d$
Unadjusted Discounted Troughs and Drinking Bowls Charge	$UDTDBC_d$
Unadjusted Discounted Sewerage Meter Based Charge	$UDSMBC_{Kd}$
Unadjusted Discounted Water Meter Based Charge	$UDWMBC_{Kd}$
Unadjusted Estimated Daily Volume	$UEDV_{Kd}$
Unadjusted Outside Taps Charge	$UOTC_d$
Unadjusted Property Drainage Charge	$UPDC_d$
Unadjusted Roads Drainage Charge	$URDC_d$
Unadjusted Sewerage Meter Based Charge	$USMBC_{Kd}$
Unadjusted Troughs and Drinking Bowls Charge	$UTDBC_d$
Unadjusted Water Meter Based Charge	$UWMBC_{Kd}$
Uncapped Premium Annual Volume	$UPAV$
Upper Meter Size	$UMS$
Vacancy Adjusted SPID SWWater Meter Active	$VASSWMA_d$
Vacant	$VAC_d$
Volumetric/Primary charging component in pence/ $m^3$	$V_o$
Volumetric/Primary charging component in pence/ $m^3$ per Day	$V_a$
Water Chargeable Meter Size	$WCMS_{Kd}$
Water Schedule 3 Discount	$WS3_d$
Water knots	$V_1, V_2$
Water Meter Annual Non-Volumetric Charge	$WMANVC_i$
Water Meter Based Charge	$WMBC_{Kd}, WMBC_d$
Water Standard Volume Prices	$B_1, B_2, B_3$

Yearly Proportion	<i>YP</i>
Year	<i>Y</i>
YVE	<i>YVE</i>

### A.3. Meter Advance Periods

**A.3.1.** The terms “Meter Pre-Advance Periods”, “Meter Advance Periods”, and “Meter Post-Advance Periods” are all formally defined in the Market Code, Schedule 1. The following diagrams are provided as an aid to the correct interpretation of each of these terms. In the event of a conflict between any of these terms and the diagrams below, the definition in the Market Code shall prevail.

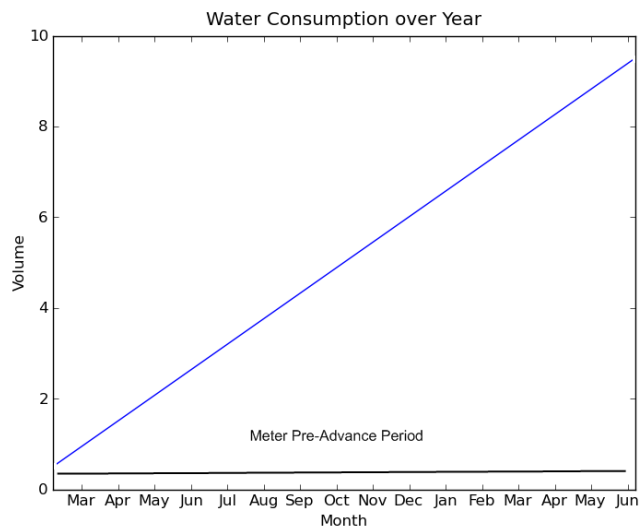


Figure 1: A Single Meter which is Active in Central Systems (from cutover). No reads. Whole period is a “Meter Pre-Advance Period” Volumes estimated from either: YVE if submitted, else Industry Level Estimates (ILE).

**Note** – as per definition; changes to meter Water or Chargeable Sewerage Size would force multiple Meter Pre-Advance Periods in all the examples.

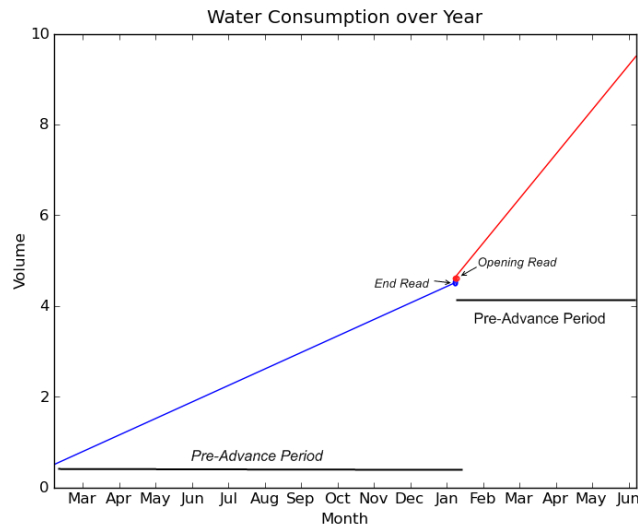


Figure 2: A T17 Meter Chain which is Active in the Central Systems (from cutover). Two Meter Pre-Advance Periods First meter has a single “End” Read. Volumes estimated from appropriate YVE or ILE. Second meter has a single “Opening” Read. Volumes estimated from appropriate YVE or ILE. **Note 1**- YVE is set separately for each meter. **Note 2** - a change in meter size for either meter would force a new Meter Pre-Advance Period

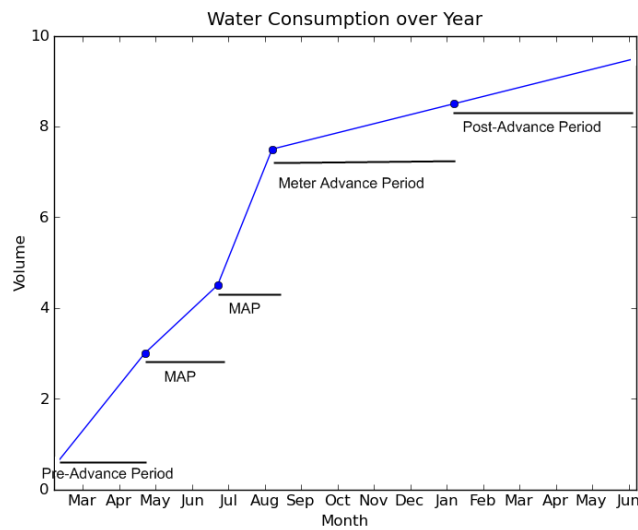


Figure 3: A single meter which is Active in the Central Systems (from cutover) with several reads. The diagram shows (i) A Meter Pre-Advance Period; (ii) Several Meter Advance Periods; and (iii) A Meter Post Advance Period