

MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL

Form
version 2.1

Change Proposal reference
(To be completed by the TP Sec.)

MCCP276

Version No.

D.1

PART A — SUBMISSION

A.1. GENERAL DETAILS

A.1.a. TITLE Meter Read Frequency change – correction of Performance Standard

A.1.b. COMPANY Scottish Water

Change Proposals must be authorised by the person designated by the signatory to the Market Code Framework / Accession Agreement

A.1.c. AUTHORISED
SIGNATURE

NAME

A.1.d. CONTACT
NAME

Richard Lavery

CONTACT EMAIL;
TEL./MOB.

Richard.lavery@scottishwater.co.uk
07875 873845

A.1.e. ASSOCIATED
MCCP /
OCCP

A.1.f. ASSOCIATED
DOCS.

A.1.g. PROPOSED
URGENCY

NON-URGENT

A.1.h. REASONS FOR
URGENCY

The CMA CEO will review this information and make a decision as to whether to take this MCCP / OCCP forward as urgent as defined under Market Code Part 8.9.1

A.2. MCCP / OCCP DETAILS

A.2.a. ISSUE OR DEFECT WHICH THIS MCCP / OCCP SEEKS TO ADDRESS Required under Market Code Parts 8.7.1 (ii) (b) and 8.8.1 (ii) (b)

The purpose of this change is to address what is assumed to be an unintended anomaly in the calculation rules for Performance Standard R10B which can cause a Licensed Provider to incur a failure (and therefore a Performance Standard Charge) without having first had the opportunity to meet the standard.

Performance Standards for Missed Meter Readings

CSD002 defines the Performance Standards which are applied to Trading Parties, and which are the basis of Performance Standard Charges. These include R10A and R10B which are for Missed Meter Readings on bi-annually read meters and monthly read meters respectively.

These standards require that a meter read must be submitted within 40 business days for a Monthly Read Meter or 160 business days for a Bi-annually Read Meter. These timescales are measured from the latest of:

- The last meter read
- The last switch of LP
- The last Performance Standard failure under R10A or R10B (as appropriate)

Meter Read Frequency

The Market Code defines a Monthly-Read meter as one which carries:

- (i) an 80mm or above chargeable size; or
- (ii) supplies subject to Schedule 3 Agreements; or
- (iii) supplies to a Supply Point taking more than 100,000m³ per annum;

All other meters are Bi-annually Read.

A meter's read frequency may therefore change over time as a result of a change in consumption, chargeable meter size or Schedule 3 agreement. Meter Read Frequency is a Scottish Water owned data item in the Central Systems. Scottish Water undertakes an annual review of the read frequency of all meters and makes amendments to the Central Systems where required.

Change of Read Frequency and impact on Performance Standards

The definition of the Performance Standard R10B for monthly read meters does not currently cater for the scenario where a meter's read frequency has changed i.e. this does not 'reset the clock' on the measurement of the Performance Standard. This means that if a meter changes from Bi-annually Read to Monthly Read it can automatically fail the Performance Standard before the LP has had the chance to read the meter under the new frequency. For example:

- A Bi-annually Read Meter is read on 1 January
- Performance Standard R10A (for Bi-Annually Read Meters) applies and will expire around 1 August
- Meter Read Frequency is amended to Monthly Read on Central Systems (and LP notified) on 1 June
- Because c100 Business Days have already passed since the last reading, the meter immediately incurs a Performance Standard failure meaning it is impossible for the LP to react to the change of read frequency and avoid incurring a Performance Standard Charge.

A.2.b. DESCRIPTION OF THE NATURE AND PURPOSE OF THE MCCP / OCCP AND HOW IT MEETS THE MARKET CODE / OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS
 Required under Market Code Parts 8.7.1 (ii) (c) and 8.8.1 (ii) (c)

General Description

The proposal is for change of Meter Read Frequency to be added to the list of events from which the R10B Performance Standard is measured.

This would mean that a change of Meter Read Frequency would effectively restart the clock on the measurement of the R10B Performance Standard, ensuring that the LP is allowed the usual time period to take a meter reading.

Principles and Objectives affected

PRINCIPLE	AFFECTED (Y/N)	DESCRIPTION
Proportionality	Y	The proposed change will address an unintended anomaly in the current calculation rules
Transparency	Y	The proposed change will address an unintended anomaly in the current calculation rules
Simplicity, Cost-effectiveness, and Security	Y	The proposed change will address an unintended anomaly in the current calculation rules
Non-exclusivity	N	
Barriers to Entry	N	
Customer Contact	N	
Non-discrimination	N	
Non-detrimental to SW Core Functions	N	
MC / OC OBJECTIVES		

A.2.c. IMPACT
 Required under Market Code Parts 8.7.1 (ii) (d), (f) and (g), and 8.8.1 (ii) (d) and (f)

CONFIGURED ITEM	IMPACTED (Y/N)	DESCRIPTION
MC / OC	N	

CSDs	Y	Proposed drafting below
Wholesale Services Agreements	N	
Licenses	N	
CMA Central Systems	N	
CMA business processes	N	
Trading Party systems	N	
Trading party business processes	N	

A.2.d. DRAFT LEGAL TEXT

Required under Market Code Parts 8.7.1 (ii) (d) and 8.8.1 (ii) (d)

Section 5 of CSD0002

Success criteria for R10B

Success if a monthly read meter with a Meter Treatment of SWWater, PrivateWater or PrivateEffluent, is read within 40 BDs (excluding periods of vacancy or disconnection) of the later of:

- 31st March 2011
- The last meter read for that meter
- The date of submission of an I, O, or Y read
- The date the last Performance Charge (if any) was applied in respect of measure R10B for this meter.
- The last Registration Start Date for the associated Supply Point
- **The last date that the Meter Read Frequency of the meter changed**

A.3. IMPLEMENTATION DETAILS

A.3.a. PROPOSED IMPLEMENTATION DATE OR LEAD TIME

Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section A.2.c. Any quoted lead time should commence from date of Approval.

September 2022

A.3.b. ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION

A.4. ANY OTHER COMMENTS

Indicative User Requirements are as follows:

UR 1 Changes should be made as per the changes to the PSURS, as follows (red text):

PPSUR – 3.10

R10 Missed Meter Reads (LP) Performance Charge Component

<p>Summary</p>	<p>These parameters identify the components of charge for the sum of the failures within the reporting month, by an LP, to provide:</p> <ul style="list-style-type: none"> • A valid meter read within the required timescales for that meter (being SW Water, Private Water or Private Effluent). Where failure is determined to be: • For a bi-annually read meter: No valid read within 160 BDs (excluding periods of vacancy or disconnection) of the later of: <ul style="list-style-type: none"> ○ 2010-12-31 ○ The meter install date, being the meter EFD. ○ The last read for that meter ○ The most recent completed RSD ○ The date on which the last R10A performance charge for the meter occurred. • For a monthly read meter: No valid read within 40 BDs (excluding periods of vacancy or disconnection) of the later of: <ul style="list-style-type: none"> ○ 2011-03-31 ○ The meter install date ○ The last read for that meter ○ The most recent completed RSD ○ The date on which the last R10B performance charge for the meter occurred. ○ The most recent date that the Meter Read Frequency of the meter changed • In both cases, failure creates a Level 3 Charge.
<p>Input Data and Source</p>	<ul style="list-style-type: none"> • Period Start Date: being the first calendar day of the reporting month • Period End Date: being the last calendar day of the reporting month • R10A Default Date • R10B Default Date • R10A Business Day Threshold • R10B Business Day Threshold • Level 3 Charge • Meter ID • Last completed RSD • Meter Read Frequency and change thereof • Meter Reads with type and date
<p>Calculation/Process</p>	<p><u>Step 1</u> Identify all relevant meters (to be checked for success/fail), being meters that meet the following criteria:</p> <ul style="list-style-type: none"> • Meters with a D3002_MeterTreatment of SW Water, Private Water, Private Effluent. • Meter EFD prior to, or equal to the Report End Date • Meter ETD later than the Report End Date • Meters associated with WS SPIDs that have a D2025 SPID Status of Partial, REC (i.e. Tradable) or TDISC on the Previous Action Date and on the Compare To Date. <p><u>Step 2</u> Identify the Previous Action Date and the Previous Action Type as being the later of:</p> <ul style="list-style-type: none"> • The R10A/R10B Default Date, as appropriate. • Meter Read and Date – being the latest read prior to or equal to the Period End Date for the month prior to the reporting month. • The most recent completed RSD for the associated SPID for the month prior to the reporting month.

	<ul style="list-style-type: none"> • Meter Install and Date - being the EFD of the meter. • Performance Charge Date - being the most recent Failure Date that the last R10A or R10B occurred. • The most recent date that the Meter Read Frequency of the meter changed (for R10B only) <p><u>Step 3</u> Identify the Compare To Date as being the earliest of:</p> <ul style="list-style-type: none"> • Period End Date • D3009_MeterReadDate – being the first meter read on or after the Report Start Date and on or before the Report End Date <p><u>Step 4</u> Calculate Business Days Between (BDB) for each meter as: BDB = BDs for (Compare To Date – Previous Action Date), less any BDs when the associated SPID was vacant or TDISC within that period</p> <p><u>Step 5</u> Identify failures, being, for each meter:</p> <ul style="list-style-type: none"> • BDB is greater than the R10A Business Day Threshold, for an R10A Failure (for bi-annually read meters) and • BDB is greater than the R10B Business Day Threshold, for an R10B Failure (for monthly read meters). • For both of the above, only if the associated failure date is on or prior to the Period End Date. <p><u>Step 6</u> Identify successes, being, for each meter:</p> <ul style="list-style-type: none"> • BDB is less than or equal to the R10A Business Day Threshold, for an R10A Failure (for Bi-annually read meters) and • BDB is less than or equal to the R10B Business Day Threshold, for an R10B Failure (for monthly read meters). • For both of the above, only if the Compare To Date is a D3009 Meter Read Date. <p><u>Step 7</u> Identify Success Dates and Failure Dates for each such instance:</p> <ul style="list-style-type: none"> • Success Date = D3009 Meter Read Date – being the first meter read on or after the Report Start Date and on or before the Report End Date, if it exists. • Failure Date = Previous Action Date + R10A/R10B Business Day Threshold + 1, ignoring any days on which the associated SPID is vacant, TDISC, or both. <p><u>Step 8</u> Identify the relevant LP: being the Current LP at a relevant Success Date, or the Current LP at the relevant Failure Dates.</p> <p><u>Step 9</u> Calculate R10A and R10B CMA Performance Charge Components for the LP responsible for the meter on the Failure Date: Sum all R10A Failures for all relevant meters for that LP and multiply by the Level 3 Charge. Sum all R10B Failures for all relevant meters for that LP and multiply by the Level (3) Charge.</p>
<p>Output Data and Location</p>	<ul style="list-style-type: none"> • GPSUR 4. R10A and R10B Failures, with Failure Dates and: the Date of the previous Success or Failure, the Previous Action Type and Previous Action Date and BDB for each meter for each LP. • PPSUR 2.3. Sum of Level 3 Charges for each LP

PART B — TP ASSESSMENT

B.1. ASSESSMENT PROCESS

B.1.a. ASSESSMENT START DATE	2022-01-12	ASSESSMENT END DATE	2021-12-09
B.1.b. IMPACT ASSESSMENT REQUIREMENT	IA REQUIRED		
B.1.c. CONSULTATION REQUIREMENT	TP CONSULTATION NOT REQUIRED		
B.1.d. ASSOCIATED DOCUMENTS (to this Part B)			

B.2. ASSESSMENT DETAILS

B.2.a. CHANGE SPECIFICATION AND IMPACT (if different from that originally submitted)			
B.2.b. DRAFT LEGAL TEXT (if different from that originally submitted)			
B.2.c. TP ASSESSMENT Taking into account complexity, importance and urgency, and having regard to whether or not such proposal is within the relevant Objectives and Principles as required under Market Code Parts 8.7.1 (v) and 8.8.1 (iv)			
Impact on Principles and Objectives (if different from that originally submitted)			
Cost Estimate	£4.8k (IA +33%)		
Benefit Estimate (L: < 10k, M: £10k to £100k, H: > £100k)	Assume: M		
B.3. TP DECISION	TP APPROVED		
B.4. FINAL TP VIEWS	Unanimously approved on 9 th December 2021		
B.5. PLANNED IMPLEMENTATION DATE	September 2022		

WITHDRAWN BY PROPOSER?	No
COMMENTS	
DATE OF WITHDRAWAL	

PART C — COMMISSION APPROVAL

C.1. DATE FINAL REPORT ISSUED TO COMMISSION	2022-01-26
C.2. APPROVAL STATUS	APPROVED CHANGE
C.3. DATE OF APPROVAL STATUS	2022-03-30
C.4. COMMISSION RESPONSE REFERENCE	CMA CP300322

PART D — IMPLEMENTATION

D.1. IMPLEMENTATION DATE	2022-09-22
D.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	
CSD0002 v17	