

# MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL

Form  
version 3.0

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

**MCCP289**

Version No.

**D.2**

## PART A — SUBMISSION

### A.1. GENERAL DETAILS

A.1.a. TITLE Volume Conversion Factors

A.1.b. COMPANY CMA

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

Damian Sharp

CONTACT EMAIL;  
TEL/MOB.

[damian.sharp@cmascotland.co.uk](mailto:damian.sharp@cmascotland.co.uk)

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 DETAILS

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

The use of live RVs for settlement means that Scottish Water may need to update the conversion in its Wholesale Scheme of Charges from live RV to equivalent volume after each periodic revaluation of non-domestic rates. This is so that Scottish Water maintains overall revenue neutrality following the revaluation.

Any changes to the conversion factors impact the formulae in CSD0207 Sections 2.6.13 (unmeasured water) and 3.6.13 (unmeasured sewerage).

These formulae are currently written with values specified directly rather than as variables. For example, the formula in Section 2.6.13 currently reads

$$AYV_d = \begin{cases} ((0.0252 \times LRV_d - 24) \times (1 - VAC_d) \times (1 - TDISC_d)) & \text{if } LRV_d \geq 960 \\ 0 & \text{otherwise} \end{cases}$$

It would be more flexible to convert the specified values to variables so that there is no need to update CSD0207 each time Scottish Water updates its Wholesale Scheme of Charges.

### A.2.b. DESCRIPTION OF THE NATURE AND PURPOSE OF THE MCCP AND HOW IT MEETS THE MARKET 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

This proposal seeks to amend Sections 2.6.13 and 3.6.13 of CSD0207 (as already amended by MCCP279) to be more flexible in handling changes to Scottish Water's Wholesale Scheme of Charges following periodic revaluations of non-domestic rates by the SAA.

This would bring these sections into a similar format to other charging calculations in CSD0207.

The proposal would reduce the burden on Scottish Water, the CMA and the Technical Panel by reducing the number of changes to be considered to CSD0207 in the future.

The proposal also takes the opportunity to correct a typo in Section 3.6.13. This correction impacts the document only: the correct calculation has been carried out in settlement.

#### Principles and Objectives affected

CMA Guidance Note GN009 may be referred to for assistance with this section

| PRINCIPLE                                    | AFFECTED (Y/N) | DESCRIPTION   |
|--|----------------|---|
| Proportionality                              | Y              | Reduces the number of future changes to be considered by market participants                            |
| Transparency                                 | N              |   |
| Simplicity, Cost-effectiveness, and Security | Y              | Simplifies the process of reflecting changes in Scottish Water's Wholesale Scheme of Charges in CSD0207 |
| Non-exclusivity                              | N              |   |

|                                      |   |   |
|--------------------------------------|---|---|
| Barriers to Entry                    | N |   |
| Customer Contact                     | N |   |
| Non-discrimination                   | N |   |
| Non-detrimental to SW Core Functions | Y | Simplifies actions Scottish Water needs to take to implement changes to Wholesale Scheme of Charges |
| MC / OC OBJECTIVES                   | N |   |

| A.2.c. IMPACT<br>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              | CSD0207            |
| Wholesale Services Agreements   | N              |                    |
| Licences  | N              |                    |
| CMA Central Systems   | N              | Documentation only |
| 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)

Code Subsidiary Document CSD0207, Section 2.6.13 shall be changed as follows (changes already approved in M CCP279 in blue text, new changes in red text):

The equivalent Actual Yearly Volume  $AYV_d$  is given by

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

for days prior to 2018-04-01.

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

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

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

$$LRVAYV_d = \begin{cases} \frac{[(0.0252 \times LRV_d - 24) \times (1 - VAC_d) \times (1 - TDISC_d)]}{0} & \text{if } LRV_d \geq 960 \\ 0 & \text{otherwise} \end{cases}$$

for days on or after 2018-04-01 and prior to 2020-04-01.

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 prior to 2020-04-01 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 and prior to 2020-04-01.

$$AYV_d = \begin{cases} ((0.0252 \text{ VCF} \times LRV_d - 24 \text{ UV}) \times (1 - VAC_d) \times (1 - TDISC_d)) & \text{if } LRV_d \geq 960 \text{ TRV} \\ 0 & \text{otherwise} \end{cases}$$

where VCF is a volume conversion factor, UV is the uncharged volume and TRV is the threshold RV, all 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 on or after 2020-04-01.~~

Code Subsidiary Document CSD0207, Section 3.6.13 shall be changed as follows (red text):

The equivalent Actual Sewerage Yearly Volume  $ASYV_d$  is given by

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

~~for days prior to 2018-04-01.~~

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

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

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

$$LRVASYV_d = \begin{cases} \frac{0.95 \times [(0.0252 \times LRV_d - 24)] \times (1 - VAC_d) \times (1 - TDISC_d)}{0} & \text{if } LRV_d \geq 960 \\ 0 & \text{otherwise} \end{cases}$$

~~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 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 prior to 2020-04-01 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 and prior to 2020-04-01 and~~

$$ASYV_d = \begin{cases} 0.95 \times (0.0252 \text{ VCF} \times LRV_d - 24 \text{ UV}) \times (1 - VAC_d) \times (1 - TDISC_d) & \text{if } LRV_d \geq 960 \text{ TRV} \\ 0 & \text{otherwise} \end{cases}$$

where VCF is a volume conversion factor, UV is the uncharged volume and TRV is the threshold RV, all established in accordance with the Wholesale Scheme of Charges

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

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

~~for days on or after 2020-04-01.~~

If changes are identified for CSD0301 Data Transaction Catalogue Annex, these will not be provided in this MCCP, but will be provided following the deployment of the associated system updates. This is because the majority of CSD0301 Annex is system generated automatically and can only be updated after associated changes have been incorporated into the relevant system.

### 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.

This is a documentation-only change with no change to settlement until Scottish Water changes the volume conversion factor in a future Wholesale Scheme of Charges.

The 1 April 2020 to 31 March 2023 values are:

$$VCF = 0.0252$$

$$UV = 24$$

$$TRV = 960$$

The change can be implemented on approval of this MCCP by the TP and subsequent consultation by WICS. The change will be required prior to the first settlement run for 2023/24.

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

#### A.4. ANY OTHER COMMENTS

## PART B — TP ASSESSMENT

### B.1. ASSESSMENT PROCESS

|  |  |                     |            |
|--|--|---------------------|------------|
| B.1.a. ASSESSMENT START DATE                 | 2022-11-29                             | ASSESSMENT END DATE | 2022-11-29 |
| B.1.b. IMPACT ASSESSMENT REQUIREMENT         | IA NOT REQUIRED                        |                     |            |
| B.1.c. CONSULTATION REQUIREMENT              | TP CONSULTATION NOT REQUIRED /REQUIRED |                     |            |
| B.1.d. ASSOCIATED DOCUMENTS (TO THIS PART B) |  |                     |            |

### B.2. ASSESSMENT DETAILS

#### B.2.a. CHANGE SPEC AND IMPACT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)

This is a documentation-only change. The central systems are already designed and developed with this level of flexibility.

#### B.2.b. CMA INTERNAL SYSTEMS IMPACT

None.

#### B.2.c. DRAFT LEGAL TEXT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)

#### B.2.d. CUSTOMER IMPACT (TO BE COMPLETED BY LPS)

No impact on customers as this change is solely a documentation change to make the VCF variable to reduce the potential CSD changes needed in future should the VCF change.

#### B.2.e. 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

Benefit Estimate  
(L: < 10k, M: £10k to £100k, H: > £100k)

### B.3. TP DECISION

TP APPROVED

### B.4. FINAL TP VIEWS

Unanimously approved by the TP on 8/12/22

### B.5. PLANNED IMPLEMENTATION DATE

January 2023



|                        |    |
|------------------------|----|
| WITHDRAWN BY PROPOSER? | No |
| COMMENTS               |    |
| DATE OF WITHDRAWAL     |    |

| PART C — COMMISSION APPROVAL                |                 |
|---|-----------------|
| C.1. DATE FINAL REPORT ISSUED TO COMMISSION | 12/01/23        |
| C.2. APPROVAL STATUS                        | APPROVED CHANGE |
| C.3. DATE OF APPROVAL STATUS                | 2023-01-31      |
| C.4. COMMISSION RESPONSE REFERENCE          |                 |

| PART D — IMPLEMENTATION   |            |
|---|------------|
| D.1. IMPLEMENTATION DATE  | 2023-02-01 |
| D.2. IMPLEMENTATION DETAILS<br>(MC version, CSD versions, CMA Central Systems release number, etc.) |            |
| CSD0207 v18   |            |