

# COMMISSION CHANGE PROPOSAL

Form  
version 2.1

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

**MCCP207 - CC**

Version No.

**A.2**

## PART A — SUBMISSION

### A.1. GENERAL DETAILS

A.1.a. TITLE

Charging at Vacant Premises for Assessed Meters

A.1.b. CONTACT  
NAME

Charles Yates

CONTACT EMAIL;  
TEL./MOB.

Charles.yates@watercommission.co.uk

A.1.c. ASSOCIATED  
DOCS.

Annex 1: CSD0207 Mark-Up  
Annex 2: CSD0205 Mark-Up  
Annex 3: Revised Indicative User Requirements.

## A.2. MCCP / OCCP DETAILS

### A.2.a. ISSUE OR DEFECT WHICH THIS MCCP / OCCP SEEKS TO ADDRESS

Following a consultation in 2015, the Scottish Government has confirmed that water and sewerage charges are to be applied at vacant non-household premises from April 2017.

This change of policy will be reflected in the 2017/18 Wholesale Charges Scheme and corresponding changes will be required to the settlement calculations in CSDs and in the Central Systems.

MCCP204-CC, presented to the August TP, detailed the changes relating to volumetric charging at metered, unmeasured and re-assessed premises when the premises is flagged as vacant.

This paper explains some additional changes that are required to the Meter Based Annual charge for unmeasured premises when the premises is flagged as vacant.

**Issue** - the need to avoid negative retail margin.

The **default Retail** Meter Based Annual charges do not vary by RV and are £157.96 and £178.38 (water and wastewater respectively) in 2016/17.

The **wholesale** Meter Based Annual charge varies with RV and ranges between £66 and £1801 (for water) and £46 and £1,566 (for wastewater).

When the RV-based volume charges are suspended at a vacant unmeasured SPID (as described in MCCP204-CC) the retail margin at water-only unmeasured SPIDs with an RV > £170,000 (assessed meter size >25mm) **will be negative**.

Although there will be a +ve retail margin for unmeasured SPIDs with an RV between £70,000 - £170,000 (assessed meter size of 25mm) – LPs could request that the SPID is converted from RV-based unmeasured charges to re-assessed charges during periods of no-consumption in order to benefit from the charges associated with a 20mm assessed meter size assigned to all SPIDs where re-assessed charges apply.

**Solution** - to address the issue outlined above, the proposed solution is:

An Assessed Meter size of 20mm should be assigned to a **vacant unmeasured SPID (charged on RV-based unmeasured charges)** and used in the calculation of water and sewerage charges **for the duration that the SPID is vacant**, irrespective of the RV recorded at the CMA.

This will be implemented by amending the table in 2.1.6. of Part 1 of the Charges Scheme (page 8) – as shown below:

Rateable Value		Assessed Meter size
<b>Vacant unmeasured premises – irrespective of RV</b>		<b>20mm</b>
up to & including	£RV70,000	20mm
Above £RV70,000 up to & including	£RV170,000	25mm
Above £RV170,000 up to & including	£RV280,000	40mm
Above £RV 280,000 up to & including	£RV1,675,000	50mm
More than £RV 1,675,000		80mm

A.2.b. DRAFT LEGAL TEXT

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

The changes identified in M CCP204 – CC should be further amended, as follows:

- The new definition in the Market Code for 'Vacant Consumption' should be replaced with the following; 'Consumption Indicator' – as defined in CSD0207.
- Further amendments to CSD0207, as indicated in the margin comments in the attached Annex 1.
- Further amendments to CSD0205, as indicated in the margin comments in the attached Annex 2.

NOTE: These further modifications also involve a change to the approach for M CCP204 – CC, which retains the underlying design, but delivers this using a 'Consumption Indicator' (reviewed whenever meter reads are submitted), rather than 'Vacant Consumption' (which required an infeasible amount of settlement processing).

A.3. IMPLEMENTATION DETAILS

A.3.a. TP ACTION REQUIRED

CONSULTATION WITH TP / NONE

A.3.b. REQUIRED IMPLEMENTATION DATE

March 2017

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

Implementation must be such that only Invoice Periods on or after 2017-04-01 are subject to these changes, excluding the April 2017 P1 settlement run (which will be run in early March and will, therefore, pre-date the earliest practical delivery date for the change).

A.4. ANY OTHER COMMENTS

Revisions to the M CCP204 – CC Indicative User Requirements are given in Annex 3.

## **PART B — IMPLEMENTATION**

B.1. IMPLEMENTATION DATE	2017-03-16
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B.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	
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