

## CMA Bulletin

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**To:** CMA MEMBERS  
**No:** BU159  
**Title:** E3019: Tariff Data FY 2023-24  
**Purpose:** For Information  
**Expiry date:** N/A  
**From:** Amanda Hancock  
**Date:** 27 April 2023

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As notified to the Technical Panel on the 13<sup>th</sup> April 2023, the Central Systems encountered an issue whilst storing the 2023/24 Tariff Data resulting in an undercharge in favour of Licensed Providers for the April, May and June P1 settlement runs. The service elements affected were volumetric charges for the 20mm Unmeasurable Water and Sewerage.

Details of your affected SPIDs will be uploaded to your FTP site or via the additional services tab on the LVI [***Additional Services / Reports / Adhoc Settlement/ E3019***], along with confirmation of any financial impact. Scottish Water has advised that any resultant charge changes will wash out in the normal cycle of reconciliation at the R1 stage.

The CMA has taken the necessary steps to rectify this issue including:

- Identifying the root cause of the issue - which was linked to the how the 2023-24 Wholesale Charges Scheme (WCS) tariff bands were applied across the specified water and sewerage service elements – and confirming that there are no wider issues in the tariff calculation.
- Developing the code change required to ensure that WCS tariff bands are accurately applied. Testing this solution using our ISC (Independent Settlement Calculator) and internal CMA calculations.
- Re-running the April – June P1 settlement on the updated environment to generate revised reports. Using the published P1 and the revised P1 runs to calculate deltas for each SPID, which will be notified to all affected Trading Parties.
- Seeking independent assurance from NCC on the analysis of the issue and subsequent code change.
- The Market Auditor has also run their Independent Settlement Calculator (ISC) over the affected settlement runs. The ISC is used by the Market Auditor to assess whether settlement calculations have been performed in all material respects in line with the Market Code. We have reviewed the results of their calculations and confirmed these are consistent with our testing.

Moving forward, the CMA has extended the testing regime for when new Tariffs are applied. We also intend to add to the settlement checking processes for each settlement run to ensure that settlement values at service element level are accurate and consistent with Tariff changes, and other market activity over time. We will look to the Market Auditor to carry out a full assessment of our settlement testing, with a view to implementing any recommendations they may make.

In addition to these changes, Participants should note that the subsequent R1 settlement runs may see overall changes in charging due to the recently updated Live Rateable Values on SPIDs with effect from the 1<sup>st</sup> of April 2023.

If you have any questions, or need any further information, please do not hesitate to get in touch via our enquiries helpdesk [enquiries@cmascotland.co.uk].