

1. Introduction

Since the non-household market was opened to retail competition, there has been an on-going requirement to correct market data held at the CMA. The causes of anomalies include historic legacy issues; process failures by market participants; or the customer may have made changes at a property and not advised their Licensed Provider. The purpose of this policy is to clarify Scottish Water's approach to making data corrections, which may in turn affect wholesale charges.

This paper sets out the general principles to be followed in making data corrections and the Annex includes the approaches to a list of specific scenarios encountered.

2. Scope

It is intended that the policy will apply to all data changes at the CMA affecting wholesale charges, other than those applied in the course of the Water Industry Commission for Scotland's Data Alignment Project, which is governed by specific guidelines issued by the Commission for that project. The principles set out below have drawn on those guidelines. Whilst the policy is primarily concerned with the effective date to be used when changing data held at the CMA, it is assumed that it may also be applied to data held in market participant's own systems affecting customer billing, to the extent that they are required to align with CMA data.

Data changes covered by the policy include those arising from a request from a Licensed Provider or customer as well as those identified as being required by Scottish Water. The policy is intended to supplement the Wholesale Charges Scheme and Market Code.

3. General Principles

As a starting point, customers should not pay for services they do not receive and customers who are receiving services but are not paying for them should be charged for those services. The principles proposed are as follows:

3.1 Limit of Backdating

3.1.1 Data corrections resulting in an increase in wholesale charges

Where a data correction results in an increase in wholesale charges, the correction should be backdated no further than the most recent of the connection date of the Supply Point or 1 April of the previous tariff year. Therefore if the data correction was made during 2015-16, it would be backdated no further than 1 April 2014. This limit of backdating would then roll forward to 1 April 2015 for data changes made after 1 April 2016.

This limit of backdating would not apply where the customer was shown to have taken deliberate actions to avoid the correct application of increased charges, such as making an illegal connection to Scottish Water's network. In such circumstances, the data correction would be backdated to the date on which the customer action occurred.

3.1.2 Data correction resulting in a reduction in wholesale charges

Where a data correction results in a reduction in wholesale charges, no limit of backdating shall apply.

3.1.3 Impact on Final Reconciliation (RF)

Subject to sections 3.1.1 and 3.1.2 above, where a data change has an impact on any RF settlement report already issued by the CMA, and where agreed between Scottish Water and the relevant Licensed Provider, the CMA will be asked to undertake calculations specific to the Supply Points and data items agreed to allow any adjustments in relation to those Supply Points, i.e. there will be no general re-calculation of the entire RF settlement report. The RF settlement report issued by the CMA for a given tariff year shall remain the final settlement run.

3.2 Services charged for but not received or charged for twice. Where a service has been either charged for but not received or has been charged for twice, data corrections shall be applied to remove the charges with backdated effect in accordance with section 3.1 above. This does not apply to the application of non-standard allowances which are covered in section 1.7 of the Annex.

3.3 Customer triggered changes. Where a data change has arisen as the result of the actions of the customer and they could reasonably foresee that their actions would affect their charges, the data should be changed with effect from the most recent of the date on which the customer action occurred and the Limit of Backdating set out in 3.1.1 above. Typically, this relates to occupancy, as customers in occupying a premises will know that they become eligible for charges at the premises. As set out in section 3.1.1, only in circumstances where the customer is shown to have taken deliberate actions to avoid the correct application of increased charges (such as an illegal connection to Scottish Water's network) would the limit of backdating not apply.

3.4 Scottish Water triggered changes. Where a data change has arisen from changes to the service that Scottish Water provides, changes to Scottish Water's asset data or identification of an inaccurate record of Scottish Water's service and asset data at the CMA, the change shall be effective from the date of notification to the Licensed Provider i.e. not backdated. In the event that Scottish Water has previously wrongly advised the Licensed Provider that a service is not provided to a premises and subsequently identifies that the service is provided (for example Property Drainage), advance notice will be provided before the data is corrected to reinstate charges. The data will be changed with effect from the start of the next Tariff Year or, where that is less than 3 months away, the start of the following Tariff Year.

Allowances are not within the scope of this data correction policy. A recurring allowance is granted by Scottish Water (for example a reduced return-to-sewer allowance, Fire Tariff Agreement, Trade Effluent allowance) on receipt of a valid application relevant to the particular circumstances, effective from date of receipt. Charges for water consumed while a meter was stopped will follow Scottish Water's published policy for assessing consumption in such situations. Such scenarios are not data corrections but particular scenarios encountered relevant to the premises.

Annex 1. Detailed scenarios encountered requiring data correction

1 Scenarios

This annex sets out the effective dates which should be applied in the specific scenarios listed below. Note; the Limit of Backdating will be defined consistent with the principles in section 3.1 of the covering paper.

1.1 Property Drainage

In the majority of cases, the drainage configuration of a property does not change following its initial construction, except in the event of first-time provision of sewerage services to the locality by Scottish Water. Unless there is specific evidence of a change in the drainage configuration at the premises, the current drainage arrangements will be assumed to have always been in place.

In the event that there is known to have been a change to the drainage configuration of the premises affecting the applicability of Property Drainage charges, the effective date of the change would be the date of the change of drainage configuration, in accordance with the principles and subject to the Limit of Backdating in section 3.

Where it is identified that Property Drainage charges have been applied at a Supply Point but that the services have never been provided (i.e. the charges are not applicable in accordance with the Wholesale Charges Scheme), Property Drainage services should be removed effective from the connection date of the Supply Point, in accordance with the principles.

Where it is identified that a Supply Point has always been liable for Property Drainage charges in accordance with the Wholesale Charges Scheme but that the services are not currently recorded at the CMA, the data will be changed with effect from the date of notification to the Licensed Provider.

Where Scottish Water notified the Licensed Provider, following a service request, that the property did not enjoy drainage services, and it was subsequently found that the property did in fact enjoy such services and the previous notification was erroneous, advance notice will be provided before the data is corrected at the CMA to reinstate charges. The data will be changed with effect from the start of the next Tariff Year or, where that is less than 3 months away, the start of the following Tariff Year.

1.2 Roads Drainage

As set out in the Wholesale Charges Scheme, the applicability of Roads Drainage charges is based on the presence of any other sewerage services at a Supply Point.

If the addition or removal of Roads Drainage at a Supply Point is triggered by the removal of all or addition of any other sewerage services (i.e. Foul Sewerage, Property Drainage or Trade Effluent), the same effective date as is used for the other sewerage services, in accordance with this policy, should also be applied to the addition or removal of Roads Drainage.

Where it is identified that Roads Drainage charges have always been erroneously applied at a Supply Point, the services should be removed effective from the connection date of the Supply Point, in accordance with the principles and subject to the Limit of Backdating in section 3.

Where it is identified that a Supply Point has always been liable for Roads Drainage charges in accordance with the Wholesale Charges Scheme but that the services are not currently recorded at the CMA, the data will be changed with effect from the date of notification to the Licensed Provider.

1.3 Rateable Value

Appendix 3 of the Wholesale Charges Scheme sets out the Rateable Value which should be recorded at the CMA for the Supply Point.

When a new premises is rated for the first time by the Scottish Assessors, this can occur some time after a physical connection is made to the Scottish Water network. There may therefore be a time lag between a Supply Point being created and a Rateable Value being available to be recorded at the CMA. Where it is identified that the Rateable Value recorded at the CMA is incorrect (being a default value or manifestly wrong), the CMA will be updated to reflect the Rateable Value and effective date published by the Scottish Assessors.

Where it is identified that the Rateable Value recorded at the CMA reflects a historic value assigned by the Scottish Assessors Association (SAA) prior to a revaluation due to modification of the premises, unless that revaluation has resulted a reduction to the Rateable Value, the value at the CMA should not be amended until such time as current Rateable Values are adopted for use by the market (the Scottish Government's Principles of Charging have signalled that this will take place during the 2015-2021 Strategic Review period).

This matter is also set out in Scottish Water's Wholesale Charges Scheme.

1.4 Vacancy and Occupancy

Where the occupancy status of a premises changes, it is incumbent on the customer to promptly notify their Licensed Provider of that change of status. Whether the change is from occupied to vacant or from vacant to occupied, the actual date that the property became occupied or vacant (as defined in section 9 of CSD0104) shall be the effective date applied at the CMA, subject to the Limit of Backdating in section 3 and except in the specific scenarios set out in section 1.8 below.

1.5 Gap Sites

Where an eligible premises is identified to be receiving services but is not recorded at the CMA, a new Supply Point is registered using the Gap Site process. As set out in the Market Code, the effective date applied is the date of notification to the CMA.

1.6 De-registration

Supply Points can be de-registered from the CMA for a variety of reasons and the effective date of the de-registration will depend on the circumstances as set out below.

1.6.1 Duplicate Supply Points

Where a premises is found to be represented by duplicate Supply Points at the CMA, one of the Supply Points shall be de-registered, effective from the latest connection date of the duplicate Supply Points.

1.6.2 Domestic, Demolished and Merged Properties

Where a Supply Point is to be de-registered because the associated premises is found to be domestic, demolished or has been merged with another property, the de-registration would be effective from the date at which the change in status took place i.e. the date of demolition, change of use or alteration.

1.6.3 No Services

Where it is identified that a Supply Point should be de-registered because no services are provided, or have never been provided, to the premises, the Supply Point will be de-registered effective from the connection date of the Supply Point.

Where the Supply Point is to be de-registered because no services are provided following a change in configuration of supplies to the premises, the effective date would be the date of the change of configuration.

1.6.4 Landlord/tenant scenarios

Where it is identified that Supply Points need to be de-registered or services removed in order to correctly reflect the configuration of multi-tenancy premises served by a bulk meter associated with the landlord, the effective date of the de-registration should be the later of any change in configuration of the site which has resulted in the need for the de-registration and the date of connection of the Supply Point.

1.6.5 Prompt correction of erroneously de-registered Supply Points

In the event that a Supply Point is erroneously de-registered and at the time of deregistration it is realised that the user has made an error and the Supply Point needs to be reinstated, the connection date of the new Supply Points shall be the same as the effective date of the previous de-registration. This applies to cases where the mistake is realised at the time of processing and can be promptly rectified. This does not apply to errors discovered some time after the event in which case normal processing rules apply.

1.7 Allowances

Where an ongoing allowance is granted by Scottish Water (including but not limited to a reduced Return-to-sewer allowance, Fire Tariff Agreement, Trade Effluent allowances), the allowance shall apply from the date of receipt by Scottish Water of a valid application with all necessary supporting information from the Licensed Provider as set out in the Wholesale Charges Scheme. In the event that an allowance is to be changed following a review of circumstances at the property initiated by Scottish Water or where an existing allowance is identified to be manifestly incorrect, the change will be effective from three calendar months after the date of notification to the Licensed Provider, where the property is occupied.

1.8 Exemption Scheme

Where a Supply Point is demonstrated to be eligible for the Scottish Government Exemption Scheme, exemption is granted with effect from the start of the financial year in which a valid application with all necessary supporting information is received by Scottish Water other than in the three specific scenarios set out below.

In the event that a Supply Point has been wrongly flagged as vacant at the CMA and, upon correction back to the date of occupancy as set out in section 1.4 above, the customer demonstrates that they are been eligible for exemption, that exemption will be backdated to the date of occupancy.

1.9 Trade Effluent

Each year Scottish Water updates the fixed strengths applicable for each Trade Effluent consent based on samples taken at the Discharge Point during the previous year. Licensed Providers are given visibility of the proposed strengths in advance of the start of the new financial year and have the opportunity to raise any queries or objections within 8 weeks of receipt. Any upheld challenges which are received within this period will be applied effective from the start of the financial year. Any upheld challenges received after the expiry of the 8 week review period will be applied effective from the date of receipt of the challenge from the Licensed Provider.

Any changes to consent parameters will be applied from the effective date of the revised consent.

1.10 Meters

This section applies to the effective dates that should be applied where a meter is found to not be correctly recorded at the CMA. Where consumption is to be estimated, this is calculated in accordance with Scottish Water's Estimated Metered Consumption Policy.

1.10.1 Found meters at unmeasured Supply Points

Where a meter is identified to be serving a premises which is recorded to be unmeasured at the CMA, the meter will be added to the Supply Point effective from the date on which the meter was found with an opening reading taken on that date.

If the Licensed Provider wishes to replace the historic unmeasured charges with metered charges, they can apply to Scottish Water for the installation date of the meter to be backdated. At least one cyclic reading, taken no less than one month after the opening reading, must be supplied to support such an application. In this circumstance, the meter installation date and read at the CMA will be determined on the following basis.

Where the customer, Licensed Provider or Scottish Water has information to suggest when the meter was likely to have been installed, this will be used as the estimated installation date provided that it is consistent with the meter year of manufacture, consumption profile and any other available details. In the absence of any such information, the meter will be assumed to have been installed on 1 April following the end of the year of manufacture of the meter. The initial reading at installation will be assumed to have been zero.

The meter will be installed at the CMA from the estimated installation date. The reading recorded on date of finding of the meter and the cyclic reading supplied by the Licensed Provider will be compared to establish whether the register of the meter is likely to have rolled over since installation.

1.10.2 Found meters at existing metered Supply Points

Where the meter identified to be serving a premises is different to the meter currently recorded at the CMA for the Supply Point, this could be for a number of reasons which are dealt with individually below.

1.10.2.1 Previous meter exchange not recorded on systems

The meter could have been previously exchanged by Scottish Water and the associated data updates have not been processed. In this case, the found meter would be recorded in Scottish Water's systems as being a new meter still in stores.

In some instances there may be no record of the found meter on either Scottish Water or CMA systems. This could be because the meter has been previously exchanged by another party or, if there has been no evidence of the previous meter having been present at the premises for several years (i.e. no meter readings), because it has been historically exchanged by Scottish Water or predecessor organisations and the associated data updates have not taken place at the time.

In these cases the exchange would be processed at the CMA as having occurred on the date of finding of the new meter. The opening reading on the new meter would be the reading observed on site on that date. The closing read on the old meter would be estimated based on the last two readings taken on that meter, consistent with section 3.2 of Scottish Water's Estimated Metered Consumption Policy.

1.10.3 Meter attached to wrong SPID

If the found meter is already recorded at the CMA but attached to a different Supply Point, it will first be necessary to identify any other affected Supply Points and meters in the vicinity which are incorrectly associated. This may require a further detailed site survey.

At any affected Supply Points, the existing incorrect meter would be exchanged for the correct meter at the CMA on the date of finding. The opening reading on the new meter and the closing reading on the old meter would be the readings observed on site on that date.

If the correct meter now associated with a Supply Point has lower historical consumption than the meter previously associated with the Supply Point, the Licensed Provider can apply for the date of exchange of the meters at the CMA to be backdated to the actual physical installation date of the correct meter, using the actual recorded read history for that meter. The previously attached (incorrect) meter would be removed from the Supply Point back to the same date.

1.10.4 Meter wrongly installed on shared supply

If a meter is found to be recording a shared supply serving multiple Supply Points, the meter will not automatically be removed. This may have arisen from Scottish Water having wrongly installed a meter on a previously unmeasured shared supply (in which case the meter would be removed) or it could be the result of a previously metered single premises having been split into multiple premises without a new connection having been requested for the newly created premises (in which case the meter would not be removed).

In the event that the meter is found to have been wrongly installed and is therefore removed, it would be removed back to the date of installation. The Supply Point would be flagged as unmeasured from the date of removal.

In the event that the Licensed Provider applies for reassessment of the now unmeasured Supply Point within 3 months, Scottish Water will, on request, backdate the reassessed charges to the date of removal of the meter, recognising that the customer was unable to apply for reassessment until the meter was confirmed to have been wrongly installed.



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1.10.5 Meter removed (at unknown date)

If a meter is found to have been removed from a Supply Point and not replaced, a new meter will be installed. The meters will be exchanged at the CMA on the date of installation of the new meter. The closing reading on the old meter will be estimated based on the historical read profile, consistent with section 3.2 of Scottish Water's Estimated Metered Consumption Policy.