



Withdrawal of Change Proposal: CPW063 Chargeable Data – Fixed Return to Sewer (RTS)

Meeting Name:	Panel
Paper Number:	P36_05
Meeting Date:	29 October 2019
Purpose of Paper:	Decision
Classification:	Public
Synopsis:	This paper sets out the rationale for withdrawing this Change Proposal. It should be noted that the proposer wishes for this proposal to no longer be progressed under the change process set out in Section 6 and 7 of the Market Arrangement Code (MAC).

RECOMMENDATION:	The Panel is invited to: <ul style="list-style-type: none">• AGREE the rationale provided for withdrawal;• AGREE to suspend this change proposal; and• AGREE that if no Trading Party wishes to become the proposer of this Change proposal it shall be withdrawn.
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1. Background

Prior to market opening, Return to Sewer (RTS) fixed allowances were used by most, if not all wholesalers in situations when an RTS% allowance was not appropriate. For example, a farm house and farm scenario on a shared meter. The farm house usage (domestic) was fixed based on the number of people living in the farm house (e.g. 4 people) and the remaining water use registered through the meter was granted a non-return to sewer allowance.

The proposer believes data has shown that there were some significant swings (>25% change in wholesale charges both up and down) when we compared the previous method of charging (fixed allowances) versus % allowances.

2. Problem definition

The Return to Sewer (RTS) is an adjustable mechanism for metered service components for sewerage services, currently applied as a percentage in the Central Systems (CMOS). Based on historic data, wholesalers can estimate the water usage and determine the amount returned to sewer from the total usage. For example, if the volume of water coming to a premise is 1000m³ and 950m³ of the volume is going to the sewer, the wholesaler will set the RTS value to 95%. This process fails to account for seasonal adjustments, changes in demand and usage, so is often less accurate and relies upon manual offline calculation.

3. Rationale for withdrawal

3.1 Update on progression

The Market Operator on behalf of the proposer presented this change to the Panel in May 2019. The presentation outlined the issue and requested permission for the formation of a Panel sub-group to assess the change. However, due to lack of support for membership, the sub-group did not formally meet to discuss the scope of the work.

3.2 Reason for withdrawal

Upon further review by the Retailer Wholesaler Group (RWG), the following withdrawal reasons have been outlined:

Alternative solution / workaround: the RWG has developed an alternative solution to ensure that the fixed volume is included within the RTS value for sewerage sites, which has now been published as a Good Practice document on [MOSL's website](#). The group's analysis indicated that wholesalers amend the sewerage service component from Metered to Assessed via the T143.W transaction. In normal cases for metered sites, wholesalers will select a metered service component, which will require a metering information via the T104.W transaction. However, the alternative solution would seek to ensure that wholesalers select an assessed water service component.

High estimated costs: discussions with CGI indicate that this change proposal is likely to have a major impact on the Central Systems and trading parties. Data initialisation costs are also estimated to be high. The benefits for this proposal are likely to be minimal as the RWG were unable to establish the number of customers affected and thus were unable to determine the monetary benefits to the end customer. The potential benefit to customers is also limited when a comparison is drawn against the cost of implementation.

4. Next Steps

If the Panel agrees to the withdrawal of CPW063, MOSL shall undertake no further work on this change. If any trading party wishes to progress this proposal, it must voice its support and adopt this proposal within 10 business days and henceforth, become the proposer. However, if no trading party wishes to support and progress this proposal, it cannot be raised again for 6 months.

5. Recommendation

The Panel is invited to:

- **AGREE** the rationale provided for withdrawal;
- **AGREE** to suspend this change proposal; and
- **AGREE** that if no Trading Party wishes to become the proposer of this Change Proposal it shall be withdrawn.