

WHOLESALE-RETAIL CODE CHANGE PROPOSAL/ CHARGING CHANGE PROPOSAL

For use by the Code Panel

Change Proposal Reference <i>(To be completed by the Code Panel Secretary)</i>	CPW012	Version No	2
Submission: <i>(delete as appropriate)</i>	Change Proposal		
	Charging Change Proposal		
Title: of Change Proposal/Charging Change Proposal	Flags on D1 Disaggregated Settlement Report.		
Summary: of Change Proposal/Charging Change Proposal <i>(no more than two sentences)</i>	Add flags to the D1 Disaggregated Settlement Report to assist understanding of methodology used when estimated water usage values are included.		
Status of the Change Proposal/Charging Change Proposal <i>(To be completed by the Code Panel Secretary)</i>			
First Time Published	09.01.17	CP - Rejected	
CP - Assessment		OFWAT - Further Information required	
CP - Consultation		OFWAT - Approved	
CP - Recommendation		OFWAT - Rejected	
CP - Further Information Required		Approved and Implemented in Code	
General Details of the Proposer			
Name of Proposer	Originally Matthew Gooch, but now changed to Andrew Jones		
Capacity (for Change Proposals – on behalf of a Party, as a Code Panel member, as the customer representative or on behalf of MOSL or the Authority; for Charging Change Proposals – on behalf of a Wholesaler).	On behalf of Bristol Water plc		
Contact Email; Tel/Mob.	andrew.jones@bristolwater.co.uk		
The Proposer recommends that this Change Proposal/Charging Change Proposal should: <i>(delete as appropriate)</i>	Proceed to Assessment		
	Proceed to Consultation		
	Proceed to Recommendation		

Rationale for recommendation and any reason for urgency	There is an extensive range of possible ways in which estimated usage values can be calculated when settlement reports are produced. However, the figures included in the “EstimatedV” column (column q on the D1 settlement report) do not currently provide any indication to users of the settlement reports as to the methodology which has been used.
Related Documents	
Reference of any associated Code Panel Change Proposal/ Charging Change Proposal	None
Documents Accompanying Form	None
Change Proposal/ Charging Change Proposal Details	
Description of (i) The enhancement, issue or defect which this Change Proposal seeks to address, or (ii) the modified or new charging method or charging structure required pursuant to this Charging Change Proposal, as required under the Market Arrangements Code Section 6.2.1(b).	
<p>Detailed Settlement data regarding water usage is provided to Market Participants via the D1 settlement report. However, the report does not give users of the report any indication of the way in which estimated usage figures have been calculated.</p> <p>As many meters are on a “six monthly” read cycle, the majority of usage figures provided for these meters will inevitably be estimates during the months where no actual read has been provided. It is therefore important that clarity is provided to users of the report regarding the estimation methodology used by MOSL.</p> <p>Therefore, the proposal is to introduce a new column (column R?) on the D1 settlement reports, which will indicate, as far as possible, the type of estimation methodology which has been used.</p>	
Description of the Change Proposal/ Charging Change Proposal, its nature and purpose and (for Change Proposals only) how it is consistent with the Principles and falls within the Objectives noted below, as required under the Market Arrangements Code Section 6.2.1(c).	
<p>Some Market Participants (including Bristol Water) have been advised by their Board of Directors that there is a need to validate the contents of all D1 settlement reports received from MOSL</p> <p>Therefore, the inclusion of a new field, indicating the way in which CMOS has arrived at an estimated usage figure, would be very useful.</p> <p>It is proposed that a new column is added to the D1 settlement report, showing details of which of the following estimation methods has been used. Full details of the way in which the estimation calculations are actually performed can be found in Appendix A of CSD 0207.</p> <p>The suggested list of estimation methodologies to be disclosed in the new column are as follows:</p>	

- The meter’s individual usage history, based on the contents of the MDS report at the time the D1 report was generated
- The meter’s yearly volume estimate (YVE), which is specific to each meter
- The meter’s capped yearly volume estimate (based on a multiple of 3 times the YVE figure)
- The ILET figure which is applicable, based upon the meter’s size
- The “capped” ILET figure, (based on a multiple of 10 times the ILET figure)
- A zero estimate being generated due to a data issue somewhere in the meter’s history (such as an uncorrected non-sequential read)
- A meter read type of “estimated” being uploaded (as per A.4.5 of CSD 0207)
- Any other estimation method not covered in the list above

Principles and Objectives

Principles	Affected (Y/N)	Description
Efficiency	Y	<ul style="list-style-type: none"> • Increases understanding and confidence in settlement data. • Reduces workload on MPs and should reduce requests for clarification made to MOSL. • Will enable new retailers, who may be unfamiliar with the contents and structure of the settlement reports, to have greater confidence in the estimates used.
Proportionality	Y	Small change, but potentially large benefits.
Transparency	Y	MPs will have a better understanding of how CMOS has calculated estimated volumes.
Simplicity, cost-effectiveness and security	Y	Hopefully a small cost, but potentially large benefits.
Barriers to entry	N	
Non- discrimination	N	
Customer participation	N	
Customer contact	N	
Seamless markets	Y	<ul style="list-style-type: none"> • Promotes understanding amongst wholesalers and retailers as to the contents of the settlement reports. • Should therefore mean that fewer disputes arise between market participants when invoices are issued, based on the contents of the settlement reports.

No limit on upstream competition	N	
Business Terms Objectives	N	
Operational Terms Objectives	N	
Market Terms Objectives	Y	Improves settlement data and confidence in it.
Description of the impact of the Change Proposal/ Charging Change Proposal on the following items, as required under the Market Arrangements Code Sections 6.2.1(e), (f) and (g).		
Configured Item	Impacted (Y/N)	Description
Wholesale-Retail Code, Part 1 (Objectives, Definitions and Principles)	N	
Wholesale-Retail Code, Part 2 (Business Terms)	N	
Wholesale-Retail Code, Part 3 (Operational Terms)	N	
Wholesale-Retail Code, Part 4 (Market Terms)	Y	Settlement report definitions.
Wholesale-Retail Code, Part 5 (CSDs)	Y	<ul style="list-style-type: none"> • CSD 0207 and settlement report definitions. • CSD 0201 (Settlement Timetable and Reporting) – sections 2.6.3 and 2.6.8 will need to be updated. Section B.5.1 of Appendix B will also need to be updated.
Wholesale-Retail Code, Part 6 (Operational Forms)	N	
Appointment	N	
Licence	N	
Any other industry code, agreement or document (e.g. the Wholesale Contract or the MOSL Articles) (please specify)	N	
Central System	Y	System design for situations needed to populate the flags and updates to D1 report.
Trading Party systems which interface with Central Systems and other relevant Trading	Y	Possible integration changes if a new column is added.

Party systems/ business processes.		
Scottish Core Industry Documents	N	
Impact Assessment		
General Comment Pre-go live, consideration of the timing of adoption and implementation of the change may be relevant.		
Cost/Benefit Estimate		
Financial Benefit Estimate (Low: < £10K, Medium: £10K To £100K, High : > £100K)	Tbc – CGI to complete High level impact assessment. Hopefully not a large cost, as the calculations are already being performed. The suggested extra field on the settlement reports is merely highlighting a calculation which has already been performed by the calculation engine.	
Description of any discussions on the topic of the Change Proposal/ Charging Change Proposal at the User Forum (as relevant) or otherwise relevant discussions with parties, as required under the Market Arrangements Code Section 6.2.1(h).		
Further Comments		
We look forward to discussing this further with other market participants, in due course.		