

Agency Charging Statement

Applies from 1 April 2008

DRAFT

Issued on behalf of all Large Gas Transporters

1. Introduction & Background

- 1.1 This publication sets out the charging methodology, charges and scope for Agency User Pays Services and the scope of Core Services which will apply from 1 April 2008, as required by Standard Special Condition A15 of the Gas Transporter Licence. xoserve provides these services on behalf of the Gas Transporters as the appointed Agency. This document is published jointly by the following organisations:

National Grid Gas (Distribution)
National Grid Gas (Transmission)
Northern Gas Networks
Scotland Gas Networks
Southern Gas Networks
Wales & West Utilities

and does not override or vary any of the statutory, licence or Uniform Network Code obligations upon the above organisations.

- 1.2 Agency User Pays Services are categorised as Type I or Type II. Type I services are those relating to certain Gas Transporter obligations contained in the Uniform Network Code. Type II services are all other Agency User Pays Services.
- 1.3 Charges for Type I services will be invoiced in the name of the relevant Gas Transporter who will collect the associated revenue in accordance with Section S of the Uniform Network Code. Invoices will be issued by xoserve utilising UNC invoicing processes.
- 1.4 For Type II services, a standard set of Terms & Conditions and Service Schedules will be published by xoserve and users will request a service via a Service Order. Charges for Type II services will be invoiced in the name of xoserve who will collect the associated revenue in accordance with the published Terms & Conditions. Invoices will be issued by xoserve, their frequency depending on the nature and use of the service. Further details are provided in the Terms & Conditions.
- 1.5 For all services, supporting information will be provided with each invoice to allow users to validate their invoices.

2. Scope of Agency User Pays and Core Services

- 2.1 The scope of Agency User Pays Services is limited to those services listed in the Appendix to this document. Further details on the Agency User Pays Services are provided in the Agency Services Agreement and associated Service Schedules.
- 2.2 The scope of Core Services is limited to all services included in the Agency Services Agreement at the time this statement became effective that are not Agency User Pays Services.

3. Charging Methodology

3.1 The objectives of the charging methodology, as specified in SSC A15, are that:

- (a) Charges should, as far as reasonably practicable, reflect the costs in providing the services;
- (b) Charges should not unduly discriminate between or unduly prefer any person or class or classes of person.

3.2 The charging methodology for the services detailed in the Appendix is that the charge for each unit of service will be set based on a forecast of costs to deliver the forecast demand for the service. The costs used to derive the charges will reflect the cost of employees and other expenses that can be directly associated with the provision of the service, plus an appropriate level of overhead (property, systems etc) determined using an activity cost basis methodology. The demand forecast will be based on the historical take-up of services and such issues as charging levels and alternative service providers. The charges will allow for a reasonable margin to be made when demand is at the forecast level.

3.3 In the event of new or amended services being treated as Agency User Pays Services, the charging methodology will be reviewed once the details of the services have been defined.

4. Charging Basis and Charges

4.1 The charging basis and charges for each of the Agency User Pays Services is shown in the Appendix. For the services categorised as Type II, further details of the triggers for incurring charges are provided in the Agency User Pays Services Terms & Conditions and Service Schedules published by xoserve. The Terms & Conditions also include details of the invoice dispute process for Type II services.

4.2 Gas Transporters are required to keep this publication under review and may from time to time modify the statement. It is envisaged that the first review will be no more than six months after the commencement of the new regime.

5. Other xoserve Provided Services

5.1 Where xoserve enters into a contract with another organisation to provide additional services to those specified in the Agency Services Agreement (whether core or user pays), it will not use its position as the Agency to unduly discriminate between or unduly prefer such organisations. Where additional services are not contestable, i.e. there is no alternative source for the additional service; xoserve will apply a reasonable margin that reflects its position as the Agency.

Appendix – Schedule of Agency User Pays Service Charges

Service	Description	Type	Service Detail	Charging Basis	Charge (£)
Provision of Information	A supply point information service, as required by SSC 31d of the Gas Transporter Licence, is provided to gas shippers and any appropriate party to facilitate changes of supplier.	II	Internet Access to Data		
			Telephone		
			DVD		
			Email		
Reports	A series of standard reports providing information about a shipper's portfolio is available to shippers.	II			
AQ Enquiry	As part of the Annual Quantity Review and Appeals processes, shippers are able to submit meter read data and obtain a trial calculation of an Annual Quantity.	II			
Must Reads	If a shipper does not provide meter readings in compliance with the Uniform Network Code, the Gas Transporter may initiate processes to obtain a meter read, referred to as a 'must read'. A charge will be made for each must read.	I	One meter at the supply point		
			Two meters at the supply point		
			Three or more meters at the supply point		
Shipper Agreed Reads	Where shippers do not agree with an estimated opening reading, xoserve will load an agreed revised reading submitted by the incumbent shipper.	I			

Service	Description	Type	Service Detail	Charging Basis	Charge (£)
User Admission	In order to accede to a Gas Transporter's Uniform Network Code a number of conditions are required to be satisfied, including the provision of IX equipment for the sending and receipt of code communications. This service includes the administration of the user admission process and the installation of IX equipment on the User's premises.	I	Basic IX equipment		
			Small 1 IX equipment		
			Small 2 IX equipment		
			Medium IX equipment		
			Large 1 IX equipment		
			Unsuccessful admission		

Note: Further details on the charge triggers and charging basis are available in the service schedules.