

Agency Charging Statement

Applies from 1 April 2008

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Issued on behalf of all Large Gas Transporters

1. Introduction & Background

1.1 This publication sets out the charging methodology, charges and scope for 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 User Pays Services are categorised as Code Services or Non-Code Services. Code Services are those relating to certain Gas Transporter obligations contained in the Uniform Network Code. Non-Code Services are all other User Pays Services.

1.3 Charges for Code Services will be invoiced in the name of the relevant Gas Transporter who will collect the associated revenue:

(a) subject to (b), in accordance with Section S of the Transportation Principal Document of the Uniform Network Code and invoices will be issued by xoserve utilising the UNC invoicing processes, or

(b) in accordance with invoices issued by xoserve not utilising UNC processes, where the User Pays Service is of the type described in Appendix 1, item 6(f), or of the type described in Appendix 1, items 6(a) to (e) and the applicant does not satisfy all of the User Accession arrangements under Section V2 of Transportation Principal Document of the Uniform Network Code.

1.4 For Non-Code Services, a standard set of Terms & Conditions and Service Schedules will be published by xoserve and users of such services will request a service via a Service Order. Charges for Non-Code 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 User Pays Services, supporting information will be provided with each invoice to allow users of such services to validate their invoices.

2. Scope of User Pays and Core Services

- 2.1 User Pays Services are those services listed in Appendix 1.
- 2.2 The number and scope of User Pays Services are as shown in Appendix 1 of this document but such number may be revised from time to time by a modification to the Agency Charging Statement made in accordance with SSC A15.
- 2.3 Core Services are those services which are Transporter Agency Activities as defined in Section V6.5 of the Transportation Principal Document of the Uniform Network Code and which are not 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 User Pays Services detailed in Appendix 1 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 (Appendix 2). The demand forecast will be based on the historical take-up of services, the impact of different charging levels and the availability of 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 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 User Pays Services is shown in the Appendix 1. For the services categorised as Non-Code, further details of the triggers for incurring charges are provided in the User Pays Services Terms & Conditions and Service Schedules published by xoserve. The Terms & Conditions also include details of the invoice dispute process for Non-Code 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.

Appendix 1 – Schedule of Agency User Pays Service Charges

Service Item	Description	Type	Service Detail	Services Recipient	Charging Basis	Charge (£)
1.Provision of Information	A supply point information service, as required by SSC A31.2d of the Gas Transporter Licence to facilitate changes of supplier.	Non-Code	Internet Access to Data	Those persons entitled to the service in accordance with SSC A 31.2d		
			Telephone			
			DVD			
			Email			
2. Reports	A series of standard reports providing information about a shipper's portfolio is available to shippers.	Non-Code		Shippers under UNC		
3. 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.	Non-Code		Shippers under UNC		
4. 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.	Code	One meter at the supply point	Shippers under UNC		
			Two meters at the supply point	Shippers under UNC		
			Three or more meters at the supply point	Shippers under UNC		
5. 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.	Code		Shippers under UNC		

Service Item	Description	Type	Service Detail	Services Recipient	Charging Basis	Charge (£)
6. User Admission	<p>The delivery and installation of IX equipment on the applicant's premises are required to enable the sending and receipt of communications under the Gas Transporter's Network Code.</p> <p>In addition, in order to accede to a Gas Transporter's Network Code a number of conditions are required to be satisfied. This process requires administration.</p>	Code	(a) The delivery and installation of basic IX equipment	Applicant Users who wish to be admitted to UNC		
			(b) The delivery and installation of small 1 IX equipment	Applicant Users who wish to be admitted to UNC		
			(c) The delivery and installation of small 2 IX equipment	Applicant Users who wish to be admitted to UNC		
			(d) The delivery and installation of medium IX equipment	Applicant Users who wish to be admitted to UNC		
			(e) The delivery and installation of large 1 IX equipment	Applicant Users who wish to be admitted to UNC		
			(f) Administration of the shipper admission process.	Applicant Users who wish to be admitted to UNC		
7 Ad-hoc additional services	Ad-hoc services which are additional to those provided in items 1 to 6 inclusive and which are not contestable, i.e. there is no alternative source for the additional service.	Non Code	As agreed at the time of request.	Shippers under UNC	Priced by quotation	Priced by quotation

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

Appendix 2 – Activity Cost Basis Methodology

Attachment: 

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