



## Transco Metering Charges

Valid from 1st April 2005 until 31st March 2006

THE PROVISION AND MAINTENANCE OF  
LEGACY METERING EQUIPMENT

AND

THE PROVISION AND MAINTENANCE OF  
NEW / REPLACEMENT METERING EQUIPMENT

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## Foreword

Transco offers two alternatives to The Provision and Maintenance of Metering Equipment Contract. These alternative contracts are for the provision of domestic sized meters covering existing Legacy meters and New / Replacement meters. Details of these contracts, including the relevant charges, are available from Kate Elleman who can be contacted on 0121 424 8737 or e-mail to [metcom@ngtuk.com](mailto:metcom@ngtuk.com). This document sets out the charges that will apply from 1st April 2005 until 31st March 2006 for the services covered by these contracts.

# contents



# methodology

# foreword

# 1. Introduction

Transco provides gas transportation, metering and meter reading services throughout Great Britain for the companies that supply domestic, industrial and commercial consumers. Transco is an Ofgem registered Gas Meter Installer and provides a range of meter provision, installation and maintenance services. For further details of these services, please contact the Commercial Manager responsible for metering services on behalf of Transco, by e-mail to [metcom@ngtuk.com](mailto:metcom@ngtuk.com).

This publication sets out Transco's charges for meters provided in accordance with the following contracts:

Agreement and General Conditions of Contract for;

- THE PROVISION AND MAINTENANCE OF NEW / REPLACEMENT METERING EQUIPMENT, and
- THE PROVISION AND MAINTENANCE OF LEGACY METERING EQUIPMENT

The Legacy contract is based on a commitment to rent a population of meters that is scheduled to decline over a given period. The New / Replacement meter contract is based on a commitment to rent meters to the end of their useful lives. Customers may choose to contract for meters under either or both of these contracts. Alternatively, customers may continue to take metering services under the Network Code and other metering contracts<sup>(1)</sup>. For signatories to the above contracts the charges detailed in this document will apply instead of the annual charges for domestic sized meters shown in Section 2.2.1 of the Transco Metering Charges statement.

The latest versions of this publication and the Transco Metering Charges document are available from our web site at [metering.transco.uk.com](http://metering.transco.uk.com). The charges statement will continue to be published on our web site so long as Transco provides meters in accordance with the contracts.

## Notes:

- (1) Agreement and General Conditions of Contract for; The Provision and Maintenance of Metering Equipment Contract; Transactional Meter Works not exceeding 7 bar; Above 7 bar Transactional Meter Works; Adversarial Meterworks

# 2. Charges

## 2.1 Introduction

This section sets out the charges that will apply from 1st April 2005 until 31st March 2006 for domestic sized meters provided in accordance with the following contracts:

Agreement and General Conditions of Contract for;

- THE PROVISION AND MAINTENANCE OF NEW / REPLACEMENT METERING EQUIPMENT, and
- THE PROVISION AND MAINTENANCE OF LEGACY METERING EQUIPMENT.

This document does not override or vary any of the terms agreed under the contracts.

The charges are adjusted each year to take account of inflation and all charges are shown exclusive of VAT.

The charges for all other metering services, including transactional charges for specific meter works, continue to apply in accordance with the terms of Transco's Network Code and other metering contracts<sup>(1)</sup>. Charges for these services are available in the Transco Metering Charges document available from our web site,

[metering.transco.uk.com](http://metering.transco.uk.com). For more information on these charges, please contact the commercial team responsible for metering services on behalf of Transco by e-mail to [metcom@ngtuk.com](mailto:metcom@ngtuk.com).

## 2.2 Annual Rental Charges

Annual charges apply in respect of all metering equipment provided and maintained by Transco under each of the contracts on a per meter basis.

### 2.2.1 Legacy Meters

Legacy meters are defined as domestic sized meters provided and installed by Transco before 1 January 2004. The Legacy Contract defines the number of meters scheduled to be rented by the customer, which declines to zero over a fixed period. If the actual number of legacy meters rented exceeds this scheduled number, annual rental charges are based on the actual number of meters. In the event that the customer's legacy portfolio is less than the scheduled number, total annual rental charges for the portfolio are based on the scheduled number of meters.

Annual rental charges vary with payment mechanism i.e. whether the meter is a **credit** or a **prepayment** meter.

Annual rental charges also vary depending on whether a meter was installed on or after the relevant date on which Transco introduced transaction based installation charges. Accordingly, there are two categories of Legacy meter.

**A Category 1 Legacy Meter** is a Legacy Meter provided and installed:

- (i) before 1 October 2000 (in respect of Supply Points consuming up to 73,200 kWh per annum); or
- (ii) before 1 April 2001 (in respect of Supply Points consuming 73,200 kWh per annum and above).

**A Category 2 Legacy Meter** Legacy Meter is a legacy Meter provided and installed:

- (i) on or after 1 October 2000 (in respect of Supply Points consuming up to 73,200 kWh per annum); or
- (ii) on or after 1 April 2001 (in respect of Supply Points consuming 73,200 kWh per annum and above).

Other than an adjustment to take account of inflation, the charges are fixed until the end of the contract.

### 2.2.2 New / Replacement meters

A New / Replacement meter is defined as a domestic sized meter provided and installed by Transco on or after 1 January 2004. Such a meter is classed as a **New** meter if it is installed at a meter point where there is no metering equipment owned by Transco already installed; otherwise it is classed as a **Replacement meter**. Different charges apply for New and Replacement meters and the charges vary with payment mechanism i.e. whether the meter is a **credit** or a **prepayment** meter. These charges apply on a year of install basis, i.e. charges for meters installed in any given year are fixed (other than being adjusted to take account of inflation) until the end of their useful lives. Any subsequent changes to charges affect only meters installed in that year – charges for meters installed in previous years are not affected.

## 2.3 Premature Replacement Charges

For Legacy meters, Premature Replacement Charges apply if the actual number of meters in a customer's portfolio falls below 90% of the scheduled rental number. The charge applies in respect of the difference between the actual number of meters and 90% of the scheduled number of meters.

For New / Replacement meters, Premature Replacement Charges apply if such a meter is replaced before the end of its useful life subject to certain exclusions, including where:

- it is exchanged for another New / Replacement meter for which Transco has levied a charge, such as a customer requested exchange; or
- it is removed for reasons of discontinuance or disconnection.

Premature Replacement Charges for New / Replacement meters vary dependent on the remaining useful life of the meter.

## 2.4 Meter Termination Charges

Meter Termination Charges are calculated on a per meter basis if either the customer gives notice to Transco that it wishes to discontinue the contract or if Transco has reasonable cause and gives notice that the contract with that customer is terminated.

## 2.5 Invoicing

Transco Metering produces and issues the invoices derived from the charges shown in this publication. Invoice queries should normally be submitted via SAP Rainbow using the relevant Transaction Type Reason Code as detailed in the Query Submission section of the MAM Manual.



## 2.6 Tables of Charges – Legacy meters

**Table 2.6.1 Annual Rental Charges <sup>3</sup>**

Meter classification	Credit Meter		Prepayment Meter	
	Pence per day	£ per annum	Pence per day	£ per annum
<b>Category 1 Legacy Meters</b>	3.0192	£11.02	8.1452	£29.73
<b>Category 2 Legacy Meters</b>	2.1425	£7.82	6.8000	£24.82

**Table 2.6.2 Premature Replacement Charge for Category 1 and Category 2 Legacy meters <sup>4</sup>**

Relevant period	Credit meters	Prepayment meters
1 Apr 2005 to 31 Mar 2006	£55.29	£32.32

**Table 2.6.3 Meter Termination Charges for Category 1 meters and Category 2 Legacy meters**

Relevant period	Credit meters	Prepayment meters
1 Apr 2005 to 31 Mar 2006	£71.41	£72.88

<sup>3</sup> Annual rental charges have reduced from 1st April 2005 following the removal of business rates from Transco's metering charges.

<sup>4</sup> This table shows the anticipated charge in respect of an average portfolio. In the event that a disproportionate number of 'younger' meters are removed by or on behalf of the customer, an alternative set of Premature Replacement Charges will apply as determined in accordance with the methodology specified in the contract.

## 2.7 Tables of Charges – New and Replacement meters

**Table 2.7.1(a) Annual Rental Charges for meters installed in the period 1 Jan 2004 to 31 Mar 2005**

Meter class	Credit Meter		Prepayment Meter	
	Pence per day	£ per annum	Pence per day	£ per annum
<b>New Meter</b>	2.1425	£7.82	6.8000	£24.82
<b>Replacement Meter</b>	3.1479	£11.49	8.1452	£29.73

**Table 2.7.1(b) Annual Rental Charges for meters installed in the period 1 Apr 2005 to 31 Mar 2006**

Meter class	Credit Meter		Prepayment Meter	
	Pence per day	£ per annum	Pence per day	£ per annum
<b>New Meter</b>	2.1425	£7.82	6.8000	£24.82
<b>Replacement Meter</b>	3.1479	£11.49	8.1452	£29.73

**Table 2.7.2 (a) Premature Replacement Charges for meters installed in the period 1 Jan 2004 to 31 Mar 2005**

<b>Meter class</b>	<b>Credit meters</b>	<b>Prepayment meters</b>
New meter	£51.26	£9.20
Replacement meter	£90.52	£32.44

**Table 2.7.2 (b) Premature Replacement Charges for meters installed in the period 1 Apr 2005 to 31 Mar 2006**

<b>Meter class</b>	<b>Credit meters</b>	<b>Prepayment meters</b>
New meter	£53.96	£10.22
Replacement meter	£95.28	£36.04

**Table 2.7.3 (a) Meter Termination Charges for meters installed in the period 1 Jan 2004 to 31 Mar 2005**

<b>Meter class</b>	<b>Credit meters</b>	<b>Prepayment meters</b>
New meter	£84.74	£118.39
Replacement meter	£123.99	£141.62

**Table 2.7.3 (b) Meter Termination Charges for meters installed in the period 1 Apr 2005 to 31 Mar 2006**

<b>Meter class</b>	<b>Credit meters</b>	<b>Prepayment meters</b>
New meter	£89.20	£131.54
Replacement meter	£130.52	£157.36

# 3. Explanation of Principles

## 3.1 Rental Charges

The Monthly Rental Charge in respect of any month shall represent a charge for provision of those meters that are contained within the customer's relevant portfolio during that month and will be calculated by reference to the relevant Annual Rental Charge. The levels of the Annual Rental Charges reflect the specific terms and conditions of the two contracts on offer – a feature of which is the commitment to rent meters for a defined period. The contracts also set out charges for premature replacement of meters and early termination of the contracts.

## 3.2 Premature Replacement Charges

Premature Replacement Charges are calculated by means of a formula under which, if they become payable, Transco will recover the net present value of the expected future revenues that would be delivered in respect of a meter less Transco's estimate of the costs that will be avoided as a result of the meter being replaced. In aggregate for all domestic meters the charges will not be more than their regulatory value.

For Legacy meters, Premature Replacement Charges apply if the actual number of meters in a customer's portfolio falls below 90% of the scheduled rental number. The charge applies in respect of the difference between the actual number of meters and 90% of the scheduled number of meters. An average value for legacy meters is shown in the table, which represents the charge that would normally apply. In the event that a customer removes a disproportionate number of younger legacy meters, calculation of the charge will be in accordance with the methodology specified in the contract. Where a Premature Replacement Charge has been applied the meter is removed from the customer's portfolio.

## 3.3 Meter Termination Charges

Meter Termination Charges apply where the contract with a customer has been terminated and represent the net present value of the expected future revenues that would be delivered in respect of a meter. Following the payment of such a charge, and while the meter remains continuously within the customer's portfolio, the customer will not be required to pay a rental charge for any of the meters to which the Meter Termination Charge applies.

## 3.4 Changes to Charges

The annual rental charges and other charges outlined in this statement reflect the costs of meter provision, installation and ongoing maintenance on a national average basis, assuming that the proportion of credit and prepayment meters remains constant. Transco reserves the right to adjust the charges if these assumptions change.

The charges are subject to indexation from base 2003 values on 1st April each year to take account of general price inflation. The index used will be the Retail Prices Index (all items) (RPI) with January 1987 = 100 base. The source of the RPI index shall be the monthly Office for National Statistics "Focus on Consumer Prices Indices".

Premature Replacement Charges and Meter Termination Charges are also reviewed annually to reflect variations in the average age of the relevant meter portfolio over time.

When reviewing charges for New and Replacement meters, Transco may also take account of any other relevant factors, including changes in the costs of providing the services. However, the revised charges shall not apply in respect of New and Replacement meters installed prior to the date the revised charges become effective.



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