

TRANSCO CONSULTATION REPORT ON PC54

Disaggregated Metering Charges

1. BACKGROUND

Transco presently reflects costs associated with its metering services in the customer charge element of transportation charges. A rebate is available where the meter is not provided, installed and maintained by Transco.

Ofgem has been considering how to extend competition in metering and its views have been set out in three consultation papers¹. To further facilitate competition in meter ownership and meter work, Transco is now proposing to replace the present structure of charges and rebates with disaggregated charges in respect of meters, dataloggers and correctors owned by Transco.

It is further proposed that disaggregated charges in respect of Industrial and Commercial (I&C) meters vary with the number and type of meters at each supply point.

The proposals outlined in this paper form part of Transco's proposed programme for the development of competition in metering and meter reading services, which would be jointly managed by Ofgem and Transco.

2. TRANSCO'S INITIAL PROPOSALS

In Pricing Consultation paper PC54, respondents were invited to comment on:

Whether the costs of age-related exchanges should be reflected in provision charges or in separate one-off charges

The most appropriate structure of charges for installing new metering equipment

Whether charges should vary with the number and type of meters present, in particular whether:

Separate charges should reflect the costs of different domestic credit meter types

I&C meter charges should vary according to meter type and capacity

Whether the prepayment meter charge should be set at a level that is £15 above the charge for domestic credit meters.

This paper summarises respondents' views and describes Transco's final proposals.

¹ "Securing effective Competition in Gas Metering and Meter Reading services, The Director General's initial proposals", Ofgas, October 1998; "Securing effective competition in gas metering and meter reading services, A report on progress and the way forward", Ofgem, July 1999; and "Securing Effective Competition in Gas Metering and Meter Reading Services: The Director General's Final Proposals", Ofgem, May 2000.

3. SUMMARY OF RESPONSES

Transco received 18 responses to these proposals, of which 14 were from shippers, 3 were from consumers and consumer associations, and one was from a metering organisation.

Shippers	BP Gas Marketing	BPGM
	Scottish Power	SP
	V-is-on gas	V-IS
	Northern Electric & Gas	NE
	Npower	NP
	Eastern Energy (TXU)	TXU
	PowerGen	PG
	Alliance Gas Ltd	AGL
	Exxon Mobil	EXM
	Elf Gas & Power	EGP
	British Gas Trading	BGT
	Total Gas Marketing	TGM
	Shell Gas Direct	SGD
	Scottish & Southern Energy	SSE
Consumer & Consumer Associations	Corus	C
	Major Energy Users Council	MEUC
	Gas Consumers Council	GCC
Metering Organisation	Gas Engineering Services	GES

Most respondents expressed or implied support in principle for the proposals on the basis that they would improve transparency and choice and thereby facilitate competition in metering. However, most respondents also believed that introduction of the proposals should be delayed to allow more time to make the necessary system changes and for shippers to determine the metering charges associated with shipping to specific sites.

Many respondents were concerned that the proposals imply increased metering charges in respect of Industrial and Commercial supply points, particularly those sites with several meters.

AGL suggested that increasing the present metering rebates would be a better alternative to introducing disaggregated charges.

3.1 Age-related Exchanges

Views were invited on whether the costs of age-related exchanges should be reflected in provision charges or in separate one-off charges.

Comments Received

Of the nine respondents that expressed a view, three (EXM, TXU, V-IS) supported separate charges for age-related exchanges on the basis that they would be more transparent and flexible and would improve shipper choice. Five respondents (AGL, SP, BPGM, GCC, SSE) suggested that reflecting such costs in provision charges would be simpler and would produce smoother charges. BGT supported the introduction of competition in the provision of age-

related exchanges from October 2001 and stated that costs should be reflected in provision charges until then.

SGD suggested that consideration should be given to an adjustment in respect of newer meters that would not need replacing for many years. The same respondent asked how actual replacement costs would affect charges.

SSE asked why age-related exchanges are more expensive than customer-requested exchanges. The same respondent was unclear whether exchanges would be subject to both the installation and exchange charges and believed (wrongly) that the proposed exchange charges reflect only administration costs. SSE also stated that, if a one-off charge were made, shippers would need to understand Transco's replacement policy.

Transco's Response

In the absence of a clear consensus on the appropriate structure for age-related exchange charges, Transco proposes to introduce separate charges for this type of work in order to improve transparency and choice.

For the avoidance of doubt, the proposed charge would reflect the time and materials (including overheads) required to replace metering equipment at the end of its useful life. One-off installation charges would apply where there is no existing metering equipment, not to exchanges.

Transco has already proposed that, from October 2001 to April 2002, it will begin to publish information about meters due for replacement, in order to facilitate competition in this part of the market.

Transco does not consider that the extent to which shippers with a newer than average metering portfolio may benefit from the proposed charges is sufficient to warrant the additional complexity of an age-related adjustment to charges.

Actual replacement activity would affect charges to the extent that, since maximum allowed revenue will be determined by the metering price control, changes to the level of income from age-related exchange charges would require a compensating adjustments to other charges in order that total income was in line with the price control.

Age-related exchanges are **less** costly than customer-requested exchanges because the former is normally a like-for-like swap. Customer-requested exchanges typically involve dissimilar meter types (for example exchanging a credit for a prepayment meter), which often requires that modifications be made to the metering installation.

3.2 Installation Charges

Views were invited on the most appropriate structure of charges for installing new metering equipment.

Comments Received

Of the six respondents that expressed a view, three (V-IS, GES, EXM) supported the introduction of one-off charges for installing new metering equipment. PG did not believe that it would be appropriate to introduce such charges at this stage, but thought that they may be appropriate should competition develop in this part of the market. BPGM was concerned that the proposals could have implications for supply point transfers and stated that this issue should be addressed by industry groups prior to implementation. GCC stated that charges should not deter new consumers from connecting to the system.

Two respondents (AGL, BGT) queried the relative level of annual installation charges for domestic credit and prepayment meters.

AGL also queried the relative level of provision and installation charges for turbine meters with a capacity greater than 8,119m³.

BGT queried whether, should one-off installation charges be introduced, Transco's connection charges would be correspondingly reduced.

Transco's Response

Transco continues to believe that the introduction of one-off charges for installing new metering equipment would be more cost-reflective and pro-competitive.

Transco agrees that it would be undesirable for the proposed changes to have the effect of deterring consumers from connecting to the system. The extent to which this occurs will depend, in part, on whether shippers and suppliers choose to pass on charges to consumers. However, to the extent that competition provides shippers with the opportunity to reduce their meter installation costs, incentives to connect to the system would be strengthened.

Transco acknowledges that the relative level of annual installation charges for domestic credit and prepayment meters set out in PC54 was counter-intuitive. Prepayment meters cost more to install than credit meters, but the annual charge is lower. This effect is caused by the way that prepayment meter charges were constrained so that, in total, they were no more than £15 above the credit meter charge. Transco proposes to address this anomaly by applying a standard annual installation charge for domestic meters, reflecting weighted average costs, and rebalancing annual provision and maintenance charges for prepayment meters to maintain the £15 differential.

Table 1. Rebalanced Credit and Prepayment Meter Charges

	Credit meter	PPM
Provide	£6.07	£13.51
Install	£6.64	£6.64
Maintain	£0.94	£8.51
Total	£13.66	£28.66

Installation charges reflect labour time and the cost of the component parts of the metering installation (such as the regulator and connecting pipework), other than the meter itself and any dataloggers or correctors. In some cases, particularly in respect of larger, more complex installations, such costs can be greater than the cost of the meter itself.

Meter installation costs are not reflected in Transco's connection charges. Therefore the level of connection charges will not be affected by this proposal.

3.3 Meter Types

Views were invited on whether charges should vary with the number and type of meters present, in particular whether:

Separate charges should reflect the costs of different domestic credit meter types, and Industrial and Commercial (I&C) meter charges should vary according to meter type and capacity.

Comments Received

Of the fifteen respondents that expressed a view, six (EXM, BGT, GCC, SGD, TXU, GES) expressed or implied support for the principle that meter charges should vary according to meter type and meter capacity. However, thirteen respondents (PG, TXU, SP, NP, V-IS, BGT, SGD, MEUC, GES, EGP, TGM, BPGM, AGL) did not support the introduction of the proposed charging structure on the basis that:

- It would be too complex to implement in the proposed timescale, although one respondent (GES) advocated more capacity bands to improve cost reflectivity
- Shippers do not currently have sufficient information about their meter portfolio to enable them to determine the charges that they would incur
- There is concern that the quality of Transco's meter data may not be sufficient to support charges that vary with meter type and capacity.

EXM stated that any implementation timescale should be realistic and suggested that the scope and timing of the proposals should be informed by discussions with the industry.

Nine respondents (Corus, SGD, MEUC, NP, V-IS, TGM, TXU, BPGM, PG) expressed concern at the level of the proposed charges for I&C supply points, in particular for multi-meter sites. Four respondents (SGD, MEUC, AGL, BGT) also noted that the proposed charges would reflect the costs of meters installed under a different regime where the number and type of meters was not reflected in charges.

EGP requested an explanation of the relationship between meter capacity and costs, and of Transco's choice of capacity bands.

SGD queried whether there were any economies of scale for multi-meter sites.

Transco's Response

Transco remains convinced that the most cost reflective and pro-competitive structure for metering charges is one that reflects variations in meter type and capacity. The intention to introduce such charges was signalled in Transco's previous metering charge consultations².

Transco notes shippers concerns about the complexity of the proposed charges. In developing its proposals, Transco has sought to strike an appropriate balance between cost reflectivity and simplicity. Appendix 3 explains the rationale for the proposed structure, including the choice of capacity bands for I&C meters.

However, in the light of respondents' views, Transco proposes to modify its initial proposals by:

1. Further simplifying the proposed charging structure by applying a single weighted average charge for domestic-sized credit meters (U6, E6, etc). This approach reduces the scope of system changes and addresses shippers concerns about the availability and quality of meter asset data, particularly in the domestic and small I&C markets (domestic-sized meters account for about a quarter of meters at I&C supply points), and
2. Delaying the introduction of disaggregated metering charges for I&C supply points until 1 April 2001. Transco continues to believe that the systems and processes required to support the introduction of disaggregated charges could be in place by 1 October 2000. However, in view of respondents concerns, and following discussions with Ofgem, it is proposed that implementation of disaggregated charges for the I&C market is delayed until 1 April 2001.

In the meantime, it is proposed that I&C metering costs, including corrector costs, continue to be reflected in the customer charge element of transportation charges. The present rebate, based on supply point capacity, will continue to be available where a meter is supplied other than by Transco. It is proposed that separate annual charges reflect the costs of providing, installing and maintaining dataloggers, as initially proposed.

Although extensive system changes will be required to support full metering competition, the changes required to support the introduction of disaggregated charges are more limited, mainly affecting invoicing files. Transco will inform shippers of any amendments to UK-LINK file formats in line with the established process for communicating such changes.

Transco will also work with shippers to determine how best to address concerns regarding the availability and quality of meter asset data to enable them to determine the charges they will face.

² PC25, Metering Charges, May 1998 and PC42, Metering Charges, May 1999

Transco notes concerns about the increase in charges for I&C supply points when disaggregated charges are introduced, in particular for multi-meter sites. The proposal to modify the way that charges are scaled (see section 3.4) should address some of these concerns.

Transco does not consider that the likely extent of any economies of scale warrants the additional complexity of adjustments to annual charges for multi-meter I&C sites. The extent of any economies of scale is likely to be restricted to the travel element of labour costs associated with meter installation and planned maintenance.

3.4 Prepayment Meter Charges

Transco invited views on whether the prepayment meter charge should be set at a level that is £15 above the charge for domestic credit meters.

Comments Received

Of the eight respondents that expressed a view, one (BGT) supported the proposal and five (EXM, TXU, BPGM, SGD, SSE) stated that the charge should be increased to a more cost reflective level. GCC opposed any further increase and expressed concern about non-BGT consumers who are not protected from increased charges.

BGT noted that, together with the proposed charge for shipper-requested exchanges, the total charge for a prepayment meter would be more than £60 in the first year.

Two respondents (BGT, NP) wrongly believed that the proposed prepayment meter charges were based on actual or historic costs.

Four respondents (BGT, TXU, EXM, EGP) expressed concern about the effect on I&C charges of constraining the prepayment meter charge and stated that any cross-subsidy of prepayment meters should be ring-fenced within the domestic market.

Transco's Response

Transco has already given notice that its prepayment meter charges will increase from 1 July 2000, such that the differential between PPMs and credit meters is raised from £10 to £15. Transco does not propose to further increase the differential at this stage.

Transco notes respondents' views that the effect of constraining the PPM charge should not distort I&C charges. Transco also notes concern about the increase in metering charges for I&C sites, compared to the charges implied by the present rebates (see section 3.3). To address these concerns, Transco proposes to modify the way that charges are scaled, such that the effect of constraining the PPM charge is confined to the domestic market. The effect of this change on charges is shown in the following table.

Table 2. Effect on Annual Charges of Revised Approach to Scaling (1)

	Initial Proposals	Final Proposals	% change
Credit meter	£13.62	£14.65	+7.6
PPM	£28.62	£29.65	+3.6
I&C (2)	£258	£194	-25

(1) Includes the effect of introducing a standard annual installation charge for domestic meters (see section 3.2)

(2) Average charge per I&C supply point from 1 April 2001. I&C supply points, consuming 73,200 kWh and above, may have both domestic sized (e.g. U6) and I&C sized (~ U16) meters present.

3.5 Other Issues

Comments Received

MEUC expressed surprise at the level of allowed revenue implied by the metering price control. Two respondents (BGT, PG) stated that it was not desirable to scale charges to generate income in line with the price control as this could distort competition. BGT advocated the cross subsidy of metering charges from transportation charges.

PG supported separate charges for customer-requested exchanges, but BGT was concerned that the proposal did not address its concerns, in particular that the charge would increase suppliers' costs and may be a barrier to an ETM consumer changing to a credit meter. SSE believed that the proposal was inconsistent with Ofgem's veto of a similar proposal last year.

GES requested clarification as to whether the proposed charges reflect the costs of the same elements of the metering installation as the present rebates.

TXU stated that charging a discontinuance fee when a Transco meter is exchanged for a meter provided by another organisation could be anti-competitive.

Two respondents (BGT, NE) requested clarification of the application of charges for site works.

Two respondents (AGL, BGT) requested clarification of whether Non Daily Metered (NDM) supply points would attract a datalogger charge.

Transco's Response

The level of metering allowed revenues is expected to be determined by the metering price control, which has been developed by Ofgem. Ofgem believes that the development of separate price controls will strengthen competition in metering and prevent Transco from cross subsidising its metering activities.

Transco considers that separate charges for customer-requested exchanges and for meter removal are pro-competitive, since they allow customers to choose whether such work should be carried out by Transco or by an alternative metering service provider. Such charges are

consistent with the general principle of introducing disaggregated charges for meter work activities. Ofgem has suggested that, as competition develops, shippers will be able to reduce their metering costs, which should benefit consumers to the extent that such savings are passed on through lower tariffs.

In 1999, Ofgem vetoed Transco's proposal to introduce separate charges for customer-requested exchanges. The proposal, modified following consultation, was to make a charge when customers requested that a credit meter was exchanged for a prepayment meter, but not when a prepayment meter was exchanged for a credit meter. Ofgem vetoed the proposed charge on the grounds that it was unduly discriminatory. Transco's present proposal would not discriminate between credit and prepayment meter exchanges.

Transco can confirm that both the proposed charges and the present rebates reflect the costs of the same elements of the meter installation, as defined in Transco's publication "Defining the Meter Installation".

Transco proposes that the existing one-off charges for meter (site) works, such as meter repositioning, repairing damaged meters and meter accuracy tests, will continue to be applied as at present. Additional one-off charges would be made for installing new metering equipment and for customer-requested and age-related exchanges, as set out in appendices 1 & 2.

Transco can confirm that, as at present, datalogger charges would only apply to Daily Metered supply points, as defined by Transco's Network Code.

4. TRANSCO'S FINAL PROPOSALS

Having taken account of respondent's views, Transco proposes that, with effect from 1 October 2000:

For domestic supply points, separate annual charges are introduced, reflecting the costs of providing, installing and maintaining metering equipment

For domestic supply points, separate one-off charges are introduced for installing new metering equipment, and for age-related and customer-requested exchanges

For domestic meters, a standard annual installation charge be made, reflecting weighted average costs

For domestic meters, charges do **not** vary to reflect the costs of different credit meter types

The prepayment meter charge be set at a level that is £15 above the charge for domestic credit meters, and that the effects of constraining the PPM charge be confined to the domestic market

I&C metering costs continue to be reflected in transportation charges, with a rebate available where a meter is provided other than by Transco, and

Separate annual charges are introduced, reflecting the costs of providing, installing and maintaining dataloggers.

Transco further proposes that, with effect from 1 April 2001:

For I&C supply points, separate annual charges are introduced, reflecting the costs of providing, installing and maintaining metering equipment, and

For I&C supply points, separate one-off charges are introduced for installing new metering equipment, and for age-related and customer-requested exchanges.

Appendix 1 shows the proposed charges from 1 October 2000. Appendix 2 shows the proposed charges from 1 April 2001.

The effect of the proposed changes on charges for typical supply points is set out in the consultation report on PD10.

APPENDIX 1 – PROPOSED CHARGES FROM 1 OCTOBER 2000

A1.1 Up to 73,200 kWh (2,500 therms) per annum

For supply points consuming up to 73,200 kWh per annum, it is proposed that disaggregated metering charges, as set out in Appendix 2, be introduced from 1 October 2000.

A1.2 73,200 kWh (2,500 therms) per annum and above

For supply points consuming 73,200 kWh per annum and above, it is proposed that a rebate per supply point continues to be available where a meter is supplied other than by Transco, determined by the formula:

$$\{4.689 \times (\text{PL})^{0.53} - 110.91\} / 3.65 \text{ pence per day.}$$

Where PL is the peak load expressed in kWh.

Prepayment meters	£ per annum
Additional charge for supply points with a Transco prepayment meter	£15.00

Dataloggers (1)	£ per datalogger per annum
Provision	£48.10
Installation	£99.11
Maintenance	£204.96
Total	£352.17

(1) Reflects metering costs only. Meter reading costs and charges are discussed in a separate paper (PC55, Charges for Daily Meter Readings).

For the avoidance of doubt, it is proposed that:

- Disaggregated annual charges for meters and for correctors, and
- Separate one-off charges for installing new metering equipment, and for customer-requested and age-related exchanges

in respect of supply points consuming 73,200 kWh per annum and above are introduced from 1 April 2001, as set out in Appendix 2.

APPENDIX 2 – PROPOSED CHARGES FROM 1 APRIL 2001 (FROM 1 OCTOBER 2000 FOR SUPPLY POINTS CONSUMING UP TO 73,200 KWH PER ANNUM)

A2.1 Low, Medium and Intermediate Pressure Metering Installations (– 7 barg)

A2.1.1 Domestic Size Meters (1)

	Credit Meter	Prepayment Meter
Provision	£6.52	£13.83
Installation	£7.12	£7.12
Maintenance	£1.01	£8.70
Total	£14.65	£29.65

(1) Meter capacity less than 11 standard cubic metres per hour (scmh).

A2.1.2 Industrial & Commercial Diaphragm Meters

Capacity (scmh)	~ 11 to < 21	~ 21 to < 29	~ 29 to < 51	~ 51 to < 79	~ 79 to < 121	~ 121
Provision	£22.02	£55.99	£74.97	£126.21	£223.95	£247.68
Installation	£15.27	£21.60	£26.80	£87.31	£89.59	£114.71
Maintenance	£0.68	£0.87	£1.01	£2.02	£2.37	£2.65
Total	£37.97	£78.46	£102.78	£215.54	£315.92	£365.03

A2.1.3 Industrial & Commercial Rotary Meters

Capacity (scmh)	< 28	~ 28 to < 57	~ 57 to < 113	~ 113 to < 170	~ 170 to < 226	~ 226 to < 396
Provision	£118	£127	£127	£158	£237	£288
Installation	£84	£105	£200	£319	£342	£537
Maintenance	£47	£47	£47	£47	£47	£48
Total	£249	£279	£374	£524	£626	£873

Capacity (scmh)	~ 396 to < 509	~ 509 to < 792	~ 792 to < 1,358	~ 1,358 to < 1,810	~ 1,810
Provision	£328	£757	£902	£1,678	£2,446
Installation	£688	£748	£780	£1,102	£1,700
Maintenance	£48	£51	£76	£78	£93
Total	£1,064	£1,556	£1,758	£2,858	£4,239

APPENDIX 2 – PROPOSED CHARGES FROM 1 APRIL 2001 (FROM 1 OCTOBER 2000 FOR SUPPLY POINTS CONSUMING UP TO 73,200 KWH PER ANNUM)

A2.1.4 INDUSTRIAL & COMMERCIAL TURBINE METERS

Capacity (scmh)	< 283	~ 283 to < 509	~ 509 to < 792	~ 792 to < 1,216	~ 1,216 to < 1,952	~ 1,952 to < 3,027
Provision	£213	£216	£303	£305	£399	£544
Installation	£516	£616	£809	£1,005	£1,201	£1,873
Maintenance	£131	£131	£356	£377	£392	£398
Total	£860	£963	£1,468	£1,687	£1,992	£2,815

Capacity (scmh)	~ 3,027 to < 4,894	~ 4,894 to < 8,119	~ 8,119
Provision	£689	£950	£1,682
Installation	£2,427	£2,753	£4,186
Maintenance	£491	£530	£530
Total	£3,607	£4,233	£6,398

A2.2 High Pressure Metering Installations (>7 barg)

Capacity (scmh)	< 10,192	~ 10,192 < 14,906	~ 14,906 < 25,878	~ 25,878 < 36,866	~ 36,866 < 63,524	~ 63,524
Provision	£692	£863	£1,057	£1,759	£2,099	£3,203
Installation	£5,039	£5,636	£6,996	£7,475	£8,670	£12,581
Maintenance	£6,882	£6,882	£6,882	£6,882	£6,882	£6,882
Total	£12,613	£13,381	£14,935	£16,116	£17,651	£22,666

A2.3 Correctors

Provision	£96.23
Installation	£44.98
Maintenance	£75.98
Total	£217.19

A2.4 Dataloggers (1)

Provision	£48.10
Installation	£99.11
Maintenance	£204.96
Total	£352.17

(1) Reflects metering costs only. Meter reading costs and charges are discussed in a separate paper (PC55, Charges for Daily Meter Readings).

APPENDIX 2 – PROPOSED CHARGES FROM 1 APRIL 2001 (FROM 1 OCTOBER 2000 FOR SUPPLY POINTS CONSUMING UP TO 73,200 KWH PER ANNUM)

A2.5 ONE-OFF CHARGES FOR NEW METERING INSTALLATIONS

	Charge
Domestic credit meter	£45.15 per meter (comprises £8.05 in respect of materials and £37.10 in respect of labour)
Prepayment meter	£57.94 per meter (comprises £8.05 in respect of materials and £49.89 in respect of labour)
Industrial & Commercial meters, correctors and dataloggers	(1)

A2.6 One-off Charges for Customer-requested Exchanges

	Charge
Domestic meters	£45.96 per meter
Industrial & Commercial meters, correctors and dataloggers	(1)

A2.7 One-off Charges for Age-related Exchanges

	Charge
Domestic meters	£37.10 per meter
Industrial & Commercial meters, correctors and dataloggers	(1)

(1) Consistent with other one-off charges, it is proposed that charges for customer-requested and age-related exchanges, and installation, of Industrial and Commercial meters, correctors and dataloggers are quoted on an individual basis

APPENDIX 3 – PROPOSED STRUCTURE OF CHARGES

Transco proposes that annual charges for meter provision, installation and maintenance vary with meter type and capacity. This appendix explains the rationale for such a charging structure and for Transco’s choice of capacity bands.

A3.1 Meter Type

There are presently two main types of domestic meter (credit and prepayment) and three main types of Industrial and Commercial meter (diaphragm, rotary and turbine). Other meter types, such as orifice plate meters, are used for specialist applications.

Installations connected to high-pressure systems, operating above 7 barg, are considerably more complex. They typically include a flow computer and may comprise additional equipment, such as multi-stage pressure reduction, slam shut discrimination and pre-heaters.

Different meter types have different costs, particularly with respect to purchase price and maintenance costs. For example, rotary meters tend to have higher purchase prices than the equivalent turbine meter. Diaphragm meters (except prepayment meters, which need periodic battery changes,) do not need regular maintenance, unlike rotary and turbine meters which need to be serviced according to manufacturers specifications.

A3.2 Meter Capacity

Meter capacity is the main cost driver for a particular meter type. Larger meters have higher purchase prices and typically take longer to install. Larger, higher capacity metering installations also have larger, more costly regulators, valves and connecting pipework. They may include additional equipment, such as over pressure protection systems and filters.

A3.3 Capacity Bands

The proposed charges reflect the forward looking costs of providing, installing and maintaining a representative range of meter models of each type. For example, I&C diaphragm meter charges reflect the costs of models in Schlumberger’s U series range.

Model	U16	U25	U40	U65	U100	U160
Charge	£37.97	£78.46	£102.78	£215.54	£315.92	£365.03

In order to move from a structure reflecting the costs of individual meter models to one that may be applied to all models of a given type, the charges are expressed in terms of capacity bands. The upper and lower limits of each band were chosen so that the mid-point of the band corresponds to the capacity of the model on which the charge for that band is based.

Model	U16	U25	U40	U65	U100	U160
Capacity (1)	16	25	40	65	100	160
Capacity band	11 to 21	21 to 29	29 to 51	51 to 79	79 to 121	~121

(1) Standard cubic metres per hour (scmh)