

Agency Charging Statement

Applies from ~~27 May 2015~~TBC

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Status*:	Approved <u>Draft to support UNC Modification 551 Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015/16</u> Modified against ACS 01 April <u>27 May</u> 2015
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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 ~~27 May 2015~~TBC, as required by Standard Special Condition A15 (SSC 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(b), or of the type described in Appendix 1, item 6(a) 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, except for Ad Hoc services for which paragraph 1.5 will apply, Conditions for the Provision of Services and Service Schedules will be published by Xoserve and users of such services shall request services via a Service Request. Charges for Non-Code Services will be invoiced in the name of Xoserve who will collect the associated revenue in accordance with the published Conditions. Invoices will be issued by Xoserve, their frequency depending on the nature and use of the service. Further details are provided in the Conditions.

1.5 Where a user wishes an alternative service which is not contestable, it may request an Ad-hoc Additional Service on a bilateral basis as described in Appendix 1, paragraph 7.

- 1.6 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 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 (excluding the original cost of developing the systems used to deliver the services), plus an appropriate level of overhead (property, systems etc) determined using an activity cost basis methodology (Appendix 3). The charges 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 Appendix 1. For the services categorised as Non-Code, further details of the triggers for incurring charges are provided in the Conditions for the Provision of Services and Service Schedules published by Xoserve. The Conditions also include details of the invoice dispute process for Non-Code Services.

- 4.2 The principles for charging for User Pays Modification Proposals are set out in UNC MOD213V and shall be in accordance with UNC Modification Rules, and pursuant to the User Pays Guidance Document.
- 4.3 The charges in respect of Service Item 10 (UNC Modification Proposal 0224 Facilitating the use of AMR in the Daily Metered Elective Regime) are consistent with the charging methodology principles detailed in Section 3, above. However, due to the phased nature of user forecast demand for the services, detailed in Appendix 2, the transactional charges have assumed a cost recovery period of two years from initial implementation. On completion of the initial two years these service charges will target a year in year cost recovery and will be reviewed in accordance with paragraph 4.4 below.
- 4.4 Gas Transporters are required to keep this publication under review and may from time to time modify the statement. It is anticipated that a review will take place at least annually and any review of this statement shall include, where necessary, an update of Appendix 2 (Forecast Demand), even if the updates do not result in subsequent changes to the charges outlined in Appendix 1.
- 4.5 All charges will become effective from the date of the statement and shall continue to be invoiced in line with the published Conditions.

Appendix 1 – Schedule of User Pays Services and User Pays Service Charges

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
1.Provision of Information	A range of services supporting the provision of information to various parties.	Non Code service	Those persons entitled to receive the service.	Internet based service to allow authorised users access to supply meter point data online. (Part 3 of the Conditions)	Monthly Charge for a Data Enquiry Account	£3.10
				User Telephone Enquiry. Telephone call(s) to information centre to obtain Supply Meter Point data. (Part 6 of the Conditions)	Band A*	-
				*Band A equates to pay-as-you-go at £4.30 a call. This is aimed at infrequent callers.	Band B up to 1,000 calls annually (charged in 12 equal monthly instalments)	£2,016 pa
					Band C up to 5,000 calls annually (charged in 12 equal monthly instalments)	£9,780 pa
					Band D up to 20,000 calls annually (charged in 12 equal monthly instalments)	£34,032 pa
					Band E up to 50,000 calls annually (charged in 12 equal monthly instalments)	£70,008
					Band F up to 70,000 calls annually (charged in 12 equal monthly instalments)	£87,012 pa

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
					Band G up to 150,000 calls annually (charged in 12 equal monthly instalments)	£119,076 pa
					Band H up to 250,000 calls annually (charged in 12 equal monthly instalments)	£153,108 pa
					Charge per call in excess of annual band	£3.00
					Charge per call in excess of monthly allowance	£3.00
				Provision of M Number DVD containing supply meter point data. (Part 4 of the Conditions)	Annual Service	£80 pa
					Ad Hoc Per DVD	£40
				Provision of data by email for users Meter Point Reference Numbers. (Part 2 of the Conditions)	Per email report 1-999 MPRNs	£73
					Per email report 1,000-5,000 MPRNs	£108
2. Registered User Portfolio Reports	A range of portfolio information reports available to Users. (Part 5 of the Conditions)	Non Code service	Shippers under UNC	Query Management – Standards of Services	Annual Service (12 reports per year)	£264pa
					Ad Hoc Service (per report)	£72

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Registered User Portfolio Statement	Annual Service (12 reports per year)	£384 pa
					Ad Hoc Service (per report)	£144
				Registered User Portfolio (for User portfolios not exceeding one million Supply Points)	Annual Service (12 reports per year)	£1,716 pa
					Ad Hoc Service (per report)	£864
				Registered User Portfolio (for User portfolios exceeding one million Supply Points)	Service Charge on application to Xoserve	
				CSEPs Portfolio Report	Annual Service (12 reports per year)	£384 pa
					Ad Hoc Service (per report)	£72
				Unique Sites Portfolio	Annual Service (12 reports per year)	£384 pa
					Ad Hoc Service (per report)	£72
				Annual Asset Portfolio	Annual Service (one report per year)	£1,452 pa
					Ad Hoc Service (per report)	£2,256

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Transco Asset Portfolio	Annual Service (12 reports per year)	£600 pa
					Ad Hoc Service (per report)	£180
				Data Portfolio Snapshot	Annual Service (12 reports per year)	£600pa
					Ad Hoc Service (per report)	£180
			Those persons entitled to receive the service.	Data Enquiry Last Accessed Report	Ad-hoc Service (per report)	£60
					Annual Service – 6 monthly (2 reports per year)	£84
					Annual Service – Quarterly (4 reports per year)	£120
					Annual Service – Monthly (12 reports per year)	£312

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
			Those persons entitled to receive the service.	Historic asset and read report	Annual Service – Monthly (12 reports per year)	£1,440
					Annual Service – Quarterly (4 reports per year)	£624
			Those persons entitled to receive the service.	Supporting Information for Telephone Enquiry Usage	Adhoc Service (per report)	£60
					Annual Service – 12 reports	£384
3. AQ Enquiry	Tool to calculate a Speculative AQ Value of a Users Supply Meter Point on provision of meter read information.	Non Code service	Shippers under UNC	Provision of a Speculative AQ Value (Part 1 of the Conditions)	Per AQ Enquiry Requested	£0.0021
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 services	Shippers under UNC	One meter at the supply point – National Grid Distribution	Per Read Requested	£72.04
				Two meters at the supply point – National Grid Distribution	Per Read Requested	£113.69

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Three or more meters at the supply point – National Grid Distribution	Per Read Requested	£158.78
				One meter at the supply point – Scotland Gas Networks	Per Read Requested	£66.72
				Two meters at the supply point – Scotland Gas Networks	Per Read Requested	£ 96.26
				Three or more meters at the supply point – Scotland Gas Networks	Per Read Requested	£ 125.80
				One meter at the supply point – Southern Gas Networks	Per Read Requested	£ 67.89
				Two meters at the supply point – Southern Gas Networks	Per Read Requested	£ 97.44
				Three or more meters at the supply point – Southern Gas Networks	Per Read Requested	£ 126.98
				One meter at the supply point – Northern gas Networks	Per Read Requested	£ 56.30

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Two meters at the supply point – Northern gas Networks	Per Read Requested	£ 87.10
				Three or more meters at the supply point – Northern gas Networks	Per Read Requested	£ 118.90
				One meter at the supply point – Wales & West Utilities	Per Read Requested	£45.48
				Two meters at the supply point – Wales & West Utilities	Per Read Requested	£ 92.77
				Three or more meters at the supply point – Wales & West Utilities	Per Read Requested	£ 205.72
5. Shipper Agreed Reads	Where Users cannot agree with an estimated opening reading, Xoserve will load an agreed revised reading submitted by the incumbent shipper.	Code services	Shippers under UNC	U01 File	Per Read	£0.44
				Email File	Per Read	£2.50
				Facsimile Transaction	Per Read	£8.00

Service Item	Description	Type	Services Recipient	Service Detail	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 services	Applicant Users who wish to be admitted to UNC	(a) The delivery and installation of IX equipment	Charged after accession to UNC ¹	Price on Application
		Non Code service	Applicant Users who wish to be admitted to UNC	(b) Administration of the shipper admission process.	Charged on application.	£2,300

¹ Applicant users will be required to sign an IXN installation agreement which will provide for the recovery of installation and removal costs in the event that an applicant user does not become a shipper user, as per current arrangements.

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
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 service	Shippers under UNC	As agreed at the time of request.	Priced by quotation	Priced by quotation
8. USRV resolution service (UNC Modification 192 refers).	The resolution, by the Transporters agent, of a User Suppressed Reconciliation Value (USRV), in accordance with the Uniform Network Code	Code Services	Shippers under UNC	Desktop resolution service only	Per USRV resolution	£117.00
				Desktop and asset verification visit resolution, National Grid Gas Distribution North Thames LDZ	Per USRV resolution, including the costs of the asset verification visit	£267.79
				Desktop and asset verification visit resolution, National Grid Gas Distribution East Anglia, East Midlands, West Midlands, North West LDZs	Per USRV resolution, including the costs of the asset verification visit	£266.22
				Desktop and asset verification visit resolution, Wales & West Utilities Wales North, Wales South and South West LDZs	Per USRV resolution, including the costs of the asset verification visit	£203.00

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Desktop and asset verification visit resolution, Scotland LDZ (including Scottish Independent Networks) and South East and Southern LDZs	Per USRV resolution, including the costs of the asset verification visit	£208.34
				Desktop and asset verification visit resolution, Northern Gas Networks North East and Northern LDZs	Per USRV resolution, including the costs of the asset verification visit	£201.00
9. User Pays DCA (UNC Modification 213V refers)	The provision of Detailed Cost Analysis (DCA) document to support a User Pays Modification Proposal, in accordance with UNC Modification Rules	Code Services	Shippers under UNC	A DCA document, provided by the Transporters, to the UNC Committee or UNC Work Group to support a non – implemented User Pays Modification Proposal	As set out in UNC MOD213V and in accordance with UNC Modification Rules, and pursuant to the User Pays Guidance Document with reference to individual quotations provided by the Transporters for the provision of DCA document	Priced on quotation
10. Daily Metered Elective Regime (UNC Modification 224 refers)	To facilitate the use of Automated Meter Reading (AMR) equipment in the business market a user may elect, on a voluntary basis, to use their own AMR equipment to supply daily meter readings to the relevant Transporter	Code Services	Shippers under UNC	Provision of daily meter read activities, provision of supporting information and invoicing services	Daily charge per DM Elective nominated meter point	£0.28
				Investigation and resolution of user created daily metered reconciliation error	Per reconciliation error resolution	£60

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Resolution and processing of consumption adjustment	Per consumption adjustment (ADJ1)	£37
				Provision of DME annual check read report	Ad Hoc service (per report)	£55
				Provision of DME meter inspection report	Ad Hoc service (per report)	£55
12. Apportionment of Unidentified Gas activity, (UNC Modification 229 refers)	Ongoing service Ongoing application of the methodology	Code Service	Shippers under UNC	<p>The activities for the ongoing service include:</p> <ul style="list-style-type: none"> - Support provided to the expert in undertaking its activities - Convening meetings to discuss the statement - invoicing the values provided by the expert - All other activities not included within the set up charge 	<p>The charging basis is:</p> <ol style="list-style-type: none"> 1. Ongoing costs incurred for the period between 1st April and 31st March. 2. This value then Invoiced to Shippers in one instalment using the formula below to determine the Shipper charge for each relevant billing period; <p>Total SOQ for all LDZs for the relevant billing period for each Shipper (as at the end of the relevant billing period(31st March)) as a percentage of the total SOQ for all LDZs for the relevant billing period for all Shippers (as at the end of the relevant billing period (31st March))</p>	£312,184

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
13. AQ Amendment Service Modification 292 refers	Set up service	Code Service	Shippers under UNC	The development costs incurred as a result of the implementation of modification 0292. A one off charge for the development changes.	100% charges to Shippers, The charging basis for Shippers will be an allocation of the development costs to each Shipper based upon their number of SSP supply points in proportion to the total number of SSP supply points as measured on the date of the implementation of the modification.	£119,530
14 Updates to default System Marginal Buy Price and default System Marginal Sell Price. Modification 333A refers	Development service The implementation of functionality to provide an annual update to the default System Marginal Buy Price and default System Marginal Sell Price	Code Service	Shippers under UNC	The costs incurred as a result of the implementation of modification 333A. A one-off charge following completion of the development.	Charging basis: The costs apportioned to Shippers are to be charged to each Shipper based upon each Shipper's individual proportion of the previous 365 days gross daily imbalance energy. This imbalance proportion is to be measured as at the date of implementation	TBC

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
15 Population and Maintenance of the Market Sector Code within the Supply Point Register. Modification 0353 refers	The implementation and application of a system to update any blank Market Sector Codes (MSC)	Code Service	Shippers under UNC	A one-off service whereby the Transporter will update any blank MSC at a certain point in time	<p>Charges will be raised to each relevant Shipper (i.e. those who use the service).</p> <p>The costs for providing the service will be charged to each relevant Shipper based upon their number of blank MSC updated by the Transporter in proportion to the total number of blank MSC updated by the Transporter</p>	TBC
16 Delivery of additional analysis and derivation of Seasonal normal weather. Modification 330 refers.	Analysis and derivation of Seasonal normal weather	Code Service	Shippers	Service to procure a methodology suitable for the adjustment, for the purposes of Composite Weather Variables, of historical data in relation to wind speeds and temperatures at weather stations which cease operation and are replaced by other weather stations (in suitable locations) for the purposes of such formula ("the Weather Station Substitution Methodology") as per UNC Transitional Document Part IIC 11.5.3.	<p>The charging basis to Shippers is:</p> <p>The costs apportioned to Shippers are to be charged to each Shipper based upon each Shipper's individual proportion of total number of non-daily metered supply points. This proportion is to be measured as at the date of implementation.</p>	TBC

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
17 Increased Choice when Applying for NTS Exit Capacity (UNC Modification 376S refers)	<p>Development service, recovery of shippers proportion of development costs</p> <p>The implementation of functionality to increase the level of choice available to Users when applying for Enduring Annual NTS Exit (Flat) Capacity by enabling an ad-hoc application to request a Capacity start date beyond Y+4 up to Y+6 and an application within the July Application Window to request a non October start date</p> <p>The development costs are to be split between the shipper community and gas transporter community on the following basis:</p> <p>Shipper community 33% GT community 67%</p>	Code Service	Shippers under the UNC	Recovery of the development costs incurred as a result of the implementation of modification 376S. A one-off charge following completion of the development.	<p>Charging basis:</p> <p>The costs are to be charged to each Shipper based upon each Shipper's individual proportion of total NTS Exit (Flat) Capacity holdings as measured on the gas day 1 October 2012</p> <p>Shipper User NTS Exit (Flat) Capacity holdings ÷ Σ all Shipper Users NTS Exit (Flat) Capacity holdings) x development costs</p>	£57,494

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
18 iGT Data Preparation Service	The preparation of iGT customer data in readiness for the implementation of the iGT Agency Services initiative	Non Code	Shippers under the Framework Contract for the Provision of Non-Code User Pays Services	The development of computer systems programs and processes to facilitate the upload of iGT Data by each iGT Licence Holder to Xoserve's computer systems	In proportion to the number of iGT supply meter points in each Shipper's ownership as a proportion of the total number of iGT supply meter points in all Shipper's ownership as measured on the 5th January 2015	TBC
	The preparation of iGT customer data in readiness for the implementation of the iGT Agency Services initiative	Non Code	Shippers under the Framework Contract for the Provision of Non-Code User Pays Services	The receipt and preparation iGT Data customer data ready for migration to the New UK Link System. Xoserve shall also provide the customer with interim and final customer data portfolios	In proportion to the number of iGT supply meter points in each Shipper's ownership as a proportion of the total number of iGT supply meter points in all Shipper's ownership as measured on the date of implementation of UNC Modification 0440 Project Nexus Single Service Provision	TBC
19 iGT Data Provision Service	Smart metering communication equipment installation	Non Code	Shippers under the Framework Contract for the Provision of Non-Code User Pays Services	The installation of the iGT smart metering communication service to enable data (required under the Smart Metering Implementation Programme) to be provided by iGTs to Xoserve	In proportion to the number of iGT supply meter points in each Shipper's ownership as a proportion of the total number of iGT supply meter points in all Shipper's ownership as measured on the 1 st June 2014	TBC

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
	The on-going operation of the smart metering communication equipment	Non Code	Shippers under the Framework Contract for the Provision of Non-Code User Pays Services	The on-going operation of the iGT smart metering communication service for the provision of iGT data to Xoserve	In proportion to the number of iGT supply meter points in each Shipper's ownership as a proportion of the total number of iGT supply meter points in all Shipper's ownership as measured on 1 st day of each quarter from 1 st July 2014 until the service finishes on the implementation of UNC Modification 0440 Project Nexus Single Service Provision	TBC
20 Individual Settlements for pre-payment and smart meters	Development costs of systems and processes to facilitate individual settlements for pre-payment and smart meters	Code Service	Shippers under UNC	Recovery of the development costs incurred as a result of the implementation of modification 451	Individual shipper's proportion of MPRN of the SSP market as at 15/09/2013	TBC
	On-going costs of systems and processes to facilitate individual settlements for pre-payment and smart meters	Code Service	Shippers under UNC	On-going costs incurred as a result of implementation of modification 451	Individual shipper's proportion of MPRN of the eligible MOD451 population as at 15th of each month	£11,213.38
21 Single meter supply points (UNC MOD 428 refers)	Transactional service Recovery of costs associated with the Xoserve performing shipper mandated activities	Code Service	Shippers under the UNC	Recovery of any costs associated with Xoserve performing shipper mandated nominations and confirmations as a result of the implementation of Modification 428 A charge per occurrence for each transaction made	Charging basis: Charged per occurrence for each transaction made	TBC

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
22 Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015/16 (UNC MOD 551 refers)	<u>Development costs of systems and processes to facilitate protecting consumers who are disaggregated under Modification 0428 from Ratchet charges</u>	<u>Code Service</u>	<u>Shippers under the UNC that have DM supply meter points that were disaggregated under Modification 428</u>	<u>Recovery of the development costs incurred as a result of the implementation of modification 551</u>	<u>In proportion of the number of DM supply meter points in each shipper's ownership that were disaggregated under Modification 428 as a proportion of the total DM supply meter points disaggregated under Modification 428, as measured at 01/10/2015</u>	<u>TBC</u>
	<u>On-going costs of systems and processes to facilitate protecting consumers who are disaggregated under Modification 0428 from Ratchet charges</u>	<u>Code Service</u>	<u>Shippers under the UNC that have DM supply meter points that were disaggregated under Modification 428</u>	<u>Provision of a service to provide relief for ratchet charges associated with sites that have been disaggregated under Modification 428</u>	<u>Per valid query received from the requesting party</u>	<u>TBC</u>

Other Charges and Payments

Service Item	Type	Service Detail	Charging Basis	Charge (£)
1.Provision of Information	Non Code service	Internet based service to allow authorised users access to supply meter point data online. (Part 3 of the Conditions)	Daily Failure Rate for Data Enquiry services	£0.19

Service Item	Type	Service Detail	Charging Basis	Charge (£)
		User Telephone Enquiry Service Volume Band reduction charge. (Part 6 of the Conditions)	On reduction of the contracted User Telephone Enquiry Service Volume Band	£500

Appendix 2: Updated Forecast Demand

Service Item	Service Detail		1 October Annual Forecast Demand (Apr – Mar)
1.Provision of Information	Internet based service to allow authorised users access to supply meter point data online. (Part 3 of the Conditions)		22,000
	User Telephone Enquiry. Telephone call(s) to information centre to obtain Supply Meter Point data. (Part 6 of the Conditions)	Band B up to 1,000 calls	19
		Band C up to 5,000 calls	7
		Band D up to 20,000 calls	0
		Band E up to 50,000 calls	3
		Band F up to 70,000 calls	0
		Band G up to 150,000 calls	1
		Band H up to 250,000 calls	0
		Calls in excess of band	3,747
	Provision of M Number DVD containing supply meter point data. (Part 4 of the Conditions)	Annual Service	27
		Ad Hoc Per DVD	0
	Provision of data by email for users Meter Point Reference Numbers. (Part 2 of the Conditions)	Per email report 1-999 MPRNs	1,409
		Per email report 1,000-5,000 MPRNs	0
2. Registered User Portfolio Reports	Query Management – Standards of Services	Annual Service (12 reports per year)	5
		Ad Hoc Service (per report)	0
	Registered User Portfolio Statement	Annual Service (12 reports per year)	25
		Ad Hoc Service (per report)	0
	Registered User Portfolio (for User portfolios not exceeding one million Supply Points)	Annual Service (12 reports per year)	18
		Ad Hoc Service (per report)	0

Service Item	Service Detail		1 October Annual Forecast Demand (Apr – Mar)
	CSEPs Portfolio Report	Annual Service (12 reports per year)	18
		Ad Hoc Service (per report)	0
	Unique Sites Portfolio	Annual Service (12 reports per year)	8
		Ad Hoc Service (per report)	0
	Annual Asset Portfolio	Annual Service (one report per year)	13
		Ad Hoc Service (per report)	0
	Transco Asset Portfolio	Annual Service (12 reports per year)	11
		Ad Hoc Service (per report)	0
	Data Portfolio Snapshot	Annual Service (12 reports per year)	11
		Ad Hoc Service (per report)	0
	Data Enquiry Last Accessed Report	Adhoc Service (per report)	3
		Annual Service – 6 monthly (2 reports per year)	0
		Annual Service – Quarterly (4 reports per year)	2
		Annual Service – Monthly (12 reports per year)	3
	Historic asset and read report	Annual Service – Monthly (12 reports per year)	7
		Quarterly service	10

Service Item	Service Detail		1 October Annual Forecast Demand (Apr – Mar)
	Supporting information for telephone enquiry usage	Ad Hoc Service (per report)	0
		Annual Service – Monthly (12 reports per year)	3
3. AQ Enquiry	Provision of a Speculative AQ Value (Part 1 of the Conditions)		12,000,000
4. Must Reads	One meter at the supply point		9,458
	Two meters at the supply point		660
	Three or more meters at the supply point		880
5. Shipper Agreed Reads	U01 File		45,948
	Email File		0
	Facsimile Transaction		0
6. User Admission	Non-Code Services applicants		23
8. USRV filter failures	Desktop resolution		45
	Desktop resolution including site visit		1
10. Daily Metered Elective Services	DM Elective nominated meter points	Year 1	0
		Year 2	0
		Year 3 onwards	0
	Reconciliation error resolution		0
	Consumption Adjustments (ADJ1)		0
	DM Elective annual check read report		0
	DM Elective meter inspection report		0

Service Item	Service Detail	1 October Annual Forecast Demand (Apr – Mar)
12 Apportionment of Unidentified Gas activity, (UNC Modification 229 refers)	Ongoing service	Once per year
13 AQ Amendment Service Modification 292 refers	Set up service	Once, in 2014
14 Updates to default System Marginal Buy Price and default System Marginal Sell Price. Modification 333A refers	Set up service	Once, expected in 2012/13
15 Population and Maintenance of the Market Sector Code within the Supply Point Register. Modification 0353 refers	A one-off service whereby the Transporter will update any blank MSC at a certain point in time	Less than 7m updates
16 Delivery of additional analysis and derivation of Seasonal normal weather. Modification 330 refers.	Set up service	Once, expected in 2012/13

Service Item	Service Detail	1 October Annual Forecast Demand (Apr – Mar)
17 Increased Choice when Applying for NTS Exit Capacity (UNC Modification 376S refers)	Set up service	Once, expected in 2012/13
18 iGT Data Preparation Service	Set up service	Once in 2015
	Data preparation service	Once in 2015
19 iGT Data Preparation Service	Set up service	Once in 2014
	On-going service	Quarterly from July 2014
20 Individual settlements for pre-payment and smart meters (UNC modification 451 refers)	Set up service	Once, expected in 2015
	On-going service	Monthly
21 Single meter supply points (UNC MOD 428 refers)	Per re-confirmation	5,000
22 Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015/16 (UNC MOD 551 refers)	<u>Set up service</u>	<u>Once expected in 2016</u>
	<u>Per instance of ratchet relief</u>	<u>Monthly</u>

Activity Cost Base (ACB) in Xoserve

An Overview of the Methodology

1.0 Background

The purpose of this paper is to provide a summary of the Activity Cost Base (ACB) methodology used in Xoserve.

Obligations are placed on Network Operators by Standard Special Condition A15(3)(ii) of the Gas Transporters' licence – “the costs of the agency shall be determined on an activity cost basis such that the services and systems costs associated with each activity, as set out within the uniform network code as being the scope of agency, are separately assessed and reported.”

The ACB methodology described below is intended to meet this obligation.

2.0 Activity Cost Base Methodology

The scope of the methodology is the activities included in Schedule 2 of the Agency Services Agreement (ASA) which specifies the services Xoserve provides to the Network Operators. The services are shown in three levels of detail – Service Line (e.g. Provide and maintain Supply Point Register), Service Description (e.g. Manage Supply Point Register) and Service Requirement (e.g. Respond to Supply Point enquiry).

The cost base is split into five distinct areas.

- Employee costs (e.g. Salaries & Associated Costs, Agency and Travel & Subsistence).
- Non Employee costs (e.g. Printing and Stationary, Training and Telephones).
- Bought in services (Non IS) (e.g. Property, M Numbers, and Business Services).
- Bought in Services (IS Core).
- Bought in Services (IS projects).

Cost drivers are used to apportion costs for each area to each service line. Different drivers are used depending on the nature of cost involved. For example, activities that are labour intensive can be driven using proportions of manpower time spent against those activities. Cost drivers will be explained in greater detail in the next section.

3.0 Cost Driver Selection

The cost drivers used are as follows.

3.1 Employee costs

3.1.1 Direct - Departments who deliver ASA services

Xoserve uses a well established system to record time taken against activities. The activity codes from this system have been mapped to the most appropriate ASA service lines. Costs are allocated to service lines in proportion to the amount of resource used to complete the activity. Direct staff numbers are used to drive Salary and Associated Costs whilst Agency numbers are used to drive Agency costs.

3.1.2 Support – Departments not delivering specific ASA services

The resources and costs of those departments who are not involved with the delivery of specific ASA services (e.g. HR, Finance & Business Support) are attributed in proportion to the total direct resource per service line.

3.2 Non Employee Costs

Where non employee costs are incurred as a result of delivering a particular service (e.g. RbD Audit), these will be allocated directly to that service line. The remainder of non staff costs are allocated across all service lines in proportion to the direct and support resource against it.

3.3 Bought in Services (Non IS)

Non-IS bought in services are treated in the same way as non employee costs. Several bought in services can be allocated directly to service lines (e.g. Domestic M Number service outsourced to National Grid). The remainder of this type of bought in service are allocated to service lines in proportion to the direct and support resource against it.

3.4 Bought in Services (IS Core)

IS charges can be broken down into a number of categories. The bulk of the charges are incurred in running and maintaining applications such as Gemini, Invoicing 95 and Sites & Meters. Categories such as asset leasing charges, software licence costs and application workpacks are allocated to the relevant software application that has incurred the cost.

The total application costs are then allocated to the relevant service lines based upon recommendations provided by appropriate experts within the business.

The remainder of the categories are driven to service lines in proportion to the direct and support resource against it. These are :-

- Network Infrastructure
- Desktop
- Helpdesk
- Contract Management (purchase)

3.5 Bought in Services (IS Projects)

Expenditure incurred under Change Budget and Business Improvements categories is allocated, with input from Xoserve Business Projects, to the most appropriate service line. For example, any changes or improvements to the Supply Point Register will be allocated to that service line.

Infrastructure upgrade costs are allocated to the specific application which has benefited from the work being undertaken.

The cost drivers used are summarised below.

4.0 Summary

The ACB methodology developed for Xoserve ensures that costs are allocated to activities using the most appropriate drivers: -

- Where possible, resource costs being allocated in proportion to time taken to complete activities.
- If a non staff or bought in service cost is incurred in the delivery of one or more service lines then the cost is allocated directly to the relevant service lines only.
- The cost of applications is driven to service lines based on advice from appropriate experts from within Xoserve.

Summary of Cost Drivers

