

An Essential British Company

Transco

Piping gas for you

Gas Transportation Charges

from 1st JUNE 2001

GAS TRANSPORTATION CHARGES EFFECTIVE FROM 1st JUNE 2001

Introduction

This publication sets out revised transportation charges effective from 1st June 2001. These charges apply for use of the Transco pipeline network, as required by Standard Condition 3 of the Public Gas Transporter's licence. This document does not override or vary any of the statutory, licence or Network Code obligations upon Transco.

For more information on the charges set out below, contact Transco's Pricing team on **(0121) 623 2340**.

2.1.1 Network Code

The Network Code is supported by an integrated set of computer systems called UK Link. The charges and formulae in this booklet will be used in the calculation of charges within UK Link, which are definitive for billing purposes.

There are a number of areas of the Network Code that impact upon the cost to shippers of using the transportation network, such as imbalance charges, scheduling charges, capacity over-runs and ratchets, top-up neutrality charges and contractual liabilities. Reference should be made to the Network Code – as modified from time to time – for details of such charges and liabilities.

2.1.2 Units

Commodity charges are expressed and billed in pence per kilowatt hours (kWh).

The tables also show capacity charges per peak kilowatt hour and fixed charges at both a daily rate and an equivalent annual rate. The daily rate figures for capacity and fixed charges are definitive and are used in UK Link.

2.1.3 Invoicing

Transco's Invoicing team produce and issue the invoices that are derived from the transportation charges shown within this publication. To clarify this link between pricing and invoicing charge codes and invoice names are included in the tables.

For more information on invoicing, please contact Transco's Invoicing team on **(0121) 781 2118**.

2.1.4 The Transco price control formula

Transportation charges are derived in relation to a price control formula which is set by Ofgem, the gas and electricity market regulator, for the transportation of gas. This formula dictates the maximum revenue Transco can earn for each unit of gas transported through its network. Should Transco earn more or less than the maximum permitted revenue in a formula year, then a compensating adjustment is made in the following year. Where a significant over-recovery is anticipated within a year an adjustment may be made during the year.

Within the cap on charges set by the price control formula, transportation charges are designed to reflect the relative costs of constructing, maintaining and operating the different parts of the gas transmission and distribution systems.

For charging purposes the system is split into three tiers: the National Transmission System (NTS), the Local Distribution Zones (LDZs) and customer-related activities. Transco's Activity Based Costing (ABC) model assigns Transco's costs to each of these tiers. Charges have been derived for each tier in order to recover the appropriate revenue based on this ABC analysis.

2.1.5 Firm transportation

Firm transportation charges comprise NTS and LDZ capacity and commodity charges plus customer charges.

2.1.6 Interruptible transportation

Interruptible transportation is available for supply points which consume over 5,860,000 kWh per annum.

For supply points which have been nominated by a shipper as interruptible, the shipper will pay neither the NTS exit capacity charge nor the capacity element of the LDZ standard charge. The commodity element of the LDZ standard charge or, alternatively the optional LDZ charge if appropriate, will continue to apply. Transco has the right to interrupt these supply points for up to 45 days each year.

To help Transco run the network safely and securely the Network Code defines two special types of interruptible supply points. These are Network Sensitive Load (NSL) and Transco Nominated Interruptible (TNI).

NSLs are supply points where specific interruption may be required to maintain the supply of gas to firm supply points in the same area. The additional reduction in transportation charges applying to NSLs referred to in the Network Code (6.7.14) has been set to zero.

TNIs are supply points where Transco reserves the right to interrupt for more than 45 days each year. These supply points are not only exempt from NTS exit capacity and LDZ capacity charges but also pay discounted NTS and LDZ commodity charges.

The discount percentage is calculated as:

$$\left(\frac{N - 45}{183} \right) \times 100 \text{ per cent}$$

where N is the lower of the maximum number of days of permitted interruption or 183.

(For example, if it is specified that the supply point can be interrupted for up to 90 days, then N equals 90 and the NTS and LDZ commodity unit charges are reduced by 24.6%.)

Transco offers a number of services relating to interruptible supply points.

Allocation arrangements allow more than one shipper/supplier to supply interruptible gas to a site which consumes in excess of 58,600,000 kWh per annum. This flexibility of supplier enables the end user to make greater use of the competitive market and allows for alternative provision of gas during commercial interruption. Further details of this service are given in Section 2.5.2.

The Partial Interruption service is designed to allow shippers to reduce offtake rates at supply points (to predetermined levels agreed between the shipper and the end user) where capacity exists, so that the site remains on a part-load, where otherwise it would have been fully interrupted.

The Interruptible Supply Point Firm Allowance (IFA) is available to all interruptible supply points. It allows a guaranteed supply of 14,600 kWh per day (this figure can be higher if the capacity is available), where this allowance is subject to normal firm transportation charges. This enables end users to maintain their critical processes when their supply is interrupted.

Transfer of Firm Offtake Capability. This allows a shipper to release capacity allocated to a firm supply point in order to meet the requirements of an interruptible supply point during an interruption notice. This is subject to system constraints and other eligibility criteria.

Details of all of the above interruption services are available from gas suppliers/shippers, or from Transco System Operation on **(01455) 893147**.

2.1.7 Theft of gas

The licensing regime places incentives on transporters, shippers and suppliers to take action in respect of suspected theft of gas. Certain costs associated with individual cases of theft are recovered through transportation charges. Transco's charges reflect these requirements, with Transco remaining cash neutral in the process. The charges below do not include any adjustment relating to costs associated with individual cases of theft.

2.2 National Transmission System

The National Transmission System (NTS) is a network of pipelines presently operated at pressures of up to 75 bar which transports gas from entry points to Transco's local transmission and distribution systems, other connected systems, storage sites and directly to some large volume consumers.

Charges for the use of the NTS are split into entry capacity, exit capacity and commodity charges. Charges for entry capacity are not fixed but are determined by auctions which are at present held every six months and apply to all system entry points. Prior to the auctions the NTS target revenue is allocated 65% to capacity charges and 35% to commodity charges and this allocation is used in the determination of the floor prices for the auctions. Obviously the 65/35 split will probably not be achieved in practice following the auctions. Exit capacity charges are based on the calculated long run marginal cost (LRMC) of developing the system to meet a sustained increase in demand, and are determined by the exit zone to which a particular offtake point belongs.

The standard NTS commodity charge is a uniform charge, independent of entry and exit points. From 1 October 2000 this charge has been used to adjust the revenue from the NTS charges in order to reduce the deviations resulting from the auction outcomes. A distance-related commodity charge which does not vary in this way is also available as an alternative, the optional NTS commodity tariff.

2.2.1 Monthly System Entry Capacity

2.2.1.1 Firm Entry Capacity

For each of the system entry points Monthly System Entry Capacity (MSEC) is allocated by auction. MSEC auctions offer monthly tranches of firm capacity, and are held in respect of each Aggregate System Entry Point (ASEP). Capacity is allocated in respect of each bid in descending price order starting at the highest price until all monthly system entry capacity has been allocated or all valid bids have been considered. Successful bidders pay the bid price of each accepted or part accepted bid. Unsold MSEC may be bought on a first come first served basis, after the auctions have closed, up to three days before the month of use. The charge for this capacity is the weighted average of the top 50% by volume of accepted bids in the relevant auction of MSEC. The lowest price that could be accepted is the floor price, set out in Table 2.2.2 opposite.

2.2.1.2 Interruptible Entry Capacity

From 1 December 2000, Monthly Interruptible System Entry Capacity (MISEC) has also been made available. The format of MISEC auctions is the same as that applied to MSEC. Unsold MISEC may be bought on a first come first served basis, after the auctions have closed, up to three days before the month of use. The quantities of MISEC offered are the difference between a measure of maximum flow capability and the quantity of MSEC offered. The maximum flow capability is calculated in accordance with the methodology specified in the Network Code (Section B2.3.13c).

2.2.2 Daily System Entry Capacity services

Transco offers two daily capacity services – a firm Daily System Entry Capacity service (DSEC) and a Daily Interruptible System Entry Capacity service (DISEC). Both services are offered through a tender process and are subject to minimum (floor) prices. Successful bidders pay the bid price of each accepted or part accepted bid. Capacity is allocated, in respect of each bid, in descending price order until all capacity has been allocated or all valid bids have been considered.

The allocation of DSEC is initiated before the gas day and is repeated at intervals through to 02.00 hours on the gas day. Shippers may have up to 20 bids on the system at any one time. DSEC availability is the amount, determined by Transco, by which system entry capacity exceeds firm system entry capacity held by shippers.

DISEC is allocated by means of a single tender that is held on the day before the gas day. Shippers may submit up to 20 applications for capacity in respect of each aggregate system entry point.

DISEC consists of any unutilised booked monthly capacity on a day. Transco determines the availability of capacity after consideration of the daily allocation levels at each ASEP on the day before the gas day. If on a day, nominations from primary holders of firm capacity increase so that gas flow exceeds booked levels at an entry point, any DISEC service entitlements would be scaled back.

2.2.2.1 Entry Capacity Floor Prices

For all system entry capacity auctions a series of floor prices have been established.

The floor prices for MSEC, DSEC, and MISEC are shown in Table 2.2.2 below. The floor prices for DISEC are set at zero.

The invoice and charge codes are:

Service	Invoice	Charge Code
MSEC	NTS Capacity	LTF
DSEC	NTS Capacity	DAF
MISEC	NTS Capacity	LTI
DISEC	NTS Capacity	DIC

Table 2.2.2 Entry Capacity Floor Prices

Entry Point	Floor price		
	pence per kWh per day		
	MSEC	DSEC	MISEC
Coastal terminals			
Bacton	0.0005	0.0003	0.0001
Easington / Rough	0.0019	0.0013	0.0003
Theddlethorpe	0.0009	0.0006	0.0001
St Fergus	0.0163	0.0109	0.0022
Teesside	0.0040	0.0026	0.0005
Barrow	0.0056	0.0037	0.0008
Onshore fields and connections			
Hatfield Moors	0.0031	0.0021	0.0004
Wytch Farm	0.0000	0.0000	0.0000
Caythorpe	0.0015	0.0010	0.0002
Burton Point	0.0000	0.0000	0.0000
Hole House Farm	0.0003	0.0002	0.0000
Storage			
Hatfield Moors	0.0031	0.0021	0.0004
Hornsea	0.0019	0.0013	0.0003
Glenmavis LNG	0.0064	0.0043	0.0009
Partington LNG	0.0007	0.0004	0.0001
Constrained LNG			
Avonmouth	0.0000	0.0000	0.0000
Dynevor Arms	0.0000	0.0000	0.0000
Isle of Grain	0.0000	0.0000	0.0000

2.2.3 Constrained LNG

Shippers that book the constrained Liquefied Natural Gas (LNG) storage service, available from the LNG storage sites at Dynevor Arms, Isle of Grain and Avonmouth, undertake an obligation to provide transmission support gas to Transco on days of very high demand. In recognition of this, shippers receive a credit in respect of minimum booked storage deliverability. Full details of associated rules are available on request from Transco's associated LNG business unit. The credit is deducted from the price of the storage service.

Entry point	Credit
	pence per registered kWh per day
Dynevor Arms LNG	0.0000
Isle of Grain LNG	0.0032
Avonmouth LNG	0.0093

2.2.4 NTS Exit Capacity Charges

NTS exit capacity charges apply to loads supplied through existing NTS offtakes into the Local Distribution Zones (LDZ) and to large loads and interconnectors supplied directly from the NTS. The exit zone for an LDZ supply point is determined by its post code.

For new loads supplied directly from the NTS, the exit zone charges provide an indication of the likely level of charges. However, in general, an individual exit zone will be created with its own charge for new NTS offtakes.

At present, Transco makes no charge for NTS exit capacity at storage points. This is on the basis that the transportation service to the storage points is interruptible. If a firm transportation service to storage were provided, an NTS exit capacity charge would be payable.

There are four small towns in Scotland where LNG needs to be transported by road tanker to supply end users on distribution systems which are not physically connected to the main Transco network. For these locations, NTS exit charges will be calculated on the basis that they are allocated to exit zone SC4, the location of the LNG storage site which supplies them.

Table 2.2.4 NTS Exit Capacity Charges

Invoice	Charge Codes
NTS Capacity	NDX (DM) / NNX (NDM)

	pence per peak day kWh	
	per day	per annum
LDZ Exit zone		
SC1	0.0001	0.0365
SC2	0.0007	0.2555
SC4	0.0001	0.0365
NO1	0.0001	0.0365
NO2	0.0005	0.1825
NW1	0.0052	1.8980
NW2	0.0060	2.1900
NE1	0.0001	0.0365
NE2	0.0016	0.5840
NE3	0.0009	0.3285
EM1	0.0019	0.6935
EM2	0.0006	0.2190
EM3	0.0054	1.9710
EM4	0.0053	1.9345
WM1	0.0060	2.1900
WM2	0.0065	2.3725
WM3	0.0090	3.2850
WA1	0.0087	3.1755
WA2	0.0149	5.4385
EA1	0.0033	1.2045
EA2	0.0082	2.9930
EA3	0.0037	1.3505
EA4	0.0088	3.2120
NT1	0.0131	4.7815
NT2	0.0115	4.1975
NT3	0.0099	3.6135
SE1	0.0097	3.5405
SE2	0.0131	4.7815
SO1	0.0115	4.1975
SO2	0.0159	5.8035
SW1	0.0093	3.3945
SW2	0.0160	5.8400
SW3	0.0245	8.9425
Storage offtakes		
Aldborough	0.0008	0.2920
Avonmouth	0.0160	5.8400
Burton Point	0.0079	2.8835
Caythorpe	0.0008	0.2920
Dynevor Arms	0.0149	5.4385
Glenmavis	0.0001	0.0365
Hatfield Moors	0.0001	0.0365
Hole House Farm	0.0021	0.7665
Hornsea	0.0008	0.2920
Isle of Grain	0.0082	2.9930
Partington	0.0021	0.7665
Rough	0.0009	0.3285
Wytch Farm	0.0159	5.8035

Table 2.2.4 NTS exit capacity charges (continued)

Invoice	Charge Code
NTS Capacity	NDX (DM)

	pence per peak day kWh	
	per day	per annum
NTS offtakes		
AM Paper / Skelmersdale	0.0021	0.7665
Barking PG	0.0091	3.3215
BASF Teesside	0.0001	0.0365
BP Grangemouth	0.0001	0.0365
BP Saltend (HP)	0.0008	0.2920
Bridgewater Paper	0.0079	2.8835
Brigg PG	0.0004	0.1460
Brimsdown PG	0.0098	3.5770
British Sugar Cantley	0.0033	1.2045
Brunner Mond (Winnington)	0.0021	0.7665
Connahs Quay PG	0.0079	2.8835
Corby PSG	0.0037	1.3505
Coryton PG	0.0090	3.2850
Cottam PG	0.0004	0.1460
Deeside PG	0.0079	2.8835
Didcot PG	0.0105	3.8325
Drakelow	0.0054	1.9710
Great Yarmouth PG	0.0033	1.2045
Hays Chemicals	0.0021	0.7665
ICI Runcorn	0.0081	2.9565
Keadby PG	0.0001	0.0365
Kemira Ince	0.0081	2.9565
Kings Lynn PG	0.0031	1.1315
Kingsnorth PG	0.0082	2.9930
Little Barford PG	0.0044	1.6060
Longannet PG	0.0001	0.0365
Medway PG	0.0082	2.9930
Peterborough PG	0.0031	1.1315
Peterhead PG	0.0001	0.0365
Phillips/Teesside	0.0001	0.0365
Rocksavage PG	0.0081	2.9565
Rolls Royce Ansty	0.0037	1.3505
Roosecote PG	0.0014	0.5110
Rye House PG	0.0098	3.5770
Saltend PG	0.0008	0.2920
Sappi Paper Mill	0.0052	1.8980
Seabank(Avonmouth) PG	0.0160	5.8400
Sellafield PG	0.0014	0.5110
South Humber Bank PG	0.0008	0.2920
Sutton Bridge PG	0.0015	0.5475
Teesside PG	0.0001	0.0365
Terra Billingham	0.0001	0.0365
Terra Severnside	0.0167	6.0955
Thornton Curtis PG	0.0004	0.1460
Zeneca	0.0001	0.0365
Interconnector		
Bacton I/C	0.0033	1.2045
Moffat I/C	0.0001	0.0365

2.2.5 NTS commodity charges

2.2.5.1 Standard charge

Following consultation the standard charge has been used to adjust the revenue from the NTS charges in order to reduce the deviations resulting from the auction outcomes. Following the entry capacity auctions held in February and March 2001 the standard NTS commodity charge was set at the minimum permissible level (equal to the short run marginal cost of operating the system) with effect from 1 April 2001.

Invoice	Charge Code
Commodity	NCO
	pence per kWh
Standard (minimum)	0.0022

2.2.5.2. Optional Charge

The optional NTS commodity tariff is available as an alternative to the standard commodity charge and may be attractive for large daily metered sites located near to entry terminals, since the standard commodity tariff is not distance-related and can result in a relatively high charge for short distance transportation. This could give perverse economic incentives to build dedicated pipelines bypassing the NTS, resulting in an inefficient outcome for all system users.

The optional tariff applies in respect of gas delivered from the local specified terminal. The charge is site specific, and is calculated by the function shown below.

Invoice	Charge Code
ADU	880
	pence per kWh
	$1203 \times [(PL)^{-0.834}] \times D + 363 \times (PL)^{-0.654}$

where **D** is the direct distance from the site or non-Transco pipeline to the elected terminal in km, and **PL** is the registered supply point capacity in kWh. Note that ^ means "to the power of".

Further information on the optional NTS tariff can be obtained from Transco's Customer Portfolio Management (CPM) team on **(0121) 713 5449**.

2.2.6 Compression charge

An additional charge is payable where gas is delivered into the Transco system at a lower pressure than that required, reflecting the need for additional compression. For gas delivered at the Total Oil Marine sub-terminal at St Fergus, a compression charge of 0.0054 pence per kWh is payable.

2.2.7 System balancing charge

A system balancing commodity charge will be payable to reflect the costs of ensuring a balance between the gas entering the system and the gas offtaken.

For shippers operating wholly under Network Code arrangements, the system balancing charge is zero.

The system balancing commodity charge is calculated as:

The sum of energy balancing charges which are or would be payable under the Network Code less energy balancing charges paid by or to the shipper pursuant to the Network Code or any other arrangement divided by the total quantity offtaken.

Energy balancing charges are defined in the Network Code and include imbalance charges, scheduling charges and any additional charges payable by or to the shipper for the purpose of enabling Transco to balance system inputs and offtakes.

The system balancing charge will be determined following each calendar month by monitoring gas inputs and offtakes on a daily basis.

2.3 Local Distribution Zones

Each Local Distribution Zone contains the local transmission system, a network of pipelines operating generally at pressures up to 38 bar, and the distribution system, a network of mains operating in three pressure tiers: intermediate (2 to 7 bar), medium (75 mbar to 2 bar) and low (below 75 mbar).

The LDZ charging functions – both capacity and commodity – use site peak capacity as the measure of customer size.

At daily metered (DM) sites shippers book a daily capacity which is monitored by use of dataloggers. For non-daily metered (NDM) sites, the peak daily load is estimated through the use of a set of algorithms.

These algorithms employ a range of end user categories, and are also used on a daily basis to estimate the consumption of NDM sites. Appendix 2.A in Transco’s publication “Gas Transportation Charges from 1st October 2000” provides details of the load factors which apply to each end user category.

The functions used to calculate the LDZ capacity and commodity charges are shown in the following tables. Note that, $\ln(PL)$ means the natural logarithm (to the base e) of the registered supply point capacity, PL, in kWh. Registered supply point capacity (a Network Code term) is capacity sufficient for the peak daily load of a supply point.

2.3.1 Standard LDZ Charges

Two standard LDZ charging functions were introduced from 1 October 2000 – one for directly connected supply points and one for Connected System Exit Points (CSEPs).

2.3.1.1 Directly Connected Supply Points

Capacity	pence per peak day kWh per day	pence per peak day kWh per annum
Up to 73,200 kWh per annum	0.0408	14.89
73,200 kWh per annum and above	$0.0626 - 0.0034 \times \ln(PL)$	$22.85 - 1.24 \times \ln(PL)$
Subject to a minimum rate of	0.0058	2.12
Commodity	pence per kWh	
Up to 73,200 kWh per annum	0.1079	
73,200 kWh per annum and above	$0.1692 - 0.0098 \times \ln(PL)$	
Subject to a minimum rate of	0.0127	

Invoice	Charge Code
LDZ Capacity	ZCA
Commodity	ZCO

2.3.1.2 Connected Systems (CSEPs)

A separate charging function was introduced for transportation to CSEPs from 1 October 2000. This function reflects the fact that transportation to CSEP loads typically makes less use of the LDZ system than to other similar-sized loads. In the calculation of LDZ charges payable, the unit commodity and capacity charges are based on the supply point capacity, equal to the CSEP peak day load for the

completed development irrespective of the actual stage of development. The peak load (PL) is therefore the estimated SOQ for the completed development as provided in the appropriate Network Exit Agreement (NExA). For any particular CSEP, each shipper will pay identical LDZ unit charges regardless of the proportion of gas shipped. Reference needs to be made to the relevant NExA or CSEP ancillary agreement to determine the completed supply point capacity. In order to determine the final LDZ charges payable in respect of any day the applicable unit rate is multiplied by the peak day kWh of the connected system in effect on that day.

The invoice and charge codes are:

Invoice	Charge Code
ADC	ZCA
ADC	ZCO

Capacity	pence per peak day kWh per day	pence per peak day kWh per annum
Up to 73,200 kWh per annum	0.0408	14.89
73,200 kWh per annum and above	$0.0638 - 0.0037 \times \ln(\text{PL})$	$23.29 - 1.35 \times \ln(\text{PL})$
Subject to a minimum rate of	0.0058	2.12
Commodity	pence per kWh	
Up to 73,200 kWh per annum	0.1079	
73,200 kWh per annum and above	$0.1811 - 0.0113 \times \ln(\text{PL})$	
Subject to a minimum rate of	0.0127	

2.3.2 Optional LDZ charge

An optional LDZ tariff was introduced from 1 December 2000. The optional LDZ tariff is available, as a single charge, as an alternative to both the standard LDZ capacity and commodity charges. This tariff may be attractive to large loads located close to the NTS. The rationale for the optional tariff is that, for large LDZ loads located close to the NTS or for potential new LDZ loads in a similar situation, the standard tariff can appear to give perverse economic incentives for the construction of new pipelines when LDZ connections are already available. This could result in an inefficient outcome for all system users.

The charge is calculated using the function below:

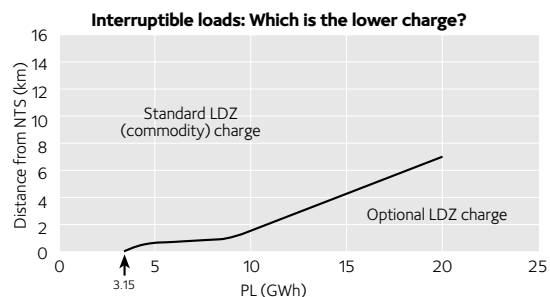
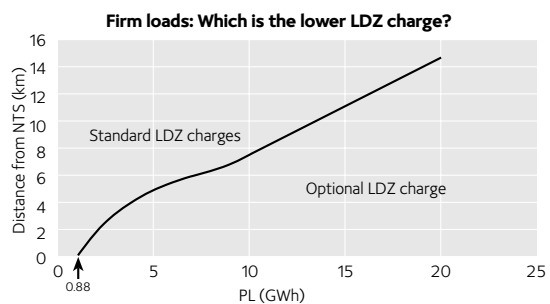
Invoice	Charge Code
ADU	881

Pence per peak day kWh per day
$902 \times [(\text{PL})^{-0.834}] \times \text{D} + 772 \times (\text{PL})^{-0.717}$

Where **PL** is the Registered Supply Point Capacity, or other appropriate measure, in kWh per day, and **D** is the direct distance, in km, from the site boundary to the nearest point on the NTS. Note that ^ means "to the power of".

The charts shown opposite indicate whether a given site is likely to benefit from the optional LDZ charge. For example, for a firm load with a PL of 15GWh, if the applicable distance is

8km the site may benefit from the optional LDZ charge, but if the distance is 14km it may not. For an interruptible load with a PL of 15GWh, if the applicable distance is 2km the site may benefit from the optional LDZ charge, but if the distance is 8km it may not. These calculations are based on an assumed load factor of 75%. Shippers should compare the benefits of the respective tariffs based on their own knowledge of likely future consumptions at relevant sites, and select the tariff which is most advantageous.



Further information on the optional LDZ tariff can be obtained from Transco's Customer Portfolio Management (CPM) team on **(0121) 713 5449**.

2.4 Customer Charges

Customer charges reflect customer-related costs. Prior to 1 October 2000 these charges reflected service pipes, meters, emergency work, CPM activities, and also a proportion of other Shipper Service costs.

From 1 October 2000 customer charges for supply point which consume less than 73,200 kWh per annum have excluded metering charges. Customer charges for supply points consuming 73,200 kWh per annum and above exclude metering charges from 1 April 2001. Further information relating to Metering charges can be obtained by contacting Transco's Metering Programme on **(0121) 712 1282**. The relevant Metering charges can be found in the Transco publication "Transco Metering Charges from 1st October 2000". These were amended on 1 February 2001 and details can be found on the Metering web site, metering.transco.uk.com

2.4.1 Network Code contracts

For supply points which consume less than 73,200 kWh per annum, the customer charge is a commodity charge.

For supply points which consume between 73,200 and 732,000kWh per annum, the customer charge is made up of a charge which depends on the frequency of meter reading plus a capacity charge based on the supply point capacity.

For supply points which consume over 732,000kWh per annum, the customer charge is based on a function related to the registered supply point capacity, PL (in kWh).

Charges for dataloggers apply to all dataloggers on daily metered points (as defined by the Network Code). However, since datalogger charges are no longer Transportation charges they are not included in this publication. Similarly, additional charges for supply points with a Transco prepayment meter are no longer covered in this publication. Further details, if required can be found in the Transco publication "Transco Metering Charges from 1st October 2000" as updated on 1 February 2001. Details of datalogger reading charges can be obtained from Transco Meter Reading on **(0121) 712 5060**.

2.4.2 Pre-Network Code contracts

In relation to pre-Network Code contracts, in addition to the customer charges set out in the table, metering and meter reading charges if applicable, the fixed site charge will include an administration charge of 171.5068 pence per day (£626 per annum) per supply point.

Table 2.4 Customer charges

Up to 73,200 kWh per annum

Invoice	Charge Code
Commodity	CCO
	Pence per kWh
Commodity charge	0.1196

73,200 kWh up to 732,000 kWh per annum

Invoice	Charge Code
LDZ Capacity	CFI
	pence per day £ per annum
Fixed charge non-monthly read supply points	12.5992 45.99
monthly read supply points	13.4153 48.97

Invoice	Charge Code
LDZ Capacity	CFA

	pence per peak day kWh per day	pence per peak day kWh per annum
Capacity charge	0.0014	0.5110

732,000 kWh per annum and above

Invoice	Charge Code
LDZ Capacity	CCA

	pence per peak day kWh per day	pence per peak day kWh per annum
Charging function	$0.0306 \times (PL)^{-0.21}$	$11.17 \times (PL)^{-0.21}$

2.5 Other Charges

Administration Charges at Connected System Exit Points, Shared Supply Meter Points, and Interconnectors

2.5.1 Connected System Exit Points

A connected system exit point (CSEP) is a system point comprising one or more individual exit points which are not supply meter points. This includes connections to a pipeline system operated by a Public Gas Transporter other than Transco. NTS capacity and commodity charges are calculated for each shipper transporting to the CSEP as though the gas were being shipped to a single supply point.

The calculation of LDZ charges payable for shipping to CSEPs is explained in section 2.3.1.2.

There is no customer charge payable for connected systems. However, separate administration processes are required to manage the daily operations and invoicing associated with CSEPs, including interconnectors, for which an administration charge is made.

The administration charge which applies to CSEPs containing NDM and DM sites is:

CSEP administration charge per supply point within a connected system:

0.5479 pence per day (£2.00 per annum).

The invoice and charge codes are:

	Invoice	Charge Code
DM CSEP	ADU	879
NDM CSEP	ADC	894

2.5.2 Shared supply meter point allocation arrangements

Transco offers an allocations service for daily metered sites consuming more than 58,600,000 kWh per annum. This allows up to four (six for VLDMCs) shippers/suppliers to supply gas through a shared supply meter point.

Allocating daily gas flows between the shippers/suppliers can be done either with an appointed agent or by Transco.

The administration charges which relate to these arrangements are shown below. Individual charges depend on the type of allocation service nominated, and whether the site is telemetered or non-telemetered.

The charges are :

Charges expressed as £ per shipper per supply point

Invoice	Charge Code
ADU	879

Agent Service

	Telemetered	Non-telemetered
Set-up charge	61.00	122.00
Shipper-shipper transfer charge	76.00	144.00
Daily charge	1.62	2.07

Transco Service

	Telemetered	Non-telemetered
Set-up charge	61.00	135.00
Shipper-shipper transfer charge	76.00	144.00
Daily charge	1.89	2.18

2.5.3 Interconnectors

- Allocation arrangements at Interconnectors :

The following allocations charges apply at both interconnectors (GB-Ireland and UK-Continent) and apply for each supply point. Allocating daily gas flows between shippers/suppliers can be done either by an appointed agent or by Transco. The same set up charge applies in either case. The daily charge depends on whether the service is provided through an agent or not:

Invoice	Charge Code
ADU	879

	Set up charge per shipper	Daily Charge per shipper
Agent service	£86.00	£1.07
Transco service	£86.00	£1.69

- Administration charges at Moffat:

The following administration charges apply only to the GB-Ireland interconnector at Moffat. The charges, which vary if the service is provided via an agent or Transco, are detailed below:

Invoice	Charge Code
ADU	879

	Daily Charge per shipper
Agent service	£11.72
Transco service	£23.44

The charges with or without an agent cover the operation of the flow control valve. In addition the Transco service provides the Exit Flow Profile Notice (EPN).

In the event that the appointed agent fails to provide an EPN to Transco the following additional charge will apply:

EPN Default Charge per shipper per event £0.49

2.5.4 Must reads

If a shipper is unable to provide meter readings in compliance with the Network Code, then Transco may initiate processes to obtain a meter read, referred to as a 'must read'. A charge will be made for each must read and will depend on the number of meters at a supply point requiring a must read at the same time. If there is one meter at the supply point the charge will be £40.00, for two meters the charge will be £60.00 and for three or more meters the charge will be £80.00. These charges are based on the typical cost of such reads which may include multiple visits to the site and obtaining and executing a warrant of entry.

2.5.5 Domestic opening read estimates

Incoming shippers are required by the Network Code to provide an actual domestic opening meter read to Transco within a window around the date that the supply point transfers. If no read is provided within the period, Transco is required to provide an estimated reading. In respect of supply points with an annual consumption of up to 73,200 kWh, a charge of £7.62 applies for each estimate provided, to the extent that an individual shipper's opening read performance has fallen below 90% in any month.

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