



# **Statement of charges for the provision of Legacy Metering Equipment by Northern Powergrid (Yorkshire) plc and by Northern Powergrid (Northeast) Limited**

**Effective from 1 April 2017**

**Version 1.0**



Northern Powergrid (Yorkshire) plc, Registered in England and Wales No. 04112320  
Northern Powergrid (Northeast) Limited, Registered in England and Wales No. 02906593  
Registered Office: Lloyds Court, 78 Grey Street, Newcastle upon Tyne NE1 6AF

# Contents

<b>1</b>	<b>Explanatory Notes</b> .....	<b>1</b>
1.1	Introduction.....	1
1.2	Fee for statement .....	1
1.3	Entitlement .....	2
1.4	Conditions for the provision of Legacy Metering Equipment .....	2
1.5	Meter operation (MOp) services.....	2
1.6	Charges for the provision of Legacy Metering Equipment.....	2
1.7	Appointment and de-appointment in respect of Legacy Metering Equipment .....	3
1.8	Right of determination .....	3
1.9	Contact details.....	3
<b>2</b>	<b>Basis of charges for the provision of Legacy Metering Equipment</b> .....	<b>4</b>
2.1	Basis of charges .....	4
2.2	Adjustment factor $AF_t$ .....	6
2.3	Charges for the provision of Legacy Metering Equipment from 1 April 2017 .....	6

# 1 Explanatory Notes

## 1.1 Introduction

This statement has been prepared by Northern Powergrid (Yorkshire) plc and Northern Powergrid (Northeast) Limited in accordance with the requirements of standard condition 36 of the electricity distribution licence (“the Licence”) issued under the Electricity Act 1989 (“the Act”). Words and expressions that are defined in the Act and are used in this statement have the definitions given to them in the Act and should be construed accordingly.

This statement describes the service of providing Legacy Metering Equipment offered by Northern Powergrid (Yorkshire) plc and Northern Powergrid (Northeast) Limited and sets out the basis of the charges made by us for such service.

The charges in this statement relate to the provision of Legacy Metering Equipment as defined in standard condition 1 of the Licence. Charges for enhanced meter asset provision (i.e. services additional to those comprising the provision of Legacy Metering Equipment) will be quoted upon application on a discretionary and bespoke basis.

The Licence requires that the terms and charges contained in this statement should be reviewed at least once each year. Charges and costs shown are current at the time of publication and will not be changed except as provided for in the distribution connection and use of system agreement (DCUSA) and subject to the requirements of standard condition 36 of the Licence.

The Northern Powergrid (Yorkshire) plc and Northern Powergrid (Northeast) Limited distribution use of system (UoS) charges are subject to a separate regulatory price control and are published in our separate statement of use of system charges, in accordance with standard condition 14 of the Licence.

## 1.2 Fee for statement

Paragraph 36.5 of standard condition 36 of the Licence states that:

*The licensee may make a charge for any Charging Statement given or sent under paragraph 36.4(b) but this must not exceed the amount specified in directions issued by the Authority for the purposes of this condition generally, based on the Authority’s estimate of the licensee’s reasonable costs of providing the statement.*

We do not propose to charge for providing single copies of the statement where these are downloaded, in PDF format, from the Northern Powergrid website. Access to this facility can be gained at:

<http://www.northernpowergrid.com/document-library/charges/metering-charges>

### **1.3 Entitlement**

In accordance with standard condition 34 of the Licence, upon application Northern Powergrid (Yorkshire) plc or Northern Powergrid (Northeast) Limited will offer to enter into an agreement with any person for the provision of Legacy Metering Equipment within its distribution services area, specifically:

*The service of providing Legacy Metering Equipment comprises the provision of Metering Equipment (which, at the licensee's own choice, may be Metering Equipment owned by itself or by any person other than the person making the application to the licensee under paragraph 34.4) in respect of premises at which such equipment had been installed on or before 31 March 2007 and is of the same functionality as was being provided by the licensee at 1 June 2003.*

### **1.4 Conditions for the provision of Legacy Metering Equipment**

The terms and conditions for the provision of Legacy Metering Equipment by Northern Powergrid (Yorkshire) plc and Northern Powergrid (Northeast) Limited are set out in our non-half hourly meter asset provision agreement, which may be obtained from Northern Powergrid using the contact details in section 1.9 of this statement.

### **1.5 Meter operation (MOp) services**

Northern Powergrid does not provide MOp services.

### **1.6 Charges for the provision of Legacy Metering Equipment**

As highlighted previously, Northern Powergrid (Yorkshire) plc and Northern Powergrid (Northeast) Limited are subject to separate price controls for distribution use-of-system (UoS) and for their provision of Legacy Metering Equipment, and separate their charges for UoS and Legacy Metering Equipment accordingly.

Charges for Legacy Metering Equipment are levied on all users of the services described in section 2 of this statement. Charges are set to recover forecast operating costs plus depreciation of, and a reasonable return on, the assets employed.

If users choose not to take these services, they will face no charges from Northern Powergrid (Yorkshire) plc or Northern Powergrid (Northeast) Limited other than those under their agreements for UoS or connection.

Generally, users will be charged for the provision of Legacy Metering Equipment in a MAP invoice. This invoice will charge the registered supplier at each metering point where there is a Northern Powergrid-owned meter located at a metering point based upon the specific meter type that is installed at that metering point.

Only if users choose to take the provision of Legacy Metering Equipment from Northern Powergrid (Yorkshire) plc or Northern Powergrid (Northeast) Limited will they be liable for charges as laid out in section 2 below. The charges described in this section will be levied at a daily rate for each meter, for the period that the Legacy Metering Equipment is provided to the user by Northern Powergrid (Yorkshire) plc or Northern Powergrid (Northeast) Limited. This will be in addition to charges for any network services taken under other agreements.

All of the charges published exclude VAT.

If additional metering services are required, please contact us as described in section 1.9 below.

## **1.7 Appointment and de-appointment in respect of Legacy Metering Equipment**

No industry standard procedure exists for appointing or de-appointing meter asset providers. In the event that a user wishes to de-appoint Northern Powergrid as provider of this service, please contact the Market Strategy Manager at Northern Powergrid at the address below, so that an appropriate application arrangement can be put in place.

An application for de-appointment from a supplier and the subsequent cessation of metering charges will be actioned when:

- i) the existing Northern Powergrid meter asset(s) has/have been returned to any of the locations specified in the meter asset provision agreement in sound condition; or
- ii) the costs of any Northern Powergrid meter asset returned damaged have been recovered on a transactional-charge basis in accordance with the meter asset provision agreement.

## **1.8 Right of determination**

This statement relates to the provision of Legacy Metering Equipment and the basis on which Northern Powergrid (Yorkshire) plc and Northern Powergrid (Northeast) Limited will charge for this service. It is not a formal offer of terms for the provision of such services.

For information, in accordance with paragraph 34.14 of standard condition 34 of the Licence, any applicant who has been unable to reach agreement with Northern Powergrid on terms for the provision of Legacy Metering Equipment may seek determination by the Gas and Electricity Markets Authority (GEMA). Any applicant wishing to seek such determination should contact:

The Gas and Electricity Markets Authority  
9 Millbank  
London  
SW1P 3GE  
Tel: 020 7901 7000

## **1.9 Contact details**

If any applicant wishes to discuss the contents of this statement, or request terms for the provision of Legacy Metering Equipment or additional metering services by Northern Powergrid (Yorkshire) plc or Northern Powergrid (Northeast) Limited, please contact:

Compliance Manager  
Northern Powergrid Metering  
8 Brindley Way  
Wakefield 41 Industrial Estate  
Wakefield  
WF2 0XQ

E-mail: [metering@northernpowergrid.com](mailto:metering@northernpowergrid.com)

## 2 Basis of charges for the provision of Legacy Metering Equipment

### 2.1 Basis of charges

The charges contained within this section are for the ongoing provision of a meter that was installed at a customer's premises prior to 1 April 2007. The meter that was provided may have been new or refurbished.

The basis of the charges is per meter for the metering equipment installed. The charge reflects the depreciation costs of the metering equipment, the annual operating cost and an allowance for the return on the metering equipment and was derived using the formulae below, in accordance with the separate metering price control, as determined by Ofgem.

#### Charges for single-phase, single-rate credit electricity meters

$$SRCM_t = \text{£}1.12 \times PIT_t + AF_t$$

Where:

$SRCM_t$  is the maximum amount that the licensee may charge for the provision of a single-phase, single-rate credit electricity meter in the regulatory year t.

$PIT_t$  is the price index adjustment, and has the value determined in accordance with part G of special condition CRC 5B of the Licence.

$AF_t$  is the adjustment factor (if any), and has the value determined in accordance with part H of special condition CRC 5B of the Licence.

#### Charges for single-rate, token prepayment electricity meters

$$TPPM_t = \left( \left[ \left( \frac{TPPMAV}{LT_t} \right) \times \left[ 1 + \left[ (1 + LTW_t) \times \left( \frac{6.9}{100} - \frac{6.9}{200} \times \frac{LTW_t}{LT_t} \right) \right] \right] + \text{£}0.242 \right) \times PIT_t + AF_t \right.$$

Where:

$TPPM_t$  is the maximum amount that the licensee may charge for the provision of a single-rate token prepayment electricity meter in the regulatory year t.

$TPPMAV$  means the modern equivalent asset value of a single-rate token prepayment electricity meter and has the value of £59.

$LT_t$  is the current expected life (in years) of a single-rate token prepayment electricity meter, and has the value of 9.72.

$LTW_t$  is the value of  $LT_t$  rounded down to the nearest integer, and hence has the value of 9.

PIT <sub>t</sub>	is the price index adjustment, and has the value determined in accordance with part G of special condition CRC 5B of the Licence.
AF <sub>t</sub>	is the adjustment factor (if any), and has the value determined in accordance with part H of special condition CRC 5B of the Licence.

**Charges for single-rate key prepayment electricity meters**

$$KPPM_t = \left( \left[ \left( \frac{KPPMAV}{LK_t} \right) \times \left[ 1 + \left[ (1 + LKW_t) \times \left( \frac{6.9}{100} - \frac{6.9}{200} \times \frac{LKW_t}{LK_t} \right) \right] \right] \right] + \pounds 0.242 \right) \times PIT_t + AF_t$$

Where:

KPPM<sub>t</sub> is the maximum amount that the licensee may charge for the provision of a single-rate key prepayment electricity meter in the regulatory year t.

KPPMAV means the modern equivalent asset value of a single-rate key prepayment electricity meter and has the value of £60.31.

LK<sub>t</sub> is the current expected life (in years) of a single-rate key prepayment electricity meter, and has the value of 9.34.

LKW<sub>t</sub> is the value of LK<sub>t</sub> rounded down to the nearest integer, and hence has the value of 9.

PIT<sub>t</sub> is the price index adjustment, and has the value determined in accordance with part G of special condition CRC 5B of the Licence.

AF<sub>t</sub> is the adjustment factor (if any), and has the value determined in accordance with part H of special condition CRC 5B of the Licence.

**Charges for all other meter types (excluding single-rate smartcard prepayment electricity meters)**

$$MAPP C_t = \left[ \frac{MEAP_i}{ELA_i} + MEAP_i \times \frac{6.9}{200} + 0.242 \right] \times PIT_t + AF_t$$

Where:

MAPP C<sub>t</sub> is the maximum amount that the licensee may charge for the provision of a type of electricity meter in the regulatory year t that is not within the types of electricity meter covered by parts B to E of special condition CRC 5B of the Licence.

MEAP <sub>i</sub>	is the modern equivalent asset purchase price of the electricity meter type i as at 1 June 2003 or the nearest determinable date after 1 June 2003.
ELA <sub>i</sub>	is the current expected economic life (in years) of the electricity meter type i.
PIT <sub>t</sub>	is the price index adjustment, and has the value determined in accordance with part G of special condition CRC 5B of the Licence.
AF <sub>t</sub>	is the adjustment factor (if any), and has the value determined in accordance with part H of special condition CRC 5B of the Licence.

## 2.2 Adjustment factor AF<sub>t</sub>

As at the date of publication of this statement there has been no application by Northern Powergrid (Yorkshire) plc or Northern Powergrid (Northeast) Limited to Ofgem under special condition CRC 5B of the Licence for an adjustment factor (AF<sub>t</sub>) in respect of the period April 2017 to March 2018.

Accordingly, within this statement, the adjustment factor that will apply from 1 April 2017 to 31 March 2018 will be zero (AF<sub>t</sub>=0.00).

## 2.3 Charges for the provision of Legacy Metering Equipment from 1 April 2017

2017/18 Legacy Meter Type	Price	
	p/MPAN/day	£/MPAN/yr
1-phase 1-rate credit	<b>0.467</b>	<b>1.70455</b>
1-phase multi-rate credit	<b>1.512</b>	<b>5.51880</b>
1-rate key prepayment	<b>3.761</b>	<b>13.72765</b>
Multi-rate key prepayment	<b>3.884</b>	<b>14.17660</b>
1-rate token prepayment	<b>3.575</b>	<b>13.04875</b>
Multi-rate token prepayment	<b>3.772</b>	<b>13.76780</b>
3-phase 1-rate	<b>4.520</b>	<b>16.49800</b>
3-phase multi-rate	<b>5.889</b>	<b>21.49485</b>
3-phase programmable	<b>5.889</b>	<b>21.49485</b>
3-phase programmable with max demand	<b>5.889</b>	<b>21.49485</b>
NHH LV CT	<b>7.122</b>	<b>25.99530</b>
Radio-teleswitched <sup>1</sup>	<b>2.412</b>	<b>8.80380</b>

<sup>1</sup> The prices stated here are for the rental of a radio-teleswitched meter. Additional charges covering the annual radio-teleswitching subscription charges also apply to sites where a radio-teleswitched meter is installed. These subscription charges are outlined in our miscellaneous charges statement, which is available from our website.