

Ref: AW/PW/053

31st January 2007

Dear Colleague,

Northern Gas Networks' Metering Charges from 1st May 2007

Please find attached schedules showing Northern Gas Networks' revised metering charges to apply from 1st May 2007. This notification is provided 3 months in advance of the effective date consistent with the notice period required in Northern Gas Networks' Metering contracts.

Northern Gas Networks' metering charges are regulated by a price control set by Ofgem, the gas industry regulator. Ofgem has set tariff caps for four key metering services and charges for these services must not exceed the tariff caps, which are increased each year by inflation (RPI).

Northern Gas Networks has not implemented charge increases since 1st May 2005. The revised charges effective from 1st May 2007 incorporate an increase of 6.3% in respect of inflation for this two year period. The domestic annual charges are set to the regulated tariff caps and are £13.54 for a credit meter, £31.61 for a prepayment meter, £55.43 for a domestic meter exchange and £409.65 for a daily meter reading service.

The annual rental charges for Industrial and Commercial meters are increased at a rate of 3.5% on average above inflation, reflecting the significant increase in meter asset management costs which have been experienced. Annual charges have been set to recover these costs over the economic life of the metering assets to minimise the within year increases and resultant impact on customer charges. The charges also reflect some rebalancing between meter asset types to better reflect the underlying costs.

Northern Gas Networks is also increasing its transaction charges for meter works by inflation to again reflect the costs of providing these services.

The revised charges effective from 1st May 2007 will be published on Northern Gas Networks' Internet site <http://www.northerngasnetworks.co.uk>. If you have any questions about the new charges, please contact:

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Yours sincerely



Alex Wiseman
Regulation Director

Annual Rental Charges

These charges replace those set out in Table 2.2 of the “Metering Charges statement from 1st May 2005”

Low, Medium and Intermediate Pressure Metering Installations (<= 7barg) Domestic Size Meters (Meter capacity less than 11 scmh)

	Credit Meter		Prepayment Meter	
	pence per day	£ per annum	pence per day	£ per annum
Provision	2.1175	£7.75	2.3142	£8.47
Installation	1.4290	£5.23	1.4290	£5.23
Maintenance	0.1530	£0.56	4.8934	£17.91
Total	3.6995	£13.54	8.6366	£31.61

Larger Diaphragm Meters

Capacity (scmh)	≥11<21	≥21<29	≥29<51	≥51<79	≥79<121	≥121
£ per annum						
Provision	£27.81	£52.52	£78.12	£136.53	£210.20	£229.46
Installation	£12.35	£14.89	£24.50	£53.94	£66.65	£75.15
Maintenance	£3.19	£3.48	£4.56	£6.69	£13.24	£26.30
Total	£43.35	£70.89	£107.18	£197.16	£290.09	£330.90
Pence per day						
Provision	7.5984	14.3497	21.3443	37.3033	57.4317	62.6940
Installation	3.3743	4.0683	6.6940	14.7377	18.2104	20.5328
Maintenance	0.8716	0.9508	1.2459	1.8279	3.6175	7.1858
Total	11.8443	19.3689	29.2842	53.8689	79.2596	90.4098

Rotary Meters

Capacity (scmh)	<28	≥28<57	≥57<113	≥113<170	≥170<226	≥226<396
£ per annum						
Provision	£91.79	£119.67	£140.21	£209.21	£258.74	£399.50
Installation	£51.28	£64.30	£117.62	£152.26	£186.45	£300.87
Maintenance	£124.73	£125.30	£151.24	£152.42	£153.04	£153.28
Total	£267.80	£309.27	£409.07	£513.89	£598.23	£853.65
Pence per day						
Provision	25.0780	32.6978	38.3077	57.1618	70.6927	109.1539
Installation	14.0109	17.5683	32.1366	41.6011	50.9426	82.2049
Maintenance	34.0792	34.2350	41.3224	41.6448	41.8142	41.8798
Total	73.1681	84.5011	111.7667	140.4077	163.4496	233.2386

Capacity (scmh)	≥396<509	≥509<792	≥792<1,358	≥1,358<1,810	≥1,810
£ per annum					
Provision	£436.05	£587.11	£634.05	£902.04	£1,370.28
Installation	£383.60	£423.66	£539.95	£616.09	£940.25
Maintenance	£180.10	£181.59	£185.77	£588.42	£592.00
Total	£999.75	£1,192.36	£1,359.77	£2,107.45	£2,902.53
Pence per day					
Provision	119.1399	160.4133	173.2376	246.7049	374.3943
Installation	104.8087	115.7541	147.5273	168.3306	256.8989
Maintenance	49.2077	49.6148	50.7568	160.7705	161.7486
Total	273.1563	325.7822	371.5217	575.8060	793.0419

Turbine Meters

Capacity (scmh)	<283	≥283<509	≥509<792	≥792<1,216	≥1,216<1,952
£ per annum					
Provision	£287.37	£415.23	£586.43	£749.13	£842.14
Installation	£290.20	£343.65	£444.23	£546.93	£651.67
Maintenance	£449.45	£467.04	£480.14	£498.78	£518.39
Total	£1,027.02	£1,225.92	£1,510.80	£1,794.84	£2,012.20
Pence per day					
Provision	78.5153	113.4519	160.2280	204.6814	230.0924
Installation	79.2896	93.8934	121.3743	149.4344	178.0519
Maintenance	122.8005	127.6066	131.1858	136.2787	141.6366
Total	280.6055	334.9519	412.7881	490.3945	549.7809

Capacity (scmh)	≥1,952<3,027	≥3,027<4,894	≥4,894<8,119	≥8,119
£ per annum				
Provision	£1,316.55	£1,744.33	£2,106.68	£2,594.50
Installation	£996.30	£1,282.40	£1,289.79	£1,462.76
Maintenance	£540.37	£560.81	£575.05	£604.36
Total	£2,853.22	£3,587.54	£3,971.52	£4,661.62
Pence per day				
Provision	359.7136	476.5916	575.5945	708.8793
Installation	272.2131	350.3825	352.4016	399.6612
Maintenance	147.6421	153.2268	157.1175	165.1257
Total	779.5688	980.2009	1,085.1136	1,273.6662

High Pressure Metering Installations (>7 barg)

Capacity (scmh)	< 10,192	≥10,192<14,906	≥14,906<25,878	≥25,878<36,866
£ per annum				
Provision	£3,904.86	£4,137.00	£4,179.52	£5,796.83
Installation	£3,411.15	£3,715.33	£4,407.98	£4,652.01
Maintenance	£6,100.60	£6,698.34	£8,059.50	£6,027.68
Total	£13,416.61	£14,550.67	£16,647.00	£16,476.52
Pence per day				
Provision	1,066.9009	1,130.3291	1,141.9465	1,583.8332
Installation	932.0082	1,015.1175	1,204.3661	1,271.0410
Maintenance	1,666.8306	1,830.1475	2,202.0492	1,646.9071
Total	3,665.7397	3,975.5941	4,548.3618	4,501.7813

Capacity (scmh)	≥36,866<63,524	≥63,524
£ per annum		
Provision	£5,979.68	£5,509.45
Installation	£5,260.74	£7,253.41
Maintenance	£7,223.92	£13,651.20
Total	£18,464.34	£26,414.06
Pence per day		
Provision	1,633.7927	1,505.3154
Installation	1,437.3607	1,981.8060
Maintenance	1,973.7486	3,729.8361
Total	5,044.9020	7,216.9575

Volume converters (Correctors)

	Pence per Day	£ per annum
Provision	32.6612	£119.54
Installation	13.1667	£48.19
Maintenance	22.2404	£81.40
Total	68.0683	£249.13

Dataloggers (This charge excludes the daily meter reading charge set at the tariff cap)

	Pence per day	£ per annum
Provision	9.0382	£33.08
Installation	40.3306	£147.61
Maintenance	61.0055	£223.28
Total	110.3743	£403.97

Transactional Charges

These charges replace those set out in Table 2.3 of the “Metering Charges statement from 1st May 2005”

Any work downstream of the outlet of the meter is excluded unless specifically mentioned. In all cases, service pipe installation, alteration and disconnection and meter box provision is excluded and will be subject to additional charges.

Domestic-Size Meters

The following charges relate to domestic-size meter installations, where the meter capacity is less than 11 standard cubic metres per hour (scmh).

Activity	Charge
Install domestic credit meter	£63.05
Install domestic prepayment meter	£67.97
Customer requested exchange ¹	£55.43
Ofgem accuracy test	£57.12
Exchange damaged meter	£52.85
Alter Position of Meter only (no service pipe modification) ²	£89.77
Remove meter	£46.36
Fit or remove Clamp (Lock) ³	£52.64
Fit Security Collar to meter	£29.82
CP Hire – Half Day ⁴	£193.08
CP Hire – Full Day ⁴	£374.09
CP Hire – Hourly rate (normal hours) ⁴	£48.27
CP Hire – Hourly Rate (out of hours) ⁴	£54.35

1. Set to level of the tariff cap.
2. Additional outlet pipe work, in excess of 2m, will be charged at current labour and materials rates in addition to the above charges.
3. Northern Gas Networks supplied clamps and locks can only be fitted and removed by authorised Northern Gas Networks operatives.
4. All work shall be carried out in accordance with “General Conditions of Contract for Adversarial Meterworks”. These charge rates also apply in respect of purging meters and downstream installations.

Industrial and Commercial-Size Meters

The following charges relate to installation and removal of larger diaphragm meters. These charges apply only in respect of standard low pressure installations, where no enhancements (e.g. bypasses) are required.

Large diaphragm meter installation charges

Capacity (scmh)	≥11<21	≥21<29	≥29<51	≥51<79	≥79<121	≥121
Meter only	£134.72	£161.71	£267.33	£580.01	£718.36	£808.65
Meter and housing	£370.49	£537.83	£655.47	£1,440.17	£1,608.82	£1,699.11

Note 1: These charges also apply where a smaller meter is exchanged for a larger meter. In these cases the applicable rate will be that corresponding to the new meter.

Note 2: Housing charges do not include the costs for explosion relief roofs or for the construction of bases to support the housing. Quotations should be requested if these options are required.

Large diaphragm meter removal charges

Capacity (scmh)	≥11<21	≥21<29	≥29<51	≥51<79	≥79<121	≥121
Meter removal	£140.11	£140.11	£209.35	£209.35	£284.05	£287.44
Adversarial meter removal	£140.11	£140.11	£209.35	£209.35	£284.05	£287.44

Note: Further charges will apply for any additional time (such as waiting time or purging) or materials in connection with adversarial meter removals.

Large diaphragm meter Accuracy tests

Capacity (scmh)	≥11<21	≥21<29	≥29<51	≥51<79	≥79<121	≥121
Ofgem accuracy test	£93.02	£97.75	£199.66	£199.66	£285.46	£285.46

Note: Includes transportation of the meter and time and materials required to exchange a meter. Includes transportation box. Includes testing, purging and re-lighting but excludes any associated trace and repair work. Excludes the cost of the meter itself.

Other Metering Charges

Transfer of title of in-situ ancillary equipment

Domestic meters – charge for sale of installation kit

Standard charge for installation kit (excludes meter)	£3.73
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Note: No charge applies for title transfer where the meter installation is exempted from the “install” component of annual rental charges. That is where the installation was made after 1 October 2000.

Large diaphragm meters - charges for sale of installation kit

Capacity (scmh)	≥11<21	≥21<29	≥29<51	≥51<79	≥79<121	≥121
Charge *	£116.62	£142.40	£256.18	£492.84	£578.91	£672.07

Note: No charge applies for title transfer where the meter installation is exempted from the “install” component of annual rental charges. That is where the installation was made after 1 April 2001.

Quotation charges for transfer of title of ancillary equipment

	Charge per quotation
Quotations based on details of equipment as provided by customer.	£40.96
Quotations based on a North of England DN site survey. *	£102.07

Daily Meter Reading services

The Annual charge for Daily Meter (DM) reading has been set to the tariff cap of £409.65. This charge is calculated on a daily basis, at 111.93 pence per day.