



**STATEMENT OF CHARGES FOR SCOTTISH HYDRO ELECTRIC POWER
DISTRIBUTION PLC'S DISTRIBUTOR METERING AND DATA SERVICES
IN ITS AREA: 2008 - 2009**

Effective from 1 April 2008 (Version 1.0)

**The form of this statement has been approved by
the Gas and Electricity Markets Authority**

Scottish Hydro Electric Power Distribution Plc

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SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC

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**SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC'S
STATEMENT OF CHARGES FOR DISTRIBUTOR METERING SERVICES:
Effective from 1 April 2008**

1. INTRODUCTION

- 1.1 SSE Power Distribution is a trading name of Southern Electric Power Distribution plc, Scottish Hydro Electric Power Distribution plc and Scottish Hydro Electric Transmission Ltd, part of the Power Systems division of Scottish and Southern Energy plc. Scottish Hydro Electric Power Distribution plc is the licensed electricity distribution business, which operates networks in the North of Scotland part of Great Britain. It also owns and operates small, embedded distribution systems in South of Scotland. This statement is produced by Scottish Hydro Electric Power Distribution Plc, referred to in this statement as the Company, in accordance with the requirements of its electricity distribution licence.
- 1.2 This statement describes the terms and conditions under which a charge for the provision of legacy distributor metering and data services within Scottish Hydro Electric Power Distribution plc's (the Company's) distribution service area will be made. The statement is prepared in accordance with the requirements of the Company's Licence Obligation (LC 36) that requires a statement of charges for legacy metering and data services to be published in a form approved by Ofgem.
- 1.3 Words and expressions used in this statement have (unless specifically defined herein) the definitions given to them in the Act or the licence and shall be construed accordingly. The charges shown are current at the time of publication but are subject to change without notice, except as otherwise provided by agreement. All charges are quoted exclusive of VAT.
- 1.4 This statement has been approved by the Gas and Electricity Markets Authority. A fee of £5 (excluding VAT) will be payable for each copy of this statement which is provided in accordance with a request.

2 PERSONS ENTITLED TO APPLY FOR DISTRIBUTOR METERING AND DATA SERVICES

- 2.1 From 31 March 2007, basic metering services, other than the provision of legacy meters, no longer fall within the definition of a distribution business and Distribution Network Operators who wish to continue providing new and replacement meters and meter operation (MOp) services need to do so through a separate subsidiary. SSE Metering Limited is the Scottish and Southern Energy plc subsidiary providing such services.
- 2.2 Any person, whether as an individual or as an Electricity Supplier, hereinafter referred to as "Applicant", may continue to use of legacy metering equipment (the "Services") (meters installed prior to 1st April 2007) within the Company's authorised distribution services area.

- 2.3 Legacy meters shall continue to be provided by the Company until the end of their useful economic life, i.e., until such time as the meter is replaced out and removed from the Applicant's premises.

3. PROCEDURE

- 3.1 Applicants will be required to maintain the relevant agreement(s) for distributor metering setting out the obligations of both parties, including the arrangements for invoicing and payment. The agreement(s) include details of service levels, which will apply to the services being provided.
- 3.2 If the Applicant and Company fail to agree contractual terms within a reasonable time, or any variation of contractual terms proposed by the Company, either party may request settlement of the dispute by the Office of Gas and Electricity Markets (OFGEM). The matter in the first instance should be referred to OFGEM at the address shown in paragraph 6 of this statement.
- 3.3 The Company will not be obliged to maintain any legacy agreement if in the Company's opinion it is likely to breach any of its statutory or licence obligations or any obligations contained in existing agreements into which the Company has entered as part of its licence obligations.
- 3.4 Where a Applicant, having entered into an agreement(s) with the Company terminates it, for whatever reason, the entitlement to use the Company's Services will cease forthwith, but the Applicant will remain liable under the agreement(s) unless and until all charges which would have accrued had any of the agreements continued to be in place have been paid. An Applicant wishing to terminate any agreement should give the Company the notice required in accordance with its terms, and should ensure that all registrations of customers under the MRA have ceased.
- 3.5 The Company may wish to, at its sole discretion, carry out metering activities, which are outside the scope of the price controlled activities. The Company's charges, for these excluded service activities, will reflect the costs incurred (including profit) in performing those services.

4. APPOINTMENTS/ DE-APPOINTMENTS

- 4.1 The Company's obligation to provide legacy Services does not apply to a given Supplier in relation to metering point at which the supplier has de-appointed the distributor network operator as MAP and MOp.
- 4.2 The transmission of a large number of Data Transfer Network messages in any working day may interfere with the processing of other data transfer messages associated with the provision of services to all licensed Electricity Suppliers. Should a licensed Electricity Supplier choose to de-appoint the Company from all (or substantially all) of the Metering Point Administration Numbers (MPANs) they supply, they will be required to agree a migration plan with the Contract Manager, see paragraph 6.1. Provided the licensed Electricity Supplier agrees a migration plan with the Company, charges for de-appointment will not be made.

5. BASIS OF CHARGES FOR METERING AND DATA SERVICES/ PRINCIPAL TERMS AND CONDITIONS

- 5.1 The charges payable in relation to the legacy Services will be calculated in accordance with the principles set out below. Such principles will also be incorporated to the extent appropriate in the terms and conditions set out in any agreement for distributor metering and data services.
- 5.2 Ofgem has recently approved an application from SHEPD for the recovery of stranding costs associated with the premature replacement of certain prepayment Meters in the SHEPD area. In accordance with Ofgem's methodology, these costs will be recovered through a uniform uplift of MAP charges for all price controlled meters in the SHEPD area for the 2008/9 charging year. The increase equates to £0.80/MPAN for 2008/9. The SHEPD MAP charges listed here reflect this uplift. The Company expects that all stranding costs associated with premature replacement of prepayment meters will be recovered in the 2008/9 year.
- 5.3 The metering charges are set so that they are within the price controls limits set by OFGEM. These price controls cap the prices that the Company can charge electricity suppliers for providing domestic credit and prepayment meters and limit the revenue for meter operation. These charges for the 2008/09 period have been set so that they are equal to the tariff caps. The level of the revenue cap will adjust in line with a revenue driver based on the volume of metering activities.
- 5.4 Schedule 1 details daily charges on a pence per MPAN basis for non half-hourly MAP. The charges for the provision of legacy MAP services are on the basis that the certified meter and any related timing device or other associated equipment is, and remains, in the ownership of the Company. The individual services are described in schedules to the relevant Agreement. The daily MAP charges reflect the costs of providing, by way of hire, the certified meter asset and any related timing device or other associated equipment only. The MAP charges reflect depreciation costs, an allowance for a return on the value of meter asset, an amount for overheads and the costs associated with replacing meters at the end of their useful life, on an average annualised basis. In setting the tariff caps, OFGEM assumed that the Company's domestic credit meters are depreciated over twenty years, key and token meters over 9.72 years. The non-tariff-capped charges are regulated through a non-discrimination condition in the Company's licence. The methodology used to derive the tariff capped and the non-tariff capped MAP charges are on a costs reflective basis reflecting the type and functionality of the Company's certified meter and any related timing device or other associated equipment. As from 31 March 2007, OFGEM lifted the requirement on distributors to offer terms at a price controlled rate for the provision of new/ replacement meters. Distributors still require to offer terms at a price capped rate for the rental of electricity meters installed prior to 31 March 2007.
- 5.5 The charges shown in Schedule 1 are stand alone charges which will be invoiced in accordance with the terms of the agreement(s) between the Company and the applicant. Invoices will be produced within 21 days after the end of a calendar month specifying the payment due from the supplier for that month. Payment terms are contained in the relevant agreement for each service. Generally, payment is required within 30 days of receipt of an invoice.

- 5.6 The charges shown in Schedule 1 exclude VAT, which will be applied at the appropriate rate.

6. CONTACT DETAILS

- 6.1 This statement has been prepared in order to discharge the Company's obligation under Condition 36 of the licence. If you have any questions about the contents of this statement please contact us at the address shown below. Also given below are contact details for the Office of Gas and Electricity Gas Markets should prospective Applicants wish to enquire separately on matters relating to this statement.

Jessica Kavanagh
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SSE Power Distribution
PO Box 6458
Basingstoke
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jessica.kavanagh@scottish-southern.co.uk

Customers requiring the Company to provide legacy half-hourly metering, telemetry or data processing equipment required for the measurement of supply will be charged the costs of such metering and its installation within a separate metering contract. For further details and the terms and conditions of metering services, please contact:

Karen Biddiscombe
Metering Services
SSE Power Distribution
PO Box 6458
Basingstoke
RG21 8GZ
Tel: 01256 304120
Fax: 01256 304290
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Any enquiry for Ofgem should be addressed to:

Ofgem
Regent Court
70 West Regent Street
Glasgow
G2 2QZ.
Tel: 0141 331 2678
www.ofgem.gov.uk

SCHEDULE 1

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC

Daily Charges for Non Half-Hourly Meter Asset Provision (MAP) Services for meters installed prior to 31/03/07: Effective from 1 April 2008.

Group	Line Loss Factor Class Code	Legacy Meter Type	Proposed p/MPAN/day
1	100, 150, 153	Single phase Single Rate Credit Meter	0.586
2	302, 304, 352, 354, 355	Polyphase Switched -Single Rate Credit Meter	2.493
3	120, 170	Single phase Single Rate Pre Payment Token Meter	3.032
4	126, 127, 177, 178	Single phase Single / Two Rate Pre Payment Key Meter	3.178
5	300, 301, 305, 350, 351, 353, 356, 376	Polyphase Switched / Multi Rate Credit Meter	2.802
6	101, 102, 104, 105, 151, 152, 154 - 156	Single phase Switched / Domestic / Non Domestic / Two Rate Credit Meter	1.572
7	121, 171, 176	Single Phase Two Element Pre Payment Token Meter	5.802
8	122, 124, 172 - 175	Single phase Switched Pre Payment Key / Token Meter	2.989
9	320, 321, 370, 371, 373	Polyphase Multi Rate Pre Payment Meter	6.843
10	322, 324, 372, 374, 375	Polyphase Switched - Multi Rate Pre Payment Meter	8.197
11	500 - 503, 600 - 603, 700, 702	Polyphase Other MD / LV / HV	5.336
12	909, 931, 932	Single phase Multi-rate Import / Export Meter	1.632
13	910	Polyphase Multi-rate Import / Export Meter	4.671