# Use of System Charging Methodology Statement Pro Forma

* 1. Set out below is the pro forma for approving charging methodologies for third party access to licence exempt Distribution Networks (ENOs).
  2. The pro forma has been completed to give an indication of the information we would be expecting to see from ENOs. The example charging methodology is intended to help a customer of the network understand how their use of system charge has been derived.

# Methodology for use of system

**Section 1: Information about the ENO**

Name of business:

Address of business:

Contact name:

Email address and phone number:

Description of the main activity of the business:

Number of customers connected to the network:

Total annual energy consumption of all customers connected to the network for the last full calendar year:

Geographic size of network:

Brief description of the main activity of the customers connected to the network:

**Section 2: Confirmation that you have conformed to the two charging principles**

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| --- | --- | --- |
| ***Please confirm that your charges:*** |  | ***Tick box*** |
| Are justified by reference to the costs of your distribution network |  |  |
| Have been allocated to individual network users on an objective, justifiable and non-discriminatory basis |  |  |
| ***Please explain how you have conformed to the two charging principles (referring to subsequent sections of this methodology if required):*** | | |
|  | | |

**Section 3: Explanation of how you have derived your costs (Illustrative, for guidance only)**

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| --- | --- | --- |
| ***Type of cost*** |  | ***Cost*** |
| **Distribution Network Cost (with explanation of how the cost was derived)** |  |  |
| Total value of network asset |  |  |
| Cost of capital |  |  |
| Asset life (remaining years the asset will be depreciated over) |  |  |
| *Annual Capital Cost (approximately)* |  |  |
| **Annual Direct Costs** |  |  |
| Labour costs |  |  |
| Materials |  |  |
| Network maintenance |  |  |
| Network Repair |  |  |
| *Total Annual Direct Costs* |  |  |
| **Annual Indirect Costs** |  |  |
| IT and telecoms |  |  |
| Finance and Audit |  |  |
| Insurance |  |  |
| *Total Annual Indirect Costs* |  |  |
| **Tax** |  |  |
| **One off upfront costs** |  |  |
| Contract costs |  |  |
| Connecting supplier’s meter to distribution network |  |  |
| **Total Annual costs = Annual asset costs + direct costs + indirect costs + taxation costs** |  |  |
| Please confirm that these costs only include network costs |  |  |

**Section 4: Explanation of how you have allocated your total annual charges**

|  |  |  |
| --- | --- | --- |
| **Detail how you intend to allocate the total distribution costs to your customers (e.g. divide the costs by number of customers, square metre of rental space, annual consumption of energy)** | | |
| Please confirm that the method you have used to allocate these costs does not unduly discriminate between different types of customer |  |  |

**Section 5: Issues that are likely to affect future charges**

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| **Details of any future investment that is likely to affect your charges** |
| **How often do you envisage distribution network charges will change?** |
| **How do you intend to notify customers of a change to charges and how much notice of a change to charges will you provide?** |

**Section 6: Any other relevant information**

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Signed by …………………………………

On behalf of (company name) ………………………………..

Date ………………………………..