

TRANSCO CONSULTATION REPORT ON PC47

Datalogger Charge

1. TRANSCO'S INITIAL PROPOSAL

In Consultation Paper PC47 Transco proposed that the annual charge for each datalogger at a DM supply point be increased to the cost reflective level of £559.07. It was also proposed to abolish the present check read charge if the revised cost reflective charge were introduced from 1 October 1999.

2. SUMMARY OF RESPONSES

In total there were nine responses to the consultation paper, eight from shippers and one from an end user. Three of the nine respondents supported the revision to a more cost reflective DM charge, (although one expects improvements in the service level). Five respondents did not support an increase in the DM charge and one neither agreed nor disagreed.

2.1 Cost Analysis

Comments Received

Five respondents commented on costs. One respondent commented that the costs were high and questioned the cost reflectivity of such costs. Two respondents questioned whether costs associated with dataloggers at NDM supply points were being attributed to DM dataloggers. One respondent asked whether line rental and calls are provided at the lowest possible cost. One respondent commented on the level of administration costs for DM dataloggers.

Transco's Response

Transco has analysed the latest available costs associated with providing a DM datalogger in terms of administration, repairs and maintenance, line rental and call charges, and depreciation and return. The methodology is consistent with that used to derive the present charge. This data suggests a higher charge for DM dataloggers is appropriate particularly if competition is to be encouraged in this area.

Where the costs are specifically available for DM dataloggers these have been used, for instance in the case of datalogger administration. Where the costs are unavailable for DM and NDM dataloggers separately (eg datalogger repairs/maintenance) the costs have been divided by the total number of dataloggers to give costs on a 'per datalogger' basis. Since the standards of service are guaranteed for DM dataloggers but not necessarily for NDM dataloggers, the costs for DM dataloggers alone are likely to be higher. However, since there is no direct evidence to support this higher cost, the average cost has been used to determine the DM datalogger charge in such instances.