



# Worked Examples

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**Classification: DCC Public**

## Worked Examples

1. The following three worked examples use **illustrative charges**. For the most up-to-date or indicative charges, please visit our website: [DCC Charges](#). Below is the list of tables where you can find each of these charges.
2. The following three worked examples use the charges set out in the following tables:
  - Monthly Fixed Charge in Table 1
  - Monthly Alt HAN Fixed Charge in Table 2
  - Monthly CH Fixed Charges in Table 3
  - CH stock level charges in Table 4
  - Auxiliary aerials charge in Table 4
3. Worked examples 2 and 3 include MSMS and ESMS to illustrate how an invoice amount will be calculated.
 

**Example 1: Single fuel supplier (GSE)**
4. This example illustrates how charges will be calculated each month for a fictional customer Get Smart Electricity Ltd (GSE). GSE is an Import Supplier only
5. At the end of the charging period, which is the 15<sup>th</sup> day of the month, GSE has:
  - 3,600,000 Smart Metering Systems in Domestic Premises;
    - 3,600,000 MSMS
    - 400,000 ESMS
  - 100,000 Smart Metering Systems in Non-Domestic Premises;
    - 100,000 MSMS
    - 100,000 ESMS
  - 20,000 CH in stock at the end of the charging period
  - 100 Auxiliary cellular mesh aerials were accepted in the charging period
6. Tables 1 and 2 show examples of how total payable amounts appearing on the principal and secondary invoices at the end of a Charging Period will be calculated for Fixed Charges, Alt HAN Fixed Charge, CH Fixed Charges and Explicit Charges. We have assumed, for the purpose of this worked example, that the CH Finance Costs are 15% of total CH charges.
7. In this example, GSE will pay a total amount of £4,713,132.00. DCC will email two invoices to GSE; a principal invoice for £4,636,304.40 and secondary invoice £76,827.60 both including VAT. The total amount will be supported by a supplementary schedule detailing charges for each customer.

Charging group	Premises type	GSE actual MSMS volume	Published DCC rates	Total charge
g1 - Import Suppliers	Domestic	3,600,000	£0.915	£3,294,000.00
g1 - Import Suppliers	Non-domestic	100,000	£0.915	£91,500.00
<b>Monthly Fixed Charge</b>				<b>£3,385,500.00</b>

Charging group	Premises type	GSE actual MSMS volume	Published DCC rates	Total charge
g1 - Import Suppliers	Domestic	3,600,000	£0.031	£111,600.00
g1 - Import Suppliers	Non-domestic	100,000	£0.031	£3,100.00
<b>Monthly Alt HAN Fixed Charge</b>				<b>£114,700.00</b>

Charging group	Premises type	GSE actual ESMS volume	Published DCC rates	Total charge
g1 - Import Suppliers	Domestic	400,000	£0.806	£322,400.00
g1 - Import Suppliers	Non-domestic	100,000	£0.806	£80,600.00
<b>Monthly CH Fixed Charge</b>				<b>£403,000.00</b>

Charge name	Charge type	Basis of charge	Units	Published DCC rates	Total Charge
CH stock level charge	Explicit Charge	Per unit	20,000	£1.19	£23,820
CH auxiliary equipment: low-gain cellular aerial	Explicit Charge	Per unit	100	£5.90	£590
<b>Monthly Explicit Charge</b>					<b>£24,410</b>

	Total charge
<b>Total monthly charge (excluding VAT)</b>	£3,927,610.00
<b>Less secondary invoice (see below)</b>	<b>-£64,023.00</b>
<b>Net total (excluding VAT)</b>	£3,863,587.00
<b>VAT @ 20%</b>	£772,717.40
<b>Total monthly charge (including VAT) - principal</b>	<b>£4,636,304.40</b>

Table 1 – Principal monthly invoice under Example 1

	Total charge
<b>Communication Hub Finance Charge e.g. 15%</b>	£64,023.00
<b>VAT @ 20%</b>	£12,804.60
<b>Total monthly charge (including VAT) - secondary</b>	<b>£76,827.60</b>

Table 2 – Secondary monthly invoice under Example 1

**Example 2: Dual fuel supplier (GSDF)**

8. This example illustrates how charges will be calculated each month for a fictional customer, Get Smart Dual Fuel Ltd (GSDF). GSDF is an Import Supplier and a Gas Supplier.
9. At the end of the charging period which is the 15<sup>th</sup> day of the month GSDF has:
- 3,600,000 Smart Metering Systems in Domestic Premises
    - 1,800,000 electricity MSMS
    - 1,500,000 gas MSMS
    - 200,000 electricity ESMS
    - 100,000 gas ESMS
  - 400,000 Smart Metering Systems in Non-Domestic Premises
    - 180,000 electricity MSMS
    - 120,000 gas MSMS
    - 60,000 electricity ESMS
    - 40,000 gas ESMS
  - 20,000 CH in stock at the end of the Charging period
  - 100 Auxiliary cellular mesh aerials were accepted in the Charging Period.
10. Tables 3 and 4 show examples of how total payable amounts appearing on the principal and secondary invoices at the end of a Charging Period will be calculated for Fixed Charges, Alt HAN Fixed Charge, CH Fixed Charges and Explicit Charges. We have assumed, for this worked example, that the CH Finance Costs are 15% of total CH charges.
11. In this example, GSDF will pay a total amount of £3,826,260.00. DCC will email two invoices to GSDF; principal Invoice £3,769,009.20 and secondary Invoice £57,250.80 both including VAT. The total amount will be supported by a supplementary schedule detailing charges for each customer.

Charging group	Premises type	GSDF actual MSMS volume	Published DCC rates	Total charge
g1 - Import Suppliers	Domestic	1,800,000	£0.915	£1,647,000.00
g3 - Gas Suppliers	Domestic	1,500,000	£0.690	£1,035,000.00
g1 - Import Suppliers	Non-domestic	60,000	£0.915	£54,900.00
g3 - Gas Suppliers	Non-domestic	40,000	£0.690	£27,600.00
<b>Monthly Fixed Charge</b>				<b>£2,764,500.00</b>

Charging group	Premises type	GSDf actual MSMS volume	Published DCC rates	Total charge
g1 - Import Suppliers	Domestic	1,800,000	£0.031	£55,800.00
g3 - Gas Suppliers	Domestic	1,500,000	£0.031	£46,500.00
g1 - Import Suppliers	Non-Domestic	60,000	£0.031	£1,860.00
g3 - Gas Suppliers	Non-Domestic	40,000	£0.031	£1,240.00
<b>Monthly Alt HAN Fixed Charge</b>				<b>£105,400.00</b>

Charging group	Premises type	GSDf actual ESMS volume	Published DCC rates	Total charge
g1 - Import Suppliers	Domestic	200,000	£0.806	£161,200.00
g3 - Gas Suppliers	Domestic	100,000	£0.605	£60,500.00
g1 - Import Suppliers	Non-Domestic	60,000	£0.806	£48,360.00
g3 - Gas Suppliers	Non-Domestic	40,000	£0.605	£24,200.00
<b>Monthly CH Fixed Charge</b>				<b>£294,260.00</b>

Charge name	Charge type	Basis of charge	Units	Published DCC rate	Total charge
CH stock level charge	Explicit Charge	Per unit	20,000	£1.19	£23,800.00
CH auxiliary equipment: low-gain cellular aerial	Explicit Charge	Per unit	100	£5.90	£590.00
<b>Monthly Explicit Charge</b>					<b>£24,390.00</b>

	Total charge
Total monthly charge (excluding VAT)	£3,188,550.00
Less secondary invoice (see below)	-£47,709.50
Net total (excluding VAT)	£3,140,841.00
VAT @ 20%	£628,168.20
<b>Total monthly charge (including VAT) - principal</b>	<b>£3,769,009.20</b>

Table 3 – Principal monthly invoice under Example 2

	Total charge
Communication Hub Finance Charge e.g. 15%	£47,709.00
VAT @ 20%	£9,541.80
<b>Total monthly charge (including VAT) - secondary</b>	<b>£57,250.80</b>

Table 4 – Secondary monthly invoice under Example 2

### Example 3: Electricity distributor (GSED)

12. This example illustrates how charges will be calculated each month for a fictional customer, Get Smart Electricity Distribution Ltd. (GSED). GSED is an Electricity Distributor only.
13. At the end of the charging period which is the 15th day of the month GSED has:
- 2,000,000 MSMS in Domestic Premises
  - 60,000 MSMS in Non-Domestic Premises.
14. Table 5 sets out an example of how a principal invoice amount would be calculated for an electricity distributor paying Fixed Charges only. In this example, DCC would email a principal invoice to the electricity distributor for £252,144.00 including VAT. This invoice will be supported by a supplementary schedule detailing charges for each customer. Charges associated with CHs are not applicable in this example.
- 15.

Charging group	Premises type	GSED actual MSMS volume	Published DCC rates	Total charge
g4 - Electricity Distributors	Domestic	2,000,000	£0.102	£204,000.00
g4 - Electricity Distributors	Non-Domestic	60,000	£0.102	£6,120.00
<b>Monthly Fixed Charge</b>				<b>£210,120.00</b>

		Total charge
Total monthly charge (excluding VAT)		£210,120.00
VAT @ 20%		£42,024.00
<b>Total monthly charge (including VAT) – principal</b>		<b>£252,144.00</b>

**Table 5 – Principal monthly invoice under Example 3**