DCP 097A Legal Drafting

[Customer Numbers for "IT & Telecoms" and "Property Mgt"]

Schedule 16

Amend paragraph 102 as follows:

102.   Indirect operating costs are allocated to network levels on the basis of either:

a)   an estimate of modern equivalent asset value (MEAV) by network level; or

b)   customer numbers by network level,

as set out in the table below. Each cost driver will allocate a percentage of the relevant indirect cost to a network level based on either MEAV or customer numbers for that network level. The sum of the percentages for each indirect cost category across all network levels must equal 100%. The resulting network level percentages relating to each cost category are then used to calculate a weighted average of the direct and indirect percentages. This weighted average provides the operating cost percentage allocation for each network level~~The operating cost percentage for each level is a weighted average of the direct and indirect percentages~~. The~~Estimated gross~~ modern equivalent asset values used for this purpose are derived from asset counts and gross modern equivalent asset values (replacement costs) for various asset types. Customer numbers for each network level are deemed to equal the number of MPANs connected at that network level. The table to determine whether to use MEAV or customer numbers is as follows (and operating costs that are not referred to should not be allocated for this purpose):

Network Policy	MEAV
Network Design & Engineering	MEAV
Project Management	MEAV
Engineering Mgt & Clerical Support	MEAV
Control Centre	MEAV
System Mapping - Cartographical	MEAV
Customer Call Centre	Customer Numbers

Stores	MEAV
Vehicles & Transport	MEAV
IT & Telecoms	Customer Numbers
Property Mgt	Customer Numbers
HR & Non-operational Training	Customer Numbers
Health & Safety & Operational Training	MEAV
Finance & Regulation	Customer Numbers
CEO etc	Customer Numbers

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