

## Stone Studios

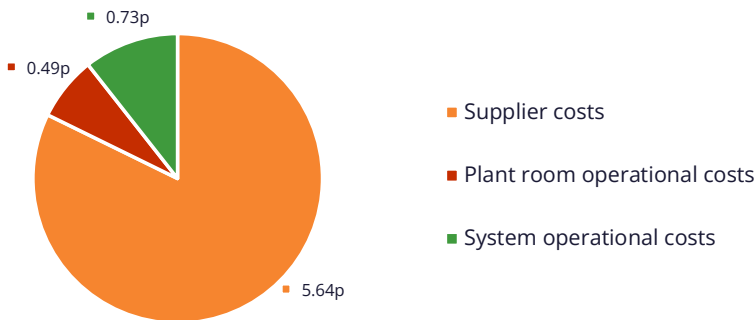
Insite Energy, selected as the EScO Manager by Telford Homes Ltd, handle all operational services associated with your heat network, incl. metering & billing and maintenance on behalf of your heat supplier.

Below is an explanation of your heating & hot water tariff calculations. These solely cover operational costs, and your heat supplier makes no profit from this.

For more information on why your tariff has been reviewed, please refer to the Tariff change notification letter sent to you.

### Your unit rate breakdown

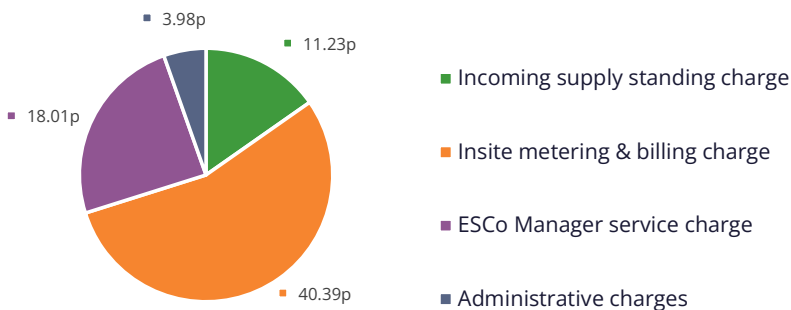
6.87 p/kWh



The average operational costs for a heat network equates to 56% of the unit charge breakdown.

### Your daily standing charge breakdown

73.61 p/day



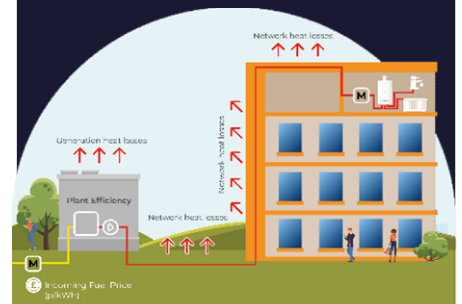
**⚠ Please note, your heat supplier does not profit from the operation of your heat network**

### Standard components of your heat tariff

Your **unit rate** covers the bulk cost of the energy generated in the communal plant room. It also includes any associated heat losses between the supply point and your home. Your energy consumption is measured via the heat meter installed in your home, so you only pay for what you have used. You are charged for every kilowatt-hour (kWh) consumed within your property.

Your **daily standing charge** is the fixed charge passed on by your heat supplier, which covers the cost of operating the heat network and delivering energy to your home. This is an annual fixed amount that is payable every day by all residents regardless of how much energy they use.

Depending on your heat supplier, the costs associated with running and maintaining the heat network will either be included within your building service charge or your heating and hot water daily standing charge.



# Glossary

To help you understand the different elements that go into your tariff, we've put the below glossary together for you.

## Unit rate glossary

- Supplier costs** - The cost per kilowatt-hour (kWh) of fuel consumed by the boilers in the plant room. This generates the energy used for heating & hot water in your home.
- System operational costs** - The cost of any heat lost through the pipework across the heat network. Heat loss during pumping is unavoidable and inflates the cost of heat created from fuel consumption. We calculate network heat losses by comparing the volume of fuel consumed to the heat consumed within the network's properties. If this data is unavailable, a standard efficiency calculation of 40% is used.
- Plant room operational costs** - The cost of any heat lost via the boilers and pipework within the plant room. Heat loss during pumping is unavoidable and inflates the cost of heat created from fuel consumption.
- Bad debt provision** - The total unrecovered debt determined from the percentage (%) of charged or billed value to residents. If this data is unknown, this will initially be estimated at 10%. This is only applicable to credit billing accounts.

## Daily standing charge glossary

- Incoming supply standing charge** - The daily standing charge your heat supplier pays on the incoming fuel supply contract to cover the fixed costs of providing gas, charged regardless of how much energy you use.
- Insite metering & billing charge** - This covers: our metering & billing fees, the prepay system software-as-a-service (SaaS) charges (where tariffs are set for a PAYG scheme), the cost of reading all landlord meters installed around the network allowing us to monitor system efficiency and heat losses, costs associated to the sim cards within the router allowing us to remotely collect your meter reads, and payment transaction fees charged by the payment platform for every payment.
- Administrative charges** - This covers: tariff review fees (cost of calculating and setting your tariff), tariff letter costs (postage costs of sending you your tariff change notification letters), and reporting fees (a licence fee incurred to monitor and present a range of data across the network to support financial and operational management).
- ESCo Manager service charge** - The cost of Insite providing ESCo Manager services to the scheme. This includes: the procurement, tendering, and contract management of mechanical, energy and service provider contracts (ensuring that contractual quality and cost related KPI's are adhered to), and financial profit & loss (P&L) management of the energy account (ensuring we only recover the costs to operate and serve the heat network).
- In-property asset servicing charge** - Planned Preventative Maintenance (PPM) and servicing charges associated to (where applicable); heat interface units (HIU), cooling interface units (CIU), fan cooling units (FCU), and mechanical ventilation with heat recovery units (MVHR).
- Network asset servicing charge** - PPM and servicing of assets across the heat network, e.g. plant room boilers, heat network substations, pipework, risers, pumps, water quality control.
- Reactive maintenance charge** - An accrued value to cover the cost of any reactive maintenance forecasted for the year ahead.
- Asset replacement sink fund** - Contribution towards end-of-life network and in-property asset replacement.



scan to read our blog post or visit  
[www.insite-energy.co.uk/blog/making-sense-your-bill-breaking-down-heat-charges](http://www.insite-energy.co.uk/blog/making-sense-your-bill-breaking-down-heat-charges)