

## **SERVICE PRE-PAYMENT CARDS: PROPOSALS FOR DISCUSSION, MARCH 06**

In response to criticism of the recent price increase and the way in which we handled it, we have nearly completed a review of this issue, and are proposing the following:

1. To improve the transparency of our payment card system by withdrawing the separately branded 'pump out' card and branding all BW AMPY cards as a "BW Service Card".
2. Cards will be available in a choice of sizes between 10 and 50 credit units. Each unit delivers 5kwh of electricity at BW meters.
3. Cards will also be usable for BW pump-out machines and any other BW facilities where charges apply and the AMPY system offers an efficient payment mechanism.
4. A 10% trade discount will apply to waterside businesses to improve our service to customers by making them available as widely as possible. Cards continue to be available from [waterscape.com](http://waterscape.com), waterway offices and the BW customer service centre
5. Rolec cards are required in London for electricity supply. London pump out machines use AMPY cards.
6. The price per credit unit is determined as follows:
  - a. The cost to BW of the kilowatt hours contained in the card. This is determined under our national procurement contract. The current price is fixed at 7.43 pence per kwh until 31 October 2008
  - b. An amount to cover BW's costs of making the pre-payment card service available to customers. This includes the printing of cards, order processing and average trade discount.
  - c. VAT payable.

We are currently gathering the data to finalise the exact price per unit and waiting for HM Customs and Revenue confirmation on the principle of a composite VAT rate for the service. We expect a 30 unit card to be a few pence more expensive than the current £12.10 because of the allowance for trade discount and the VAT liability.

7. The price of the pump-out service will be set independently of the price of electricity. It will be expressed in terms of a whole number of credit units to equate as closely as possible to £10 including VAT. We believe that this represents a fair price for an un-manned service.
8. Odd numbers of units left on a card may be drawn down during a subsequent transaction – the card reader will prompt you when there are no further units left . A new card can be inserted to complete the transaction.
9. No refunds will be payable in respect of cards already sold at previous prices. From the implementation date, existing pump out cards will continue to work. After a single use, there will remain some unused credit units which can be used up in a subsequent transaction as described above.
10. Cards will carry the explanatory information as overleaf

11. We would value user groups' advice on which card denominations we should offer (in addition to the 25 unit one).
12. Following feedback on this proposal by user groups on 3 April, we will order the new cards and organise the recalibration of our pump out machines. We would hope to launch the new system during May
13. .In 2005 we abolished charges for use of BW showers. This was because low usage volumes often meant that the card reader system was not cost effective. In some locations, because of the removal of the charge, we experience significant usage by local people who are not regular waterway users. We would welcome user group views on whether we should re-introduce charges for showers.

Sally Ash  
Head of Boating Development  
2 March 2007.



**British  
Waterways**

**25 units**

#### **SERVICE PREPAYMENT CARD**

This card delivers electricity from meters installed and managed by British Waterways around its network except in London. It also delivers other services such as use of BW's pump-out machines.

Each unit delivers 5kwh of electricity. The number of units required for a pump out or other services may change from time to time.

The current price of BW's electricity and other services are published on [www.waterscape.com](http://www.waterscape.com), or contact any BW office.

Electricity is priced in accordance with OFGEM regulations for electricity re-sellers. [www.energywatch.org.uk](http://www.energywatch.org.uk) has more information.

The price paid for the card is made up of the following:

- The cost to BW of providing the service. (Where the card is used for services other than electricity supply, if the cost is less than the amount charged via the card, any surplus is used to help fund maintenance and improvement of the waterways.)
- An amount to cover BW's costs in making the prepayment service available to you
- A composite VAT rate reflecting the average proportions of card units sold for electricity (reduced VAT rate) and supply of standard rated services (including the supply of the card itself).