

What it costs

# How EE Charges are Calculated

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## 1 Purpose

This document is provided to assist all EE branded pay monthly, pay as you go and You Fix customers of Everything Everywhere in understanding how Everything Everywhere calculates the various charges which are applied to customer bills (or in the case of pay as you go customers, are taken from the credit balance).

It satisfies the regulatory requirement stated in clause A3.4.4 of the Ofcom Metering and Billing Direction of 15 July 2008<sup>1</sup>:

*Tariffs shall specify the resolution, rounding, method and the units of measure applied to Events and charges, both at an individual and aggregate level.*

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## 2 Scope

This document covers the metering (logging) of usage, that is the amount of services taken, for voice Calls, SMS, MMS and data services charged by volume of data transmitted.

It also covers the calculation methodologies used to derive charges from usage of T Mobile branded services, how allowances are applied, how aggregation of charges is carried out on the bill and how VAT is applied.

This document does not cover the following:

- Charging for content
- "All you can eat" data packages
- Management of contract customer credit limits
- Pay as you go top-ups
- Management of pay as you go events when credit balance reaches zero
- Fair Usage Policies

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## 3 Metering (logging)

### 3.1 Voice calls

Voice calls are metered to the centi-second (1/100th second). Metering begins as soon as a call connects, whether by a person answering via a handset or an automated electronic service such as a voicemail system or answerphone. The duration of a call is rounded up to the next second before calculation of charging begins.

The time of call connection is logged to within  $\pm 1$  seconds of GMT or BST depending upon time of year. GPS/UTC is used as reference time.

### 3.2 Short Message Service (SMS) and Multimedia Message Service (MMS)

SMS and MMS are charged per event. Where a customer is able to send an SMS greater than 160 characters long, the handset may break up the SMS into individual 160 character pieces which are logged and charged by the network as if they were separate messages.

The treatment of these events differs between pay as you go and contract customers.

#### 3.2.1 Pay as you go and You Fix customers

Pay as you go customers are charged for every event that the system attempts to send on their behalf as soon as the event is transmitted to the T Mobile network from the handset. If the message cannot be delivered immediately, the system will continue to attempt to send the message for up to 72 hours (or a shorter period as set by the customer). This may happen if the destination handset is turned off throughout the period for instance. If the message cannot be delivered after this time it will be deleted without refund.

Occasionally the system will be unable to attempt to send the message in which case the customer will not be charged.

#### 3.2.2 Contract customers

Contract customers are charged for events which the system recognises are successfully sent to their destination. If the facility is enabled, the originator handset will show a message to the effect that the message has been delivered at this point.

Note, if the message is being sent abroad, the system may regard the event as having been sent as soon as it is received by the foreign network, not that it has been received by the destination handset.

Events which cannot be delivered are not charged for.

### 3.3 Data service charged by volume of data carried

The data meter counts the exact number of bytes received and transmitted during a browsing session. T Mobile does not include the special data transmitted between the handset and the network that is used purely to manage the connection as part of this byte count.

Separate logs are maintained for different types of transactions so that different charging rates can be applied. For instance, browsing the internet is generally chargeable. The volume of data used to receive a music track from a T Mobile site is not chargeable (the charge is made for the actual piece of content instead).

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## 4 Charge Calculations

Calculation of charges differs between pay as you go and contract customers.

### 4.1 Voice calls

#### 4.1.1 Pay as you go and You Fix customers

Charging takes place immediately upon completion of the call.

<sup>1</sup> <http://stakeholders.ofcom.org.uk/binaries/telecoms/metering/ofcommb.pdf>

The rates charged for voice calls are based upon the customer's price plan and the destination of the call.

Voice calls are charged for by the minute or by the second. Calls charged by the minute will be rounded up to the next minute on completion of the call. Calls per second are charged for by the second. The pence per second rate is calculated by dividing the pence per minute rate by 60 and holding the result as pence to 6 decimal places. The rates applicable are defined in pence per minute (to 6 decimal places) and are inclusive of VAT.

Where a customer's price plan differentiates between peak and offpeak periods, should a call cross between 2 different periods, each part of the call is calculated separately at the different rates applicable.

Where there are multiple periods (e.g. peak/offpeak) the charges calculated for each period are aggregated. The charge for the call is finally rounded up to the next whole penny and decremented from the customer's credit balance.

Depending upon the price plan, minimum call charges may be applicable. For most pay as you go customers these are the equivalent of a 1 minute call. In cases where the duration of a call is less than 1 minute, the call will be charged as if it were 1 minute (60 seconds) long.

Where the customer has a voice allowance (i.e. a number of minutes), where the duration of the call is less than the remaining allowance, the allowance will be decremented by the duration of the call. Calls will be decremented from allowances as they would be charged so either by minute or by second depending on your price plan. Where the allowance remaining is less than the duration of the call, the allowance will be exhausted and the remaining part of the call will be charged as above, however no minimum call charge will be applied.

#### 4.1.2 Contract customers

Charges are stored and billed on the next monthly billing date for the customer.

Where calls last longer than 2 hours, for charging purposes, they may be broken up into separate parts: the first part of the call will last between 2 hours and 2 hours 15 minutes, depending upon when the break is made. Subsequent parts of the call will last exactly 2 hours, or less if the call ends before that time. Each part of the call will be charged separately and will appear on the bill as a distinct item.

Voice calls are charged for by the minute or by the second. Calls charged by the minute will be rounded up to the next minute on completion of the call. Calls per second are charged for by the second. The pence per second rate is calculated by dividing the pence per minute rate by 60 and holding the result as pence to 6 decimal places. The rates applicable are defined in pence per minute (to 6 decimal places) and are inclusive of VAT.

The pence per second rate is defined to 5 decimal places. The pence per second rate is exclusive of VAT. The charge is calculated to 5 decimal places then rounded up to 3 decimal places (next 1/10th penny).

Depending upon price plan, minimum call charges may be applicable. For most contract customers these are the equivalent of a 1 minute call. In cases where the duration of a call is less than 1 minute, the call will be charged as if it were 1 minute (60 seconds) long. Refer to individual price plan documentation for specific minimum call charge rules.

Where the customer has a voice allowance (i.e. a number of minutes), where the duration of the call is less than the remaining allowance, the allowance will be decremented by the duration of the call. There will not be a minimum call length applied. Where the allowance remaining is less than the duration of the call, the allowance will be exhausted and the remaining part of the call will be charged as above, however no minimum call charge will be applied.

Where the customer has a monetary allowance (i.e. a nominal monetary amount), where the charge for the call without applying any minimum call charge rules is less than the remaining allowance, the allowance will be decremented by this value for the call. Where the allowance remaining is less than the charge calculated for the call (without applying any minimum call charge rules), the allowance will be exhausted and the balance of the charge applied to the bill. The remainder of the call will not be subject to any minimum call charge.

## 4.2 SMS and MMS

### 4.2.1 Pay as you go and You Fix customers

Charging takes place immediately upon the event being transmitted to the T Mobile network from the handset.

The charge applicable to the event is calculated based upon the customer's price plan and destination for the event.

Where the customer has an SMS allowance (number of SMS), if the balance of the allowance is greater than zero, the balance will be decremented by one for each message sent, and the customer's credit balance left unchanged.

### 4.2.2 Contract customers

Charges are stored and billed on the next monthly billing date for the customer.

The charge applicable to the event is calculated based upon the customer's price plan and destination for the event. The charge is calculated exclusive of VAT rounded up to 3 decimal places (i.e. 1/10th penny).

Where the customer has an SMS allowance (number of SMS), if the balance of the allowance is greater than zero, the balance will be decremented by one per message sent. No charge will be applied to the final bill. MMS works similarly.

Where the customer has a monetary allowance (i.e. a nominal monetary value), where the charge calculated for the message is less than the remaining allowance, then the allowance will be decremented by the calculated amount. Where the allowance remaining is less than the charge calculated for the message, the allowance will be exhausted and the remaining part of the calculated amount applied to the bill.

## 4.3 Data charged by volume of usage transmitted

### 4.3.1 Pay as you go and You Fix Customers

The charge for each transaction type is calculated at the end of each connection to the network. If the connection lasts for a significant period, partial charges are calculated and decremented from the credit balance after specific bytecount or time thresholds are reached. When the connection is finally terminated, a charge for the remaining uncharged usage will be calculated and decremented from the credit balance.

The byte count for each transaction type is first rounded up to the next one kilobyte ("KB"), (i.e. 1,024 bytes). Charging is carried out per KB of data transmitted or received (see also 3.3 above). The rate per KB is inclusive of VAT. It is defined in pence per KB to 6 decimal places. The charge for each transaction type is calculated separately with each individual charge being rounded up to the next penny before being decremented from the credit balance.

T Mobile currently operates a cap on the amount charged per day to pay as you go and You Fix customers for general internet browsing via handsets. The maximum charge per day is set at £1.00 inclusive of VAT.

### 4.3.2 Contract customers

The charge for each transaction type is calculated at the end of each connection to the network. If the connection lasts for a significant period, records for partial charges are calculated and stored after specific bytecount or time thresholds are reached. When the connection is finally terminated, a charge for the remaining uncharged

usage will be calculated and stored to await billing.

Before calculation of the charge, the byte count for each individual transaction type is rounded up to KB, to 3 decimal places.

The rate for charging for each transaction type is defined in pence per KB for data transmitted or received (see also 3.3). The pence per KB rate is defined to 5 decimal places and is exclusive of VAT. The charge for each transaction type is calculated separately based upon the rounded byte count and the defined rate for the transaction type to 5 decimal places, then rounded up to the next 1/10th penny.

Where the customer has a data allowance (i.e. a number of Megabytes or "MB"), where the byte count of the transaction is less than the remaining allowance, the allowance will be decremented by that byte count. Where the allowance remaining is less than the byte count, the allowance will be exhausted and the remaining part of the byte count will be charged as above.

T Mobile currently operates a cap on the amount charged per day to contract customers for general internet browsing via handsets. The maximum charge per day is set at £1.00 inclusive of VAT.

## 5 Billing and VAT

Contract customers and You Fix customers receive monthly (online or paper) bills. Contract customers have bills including plan and service charges as well as usage charges. You Fix customers do not have usage charges shown on their bills.

The charges on the bill are broken up into various sections, for both clarity and to permit the correct aggregation rules to be carried out. Each section is aggregated separately to give a sub total charge in (£) pounds to 3 decimal places (i.e. down to 1/10th penny).

Certain type of events are exempt from VAT (e.g. calls made whilst roaming in a non-EU country). Others are charged directly as a VAT inclusive rate (e.g. third party services) and shown on the bill as having VAT charged at 0%. These are shown in separate sections on the customer's bill.

Detailed charges for individual events are shown in (£) pounds to 3 decimal places (i.e. down to the 1/10th penny).

Detailed charges for recurring charges are shown in (£) pounds to 2 decimal places.

Sub totals for sections which need VAT to be applied are first aggregated to a value (to 3 decimal places) then the VAT is calculated, and rounded up to the next penny.

Finally, sectional sub totals are aggregated into plan charges and charges outside plan (e.g. usage charges) and each is rounded up to the next penny.

The final charge is then calculated by adding any outstanding balance from previous bills, the monthly plan charges, charges outside of plan and the VAT payable.

