

## **Recharging of Highway Authority Lane Rental Charges for Connections Work requested by Business Customers**

Dear Colleague,

Please note that, with effect from 1<sup>st</sup> October 2012, National Grid has begun recharging Highway Authority Lane Rental charges incurred in respect of customer-ordered works. We have included the following statement in our "assumptions and conditions" document that is provided along with quotations for such works.

(NB: Please note that where we refer to "you" or "the customer" in this document we mean the person we have or have had a contract with to provide connections services. On occasion, for practical reasons, we may need to contact the person at whose premises we are providing the requested service, but we would only do this where we have obtained prior agreement from our contracted customer.)

"NRSWA Section 74A Lane Rental Schemes - If the work you are requesting involves the excavation or occupation of a public street or cycleway that is subject to a highway authority lane rental scheme for street-works, we will contact you to confirm this. If lane rental charges are applicable to your order, we will withdraw any existing quotation and provide you with a corrected quotation which will show our best estimate of the applicable lane rental charge for that job as a separate item. If you accept our quotation, we will require you to pay the lane rental charge along with the quoted charge for the job itself."

What this means is that:

1. Where we receive any request for works other than self-quotes via the Web and our records indicate that the job site is located within a Highway Authority Lane Rental charging zone we will advise the customer of this at the point of enquiry. Should the customer ask us to proceed with the quotation, we will make arrangements to carry out a survey to establish whether or not Lane Rental charges can be avoided. Where the survey confirms that Highway Authority Lane Rental charges cannot be avoided, we will include with the quotation our best estimate of the Lane Rental charges we expect to incur in carrying out the requested work. The estimated Lane Rental charges will be shown as a separate item on the quote and will be payable on acceptance of the quotation along with the charge for the job itself.
2. For a limited interim period, whilst our customer-facing systems are being modified to identify Lane Rental, we will intervene manually within 2 working days after the completion of any self-quote completed via the Web for which the job site is located within a Highway Authority Lane Rental charging zone. We will contact the customer to confirm that we have withdrawn our quotation due to the fact that Highway Authority Lane Rental charges may apply. We will offer to produce a revised quotation, taking account of Lane Rental and, should the customer wish us to proceed, we will apply the process described in paragraph 1, above, to include our best estimate of Lane Rental charges, if applicable, as a separate item within a corrected quote for the work. Where the customer declines, we will refund any payment already made. If the customer accepts our corrected quotation, we will ask them to pay the balance, unless we have already refunded the original payment, in which case we will require payment of the full amount, including Lane Rental, as in paragraph 1.

3. National Grid will take all reasonable steps to avoid or minimise Highway Authority Lane Rental charges; however, it may be necessary to adjust the charges payable at a later date, where the actual Lane Rental charge incurred is greater or less than the amount originally estimated. We will notify the customer within 10 working days after becoming aware that any additional Lane Rental charges will apply. Please refer to Section 7A in National Grid's Siteworks Terms for Below 7 Barg Infrastructure Works, effective from 1<sup>st</sup> October 2012.
4. For clarity, National Grid will not recharge Lane Rental costs relating to new domestic connection requests which qualify for the Domestic Load Connection Allowance under Paragraph 1 of Standard Condition 4B of National Grid's gas transporter licence, unless the customer's action has caused us to incur additional Lane Rental charges over and above the level originally estimated for the job in our site survey. Where this is the case, we would notify the customer as soon as reasonably practicable and within 10 working days of becoming aware of the additional charges and we would explain the basis of the charge at that time and confirm this in writing.
5. Due to the site-specific and variable nature of Highway Authority Lane Rental charges, we are unable to fully automate this aspect within our customer-facing systems in a way which would work for every customer order. We are therefore developing a solution which will trigger intervention during the self-quote application process, which we will then follow up using the manual process described in paragraph 1.
6. Please note that VAT must be applied to any Highway Authority Lane Rental charges at the same rate as that applied to the charge for the job itself.

If you have any enquiries or require clarification on anything provided here please contact the following:

**Contracts Team** – Stuart Rickerby: [stuart.rickerby@nationalgrid.com](mailto:stuart.rickerby@nationalgrid.com)

**Sales Order Processing** – Ian Rix: [ian.rix@nationalgrid.com](mailto:ian.rix@nationalgrid.com)

**Connections Charging Policy** – David Chalmers:  
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