

# GAS DISTRIBUTION CONNECTION SERVICES CHARGES

Covering National Grid's Four Gas Distribution Networks:

NORTH WEST WEST MIDLANDS

EAST OF ENGLAND LONDON

# STANDARD CHARGES EFFECTIVE FROM 24 NOVEMBER 2014

Securing our energy supply for future generations.

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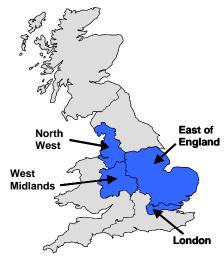
#### 1. INTRODUCTION

This document outlines National Grid's standard charges for gas distribution connections. National Grid Gas plc is the GT Licence holder for Gas Distribution in the four Distribution Networks shown below. All references to "we", "us" and "our" in this document are to National Grid Gas plc, trading as National Grid. The application of each type of standard charge set out in this document is governed by a set of Application Criteria that are provided in each respective section.

#### Fig. 1 - Our Distribution Networks

The geographical layout of our four networks is illustrated here.

Where charges vary by network, the relevant Distribution Network is generally identifiable by means of the customer's site address Post Code.



The standard charges set out in this document include overheads, but exclude Streetworks Scheme Charges and VAT. Certain charges also include a specified profit margin, where this is indicated. VAT will be applied to charges<sup>1</sup> at the appropriate rate, which will depend upon the type of work, type of property and the status of the customer to whom the charge is being made.

In order to gain access to the public highway to conduct customer-ordered works, National Grid may incur Streetworks Scheme Charges. We reserve the right to pass on these costs directly to the customer, as appropriate. Please refer to Appendix D for more information.

The standard charges set out in this document are calculated in accordance with our connections charging methodology. Our Gas Distribution Connections Charging Methodology Statement, together with other information on our gas distribution services, is available on the National Grid web site:

<u>http://www.nationalgrid.com/uk/Gas/Charges/statements/</u> under the heading "Connection Charges – Distribution".

#### **Competition in connections services:**

Please note that the provision of connection services listed in this document is open to competition. To obtain an alternative quotation for connections works, please see the web page:

http://www.nationalgrid.com/uk/Gas/Connections/CompetitiveQuotationForm/
Details of independent connection providers who hold Gas Industry Registration Scheme (GIRS) membership can also be obtained from the following web sites:
http://www.eua.org.uk/membership/utility-networks/utility-infrastructure-providers

<sup>&</sup>lt;sup>1</sup> including Streetworks Scheme Charges, where these apply

#### 2. DOMESTIC CONNECTION CHARGES

The charges included in the table below reflect a standard domestic gas connection, which includes National Grid carrying out all trench excavation and reinstatement required for the job.

#### Table 1 – Standard Domestic Connection Charges (excl. VAT)

The charges in the table below reflect the application of a regulatory subsidy which has significantly lowered the cost that customers need to pay. The subsidy is called the Domestic Load Connection Allowance and is explained more in Appendix B.

Length on Private Land	North West	West Midlands	East of England	London
0m	£193	£233	£235	£446
>0m to 5m	£263	£298	£254	£568
>5m to 10m	£331	£364	£362	£743
>10m to 15m	£400	£430	£469	£918
>15m to 20m	£482	£510	£598	£1,129
>20m to 30m	£701	£722	£943	£1,689
>30m to 40m	£975	£986	£1,374	£2,388

National Grid will further reduce the charge to customers where the following characteristics are identified for the job, as outlined in the table below. With the nature of some savings, it will not be until the site survey or later that these savings can be identified; the customer's charge will be adjusted accordingly.

Table 2 – Savings against the Standard Domestic Connection charges

Characteristic / option for	Saving against standard charge
Customer elects to dig and reinstate their own trench on private land	35%
If National Grid excavate, and the ground is found to be unmade, or a moling or insertion technique can be utilised	18%
Customer supplies and installs their own meterbox	5%
Where an additional Connection can be made off the same meter manifold and where the work can be carried out under the same excavation <sup>2</sup>	85%

Utilising our statutory rights, National Grid will always carry out the related excavation on public land.

<sup>&</sup>lt;sup>2</sup> this saving can not be used in conjunction with other savings, with the exception of the customer supplying and installing their own Meter Box; please note the saving may not be attributable to a single customer and the benefit maybe shared between the customers benefitting from the work

#### **Application Criteria**

The above standard charges are applicable for up to 40 metres of service pipe to be laid on land owned or occupied by the person requiring the connection, where the service termination is not more than 3 metres above the exterior ground surface level. To be eligible for a standard charge, all the following criteria must be met:

- the new connection must be for individual premises situated within 23 metres of one
  of our relevant mains, operating at a pressure equal to or less than 2 barg, with no
  engineering difficulties or other obstacles<sup>3</sup> present that would result in more than 23
  metres of pipe being laid to the premises boundary;
- the premises is being used or proposed to be used mainly or wholly for domestic purposes;
- there is no existing gas supply to the premises;
- the individual premises does not form part of a multiple development, or the individual premises does form part of a multiple development however the person owning or occupying<sup>4</sup> each premises can be identified<sup>5</sup>, and
- the person requesting the connection is the owner or occupier of the premises, or their agent, as qualified above;
- the premises is not situated within a "live" Infill Scheme (see Other Information below)

Any individual premises meeting the above criteria is eligible, regardless of whether the enquiry is part of a single or multiple connection request. Where the above criteria are not met, a bespoke quotation will be provided for the required new connection works.

#### Further description and clarification of the charges

**Additional Work** – On occasion, we may carry out additional work to that required by the customer in order to ensure that we develop and maintain our pipeline system in an economic and efficient manner. Such additional work will not be charged to the person requesting the connection.

Customer elects to dig and reinstate their own trench on private land - The customer will need to complete the excavation of the required trench to prescribed standards prior to National Grid attending site, to avoid having to pay for a works variation (to pay for us to carry out excavation) or an abortive visit charge.

**Fuel Poor Connections –** Special charging arrangements apply to connection requests for domestic customers whose premises has been designated as Fuel Poor in accordance with set criteria. The Fuel Poor criteria and charging arrangements are set out in our Section 6

<sup>&</sup>lt;sup>3</sup> including, but not limited to works which involve the crossing of or affected by the presence of a motorway, railway, waterway, site of special scientific interest, or where an easement or other legal permit has to be obtained from any person other than the person requesting the works

<sup>&</sup>lt;sup>4</sup> Housing developers or landlords or an agent working on behalf of a developer or landlord are not eligible <sup>5</sup> Acceptable forms of evidence in respect of the identification of the person who owns or occupies a premises (being either a single premises or a premises within a multiple development) are:

<sup>•</sup> The name and address of the owner or occupier of the premises or;

A written statement specifying the reasons why a name and address cannot be provided and confirming that the pemises are individually owned or occupied

of our Gas Distribution Connections Charging Methodology Statement. Charging for individual Fuel Poor connections is further explained in Appendix C to this document.

**Infill Schemes -** Premises which fall within a 'live' Infill Scheme are not eligible for the Domestic Load Connection Allowance, and will therefore receive a non-standard quotation for the full cost of installing the service pipe. They will also be required to pay a mains contribution, in line with other domestic connectees within that scheme.

**Meter Boxes -** The above charges include the provision of a 'bolt-on' or 'semi concealed' meter housing where applicable. Where a 'built in' meter housing is required, the customer must purchase this and ensure that it is installed prior to us beginning the engineering works. On completion of works a meter box becomes the property of the customer, who is then responsible for ongoing care and maintenance.

**Specialist Surfaces -** Customers are advised that we are unable to ensure full reinstatement of specialist surfaces, e.g. mosaic tiles or coloured flagstones. In such cases, customers are advised to engage their own specialist contractor to replace the final surface to their requirements. We are also unable to replace any plants damaged as a result of the work being carried out.

**Streetworks Scheme Charges** – Additional highway authority charges may apply to the above charges and the VAT will be applicable in the same way as the standard charge. Refer to Appendix D for an explanation of the applicability of Streetworks Scheme Charges.

**Zero Horizontal Length (0 metres on Private Land) –** This category refers to jobs where no excavation will occur on private land, i.e., the customer occupies a house or flat that fronts directly onto the street. They may have a connection to a meter box, or a ground floor house entry, or an entry into a basement or to a first floor flat where no more than 3m of above ground pipework will be installed. This category does not include the installation or reinstallation of a connection to a pre-existing riser.

#### 3. DISCONNECTION CHARGES

Table 3 – Standard Service Disconnection Charges (excl. VAT)

Length on Private Land	North West	West Midlands	East of England	London
<=63mm PE / 2" met	£633	£925	£913	£1,407
90mm PE / 3" met	£1,004	£1,501	£1,784	£2,334
125mm PE / 4" met	£1,245	£1,747	£1,982	£2,511
180mm / 6" met	£1,802	£2,479	£2,784	£3,570

<sup>&</sup>quot;PE" = yellow plastic service pipe; "met" = metallic service pipe

National Grid will reduce the charge to customers where the following characteristics are identified, as outlined in the table below. With the nature of some savings, it will not be until the site survey or later that these savings can be identified; the customer's charge will be adjusted accordingly.

Table 4 – Savings against the Standard Disconnection charges:

Characteristic / option for	Saving against standard charge
Each additional Disconnection at the	4%
same location, where a separate	
excavation is required	
Each additional Disconnection, where no	92%
further excavations are required	
When National Grid excavate, and the	20%
ground is found to be unmade4	

#### **Application Criteria**

These charges are applicable for disconnection of gas service pipes connected to the low, medium and intermediate pressure distribution networks. The charge is based upon the diameter of the service pipe to be disconnected. The above charges will also be applied where customers requesting a service alteration also request that the service pipe be disconnected on a separate visit, prior to the alteration job.

#### Further description and clarification of the charges

**Additional Work** – On occasion, we may carry out additional work to that required by the customer in order to ensure that we develop and maintain our pipeline system in an economic and efficient manner. Such additional work will not be charged to the person requesting the connection.

**Gas Meter Clamping/Removal –** Charges associated with the clamping and/or removal of gas meters that are owned by us are set out in National Grid's statement of Gas Metering Charges.

**Streetworks Scheme Charges** – Additional highway authority charges may apply to the above charges and the VAT will be applicable in the same way as the standard charge. Refer to Appendix D for an explanation of the applicability of Streetworks Scheme Charges.

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<sup>&</sup>lt;sup>4</sup> saving only applied to Disconnections where an excavation cost has been incurred

#### 4. DOMESTIC SERVICE ALTERATION CHARGES

The charges included in the table below reflect a standard service alteration, which includes National Grid carrying out all trench excavation and reinstatement required for the job.

The charges are applied on the basis of the length of the required service pipe alteration (i.e. from the point at which the existing service pipe needs to be cut back, via the desired new route to the required meter location point).

Table 5 Standard Domestic Alteration Charges (excl. VAT)

Service length	North West	West Midlands	East of England	London
Up to 5m	£433	£593	£603	£1,327
>5m to 10m	£777	£918	£1,145	£2,216
>10m to 15m	£1,189	£1,308	£1,795	£3,282
>15m to 20m	£1,738	£1,830	£2,663	£4,703

With the standard service alteration, National Grid will relocate and reconnect the meter, will carry out related internal pipework (up to 3m) and purge and relight the customer's gas appliances. Any internal pipework that is laid, over 3m, will be charged at £25.50 (excl. VAT) per metre.

National Grid will reduce the charge to customers where the following characteristics are identified, as outlined in the table below. With the nature of some savings, it will not be until the site survey or later that these savings can be identified; the customer's charge will be adjusted accordingly.

Table 6 – Savings against the Standard Alteration charges:

Characteristic / option for	Saving against standard charge
Customer elects to dig and reinstate their own trench on private land <sup>5</sup>	33%
If National Grid excavate, and the ground is found to be unmade, or a moling technique can be utilised	20%
Customer supplies and installs their own meterbox	5%
Customer arranges for their own gas safe engineer to relocate the meter	5%
Customer arranges their own internal pipework and reconnection (incl. purge and relight of appliances)	7.5%

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<sup>&</sup>lt;sup>5</sup> for safety reasons, before customer's are eligible for the saving, customer's will be tested against set competency criteria for digging in the vicinity of live gas services (note – the saving will only be passed on once the eligibility criteria has been confirmed)

#### **Application Criteria**

To be eligible for any of the above standard charges, the premises must be used mainly or wholly for domestic purposes and the service pipe alteration works must meet all the following criteria:

- Service pipe diameter 1" metallic / 32mm PE, or less and operating at a pressure equal to or less than 2 barg;
- Both the existing and proposed service entry points (the location where the service pipe enters the property) are not more than 3 metres above ground level;
- The total length of the alteration is not more than 20 metres;
- The pipe to be altered is a pipe that is designed to supply only one or two supply meter points;
- No unusual security or similar access restrictions apply, e.g. where a property is within a secure military base a standard charge will not be applicable;
- At the time of the request the customer does not anticipate that the completion of the works will be affected by any unusual health, safety or environmental risks, e.g., working under scaffolding erected by others, presence of asbestos dust, etc.

Where the Application Criteria for these standard charges are not met, we will provide a bespoke quotation for the required alteration works.

#### Further description and clarification of the charges

Customer elects to dig and reinstate their own trench on private land - The customer will need to complete the excavation of the required trench to prescribed standards prior to National Grid attending site, to avoid having to pay for a works variation (to pay for us to carry out excavation) or an abortive visit charge. For safety reasons, before customers are eligible for the saving associated with self-excavation, the customer will be tested against set competency criteria for digging in the vicinity of live gas services (note – the saving will only be passed on once the eligibility criteria has been confirmed in advance)

**Disconnection prior to Service Alteration –** Where customers require the service pipe to be disconnected in a separate visit, prior to the service alteration, a standard disconnection charge will apply (see Section 3).

**Load Increases –** If we are required to alter existing pipework to meet a request for an increase in load, the standard charges will not be applicable.

**Meter Boxes -** The above charges include the provision of a 'bolt-on' or 'semi concealed' meter housing where applicable. Where a 'built in' meter housing is required, the customer must purchase this and ensure that it is installed prior to us beginning the engineering works. On completion of works a meter box becomes the property of the customer, who is then responsible for ongoing care and maintenance.

**Qualifying Persons –** We will not charge for the minimum alteration<sup>6</sup> of a meter position and / or service pipe to meet the physical needs<sup>7</sup> of people who are disabled, chronically sick or of pensionable age.

<sup>&</sup>lt;sup>6</sup> In this case "minimum alteration" means that the work carried out by National Grid will be the least cost Fit-for-Purpose solution to meet the physical needs of the customer. Any additional works beyond this will be chargeable to the customer.

**Service Pipe Alteration by Third Parties –** The provision of service alterations is open to competition, and where an Independent Connection Provider (ICP) relays a  $\leq$  2" steel service pipe as part of a service alteration we will pay a fixed allowance of £465 per service to the ICP on satisfactory completion of the work.

**Specialist Surfaces** – Customers are advised that we are unable to ensure full reinstatement of specialist surfaces, e.g., mosaic tiles or coloured flagstones. In such cases, customers are advised to engage their own specialist contractor to replace the final surface to their requirements. We are also unable to replace any plants damaged as a result of the work being carried out.

**Streetworks Scheme Charges** – Additional highway authority charges may apply to the above charges and the VAT will be applicable in the same way as the standard charge. Refer to Appendix D for an explanation of the applicability of Streetworks Scheme Charges.

<sup>&</sup>lt;sup>7</sup> In this instance, 'physical needs' means that as a result of a person's physical condition, the alteration is required to allow that person to operate the emergency control valve, and / or read the meter.

#### 5. METER BOX REPAIR CHARGES

#### **Statement of Standard Charges**

Ch	arges Excluding VAT	North West	West Midlands	East of England	London
1	Supply & Install Surface Mounted Meter Box Cover and Door (incl. back plate)	£170.21	£167.70	£170.85	£192.09
2	Supply & Install Surface Mounted Meter Box Cover and Door (excl. back plate)	£151.65	£149.55	£152.18	£169.88
3	Supply & Install Replacement Meter Box Door	£81.43	£79.73	£81.86	£96.21
4	Supply & Install Vandal-Resistant Meter Box Door (Built-in Meter Boxes Only)	£193.09	£189.99	£193.88	£220.03
5	Supply & Install Pregnant Meter Box Door for ETM	£91.62	£89.73	£92.10	£108.05
6	Repair meter box door hinges and / or lock	£62.40	£60.70	£62.83	£77.18
7	Supply only replacement hinge pins / lock / key	£10.09	£10.09	£10.09	£10.09

#### **Application Criteria**

These charges are applicable in respect of our service to repair meter box doors for domestic gas meter boxes that are designed to accommodate a meter with a badged capacity of 6 standard cubic metres per hour that are associated with service pipes attached to our pipe-line system.

#### **Other Information**

Payment in full is required in advance of works being undertaken.

Provision of the above services is open to competition and an independent service provider may be able to quote for the work you require. Details of independent providers of meter work services can be obtained from the following web sites:

http://www.sbgi.org.uk/home http://www.lloydsregister.co.uk/mam.html

#### **6 QUOTATION CHARGES**

For customers requesting connections work which requires a **Non-Standard Quotation** (see glossary in Appendix B), we now make a separate charge for providing the quotation for the work execution element of the job.

#### Statement of charges

Category	Non-Standard Quotation Description	Charge (excl. VAT)
1	Single connections for loads up to 695 kWh, situated within 23 metres of a relevant main and requiring less than 40 metres of pipe on private property	£277
2	Single Connections other than above; service alterations and multiple requests for loads not exceeding 1,733 kWh	£400
3	All works over 1,733kWh where specific network analysis is required	£553

#### **Application Criteria**

 The above charges apply to all Non-Standard Quotation requests within the categories described above, with the exception of quotations for work which is deemed to be Sufficiently Complex, for which quotations and design studies are charged on a job-specific basis, as set out in Section 7.

 Please note that the above charges will be payable by the customer at the point of requesting the quotation for works.

**Profit Element** - As the above charges apply to connections services which are contestable, the quotation charges include a 12% profit margin<sup>8</sup>, in order to avoid distorting competition. (Note that the quoted charges for works will also include a 12% profit element.)

**Streetworks Scheme Charges –** Note that additional highway authority charges may apply in addition to the charges quoted for work execution. Note also that where VAT applies to the quoted connection charge, VAT at the same rate will be applied to any Streetworks Scheme Charges charged in respect of that job. Please refer to Appendix D for an explanation of the applicability of Streetworks Scheme Charges.

<sup>&</sup>lt;sup>8</sup> 12% Gross profit margin is calculated as (1/(1-12%))-1=13.64% uplift on costs.

## 7. CONNECTION DESIGN CHARGES FOR JOBS DEEMED AS SUFFICIENTLY COMPLEX

Where jobs are deemed as Sufficiently Complex, a design study must be carried out prior to providing a quotation for physical works. Charges for the design of Sufficient Complexity projects will be levied in advance and no refund is applicable except where the project is a reinforcement project that proceeds to the construction phase and that passes our Economic Test<sup>9</sup>.

#### **Statement of Rates**

- Where the nature of a new connection project is of Sufficient Complexity we may either resource this internally or use an external design organisation.
- Where the design of Sufficient Complexity projects is resourced internally, we will
  predict the number of hours that our staff will take to complete the design and
  charge on the basis of the number of hours multiplied by the applicable standard
  hourly rate, which is £42.60 per hour (excl. VAT).
- Where an external design organisation is used, the design charge will be levied according to the cost to us, and overheads will be applied at the appropriate rate.
- It is also possible for us to use a combination of external and internal resources to complete a design. In this situation, we will charge for each type of resource using the appropriate methodology as outlined above.

#### **Application Criteria**

New connections, disconnections, service alteration and reinforcement works may all be designated to be Sufficient Complexity, provided that they conform to that definition (See Glossary in Appendix B).

**Profit Element:** As the above charges apply to connections services which are contestable, the design charges payable will include a 12% profit margin<sup>10</sup>, in order to avoid distorting competition. (Note that where the customer requires National Grid to carry out the physical connection works the quoted charges for works will also include a 12% profit element.)

**Streetworks Scheme Charges –** Note that additional highway authority charges may apply in addition to the charges quoted for work execution. Note also that where VAT applies to the quoted connection charge, VAT at the same rate will be applied to any Streetworks Scheme Charges charged in respect of that job. Please refer to Appendix D for an explanation of the applicability of Streetworks Scheme Charges.

<sup>&</sup>lt;sup>9</sup> Please refer to the glossary of terms in Appendix B.

<sup>&</sup>lt;sup>10</sup> 12% Gross profit margin is calculated as (1/(1-12%))-1=13.64% uplift on costs.

# 8. CHARGES FOR ADOPTION OF ASSETS & CONNECTIONS ADMINISTRATION CHARGES

#### 8.1 Charges for Non-GIRS Registered Organisations

We apply a charge where we are asked to adopt or take ownership of connections apparatus and infrastructure laid by a customer. Where the customer is not part of the Gas Industry Registration Scheme (GIRS), the applicable standard administration charges are as set out in Table 1, and are categorised by small and large jobs. Bespoke charges will be calculated for complex jobs.

Table 1: Standard charges for Non-GIRS Registered ICP Connections (Charges excl. VAT)

GIRS Registration Status	Small job	Large job
Non GIRS Design registered	£55	£80
Non GIRS Construction/Commissioning Registered	£340	£580
Non GIRS registered for both Design and Construction/Commissioning	£395	£660

**NB:** Where the customer applying for adoption or taking ownership of pipes does not hold either the Design and/or Construction/Commissioning registration the above charges are payable, unless they are GIRS registered for Project Management and subcontract to an organisation that is GIRS registered for Design and/or Construction / Commissioning.

#### **Bespoke Complex Job Charge**

We will charge £59.85 per hour (excl. VAT) in respect of bespoke below 7 barg adoption or taking ownership charges, subject to a minimum charge equivalent to the standard charges above and dependent on the GIRS registration status.

#### **Application Criteria**

Charges for adoption or taking ownership of assets, where they are laid by a customer, form part of the customer quotation and are payable on acceptance of the quotation. If we do not receive the required payment a rejection letter will be issued.

The standard charge categories are applied subject to the following:

#### **Small Job**

- Low pressure (below 75 mbarg) with pipe sizes less than or equal to 180mm PE and less than 100m of pipe to be laid.
- The apparatus has been designed to connect less than 20 domestic properties.
- Excludes jobs defined as "Complex".

#### **Large Job**

- Medium pressure (75 mbarg to 2 barg) with a pipe size less than or equal to 355mm PE and less than 1000m pipe to be laid.
- Low pressure (below 75 mbarg) with pipe sizes less than or equal to 355mm PE and less than 1000m of pipe to be laid, excluding those defined under "Small job".
- The apparatus has been designed to connect less than 200 domestic properties and less than 20 Non Daily Metered I&C loads.
- Excludes jobs defined as "Complex".

#### **Complex Job**

- Any job not meeting the small or large job category.
- Any job falling within the "Sufficient Complexity" category.

To qualify for a reduction in charges the customer must confirm their GIRS registration status and/or subcontractor GIRS registration status (if applicable), subject to the above rules. The GIRS registration status must be the "Full" registration status and appear on the GIRS Operator's public listing. Customers should indicate their registration status in the appropriate boxes on the customer quotation request form.

#### 8.2 Standard Charges for GIRS Registered & iGT Organisations

Where organisations, which are part of the Gas Industry Registration Scheme, wish to perform the following activities on our Distribution Network System, a standard administration charge will apply;

- Self-connections
- Alterations
- Disconnections

The standard administration charge is cost reflective and is dependant upon the activity to be performed, the standard administration charges that apply are set out in Table 2, below.

Table 2: Standard Administration Charges (excl. VAT)

	Work Request Method (exc VAT)			
Job Type	Manual	Portal	Portal & Pre- Authorisation	
IGT Connection	£66	£50	£43	
UIP (pipe diameter <63mm)	£83	£66	£60	
UIP (pipe diameter =>63mm)	£123	£106	£100	

#### 9. ABORTIVE VISIT CHARGES

#### **Statement of Standard Charges**

The charge to be applied for eligible abortive visits is **£60** (excl. VAT).

#### **Application Criteria**

The abortive visit standard charge is applicable in respect of any works where a planned date has been agreed between National Grid and the customer and will apply where:

- the customer refuses an on-site variation to a shipper self-quote<sup>11</sup>, making a job cancellation or deferral necessary; or
- the customer has not informed us of on-site conditions which prevent the work from being carried out, or would make it unsafe to do so. Where on-site conditions outside of the customer's control prevent the work from being carried out, no charge shall be made; or
- the customer refuses an on-site variation for a customer self-quote, making a job cancellation or deferral necessary.

#### Other Information

The invoice will clearly state that the charge relates to a cancelled job, and the reason for the cancellation.

Where we have visited the premises for the purpose of laying a new connection pipe and found a live supply to an Emergency Control Valve, an Abortive Visit Charge will not apply.

**Streetworks Scheme Charges –** Note that where additional highway authority charges have been applied, these are not refundable. Please refer to Appendix D for an explanation of the applicability of Streetworks Scheme Charges.

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<sup>&</sup>lt;sup>11</sup> Please refer to the glossary of terms in Appendix B.

#### 10. ICP / IGT FINAL CONNECTION CHARGES

#### **Statement of Standard Charges**

This section sets out the standard charges we apply when we are requested to carry out the final connection of pipes laid by Independent Connection Providers (ICPs) and Independent Gas Transporters (iGTs) to our gas distribution network.

The standard charges shown below exclude the cost of providing protection, abandonment or diversionary works which may be required to our apparatus to enable the connection requested.

**Profit Element:** The charges below include a 12% gross profit margin<sup>12</sup>.

#### Standard Charges (excl. VAT)

			NORTH	WEST		
Offtake Dia. (mm)	Parent Main Diameter (PE Mains)					
	63mm	90mm	125mm	180mm	250mm	315mm
63	£840	£840	£840	£840	£840	£840
63+LV	£900	£900	£900	£970	£970	£970
90		£900	£1,010	£1,070	£1,070	£1,140
90+LV		£1,070	£1,140	£1,190	£1,190	£1,260
125			£1,180	£1,490	£2,090	£2,510
125+LV			£1,340	£1,600	£2,200	£2,630
180				£2,220	£3,060	£3,760
180+LV				£2,570	£3,160	£3,860
In Item	£840	00.40	04.000	00.400	00.000	00 000
In line	2040	£840	£1,060	£2,100	£2,230	£3,060
Offtake Dia. (mm)	2040	<u>'</u>	•	£2,100		£3,060
Offtake Dia.	2 inch	<u>'</u>	•			10 inch
Offtake Dia.		Parent	Main Diame	ter (Metallic M	lains)	10 inch
Offtake Dia. (mm)	2 inch	Parent	Main Diame	ter (Metallic M 6 inch	lains) 8 inch	
Offtake Dia. (mm)	2 inch £840	Parent 3 inch £830	Main Diame 4 inch £830	ter (Metallic M 6 inch £840	lains) 8 inch £840	10 inch £840 £900
Offtake Dia. (mm) 63 63+LV	2 inch £840	Parent 3 inch £830 £890	# Main Diame ### 4 inch ### £830 ### £890	ter (Metallic M 6 inch £840 £900	8 inch £840 £900	<b>10 inch</b> £840
Offtake Dia. (mm) 63 63+LV 90 90+LV 125	2 inch £840	Parent 3 inch £830 £890 £1,070	# Main Diame ### 4 inch ### £830 ### £890 ### £1,070	ter (Metallic M 6 inch £840 £900 £1,080	8 inch £840 £900 £1,070 £1,250 £1,490	10 inch £840 £900 £1,140 £1,260
Offtake Dia. (mm) 63 63+LV 90 90+LV	2 inch £840	Parent 3 inch £830 £890 £1,070	# Main Diame ### 4 inch ### £830 ### £890 ### £1,070 ### £1,250	ter (Metallic M 6 inch £840 £900 £1,080 £1,260 £1,500 £1,600	8 inch £840 £900 £1,070 £1,250 £1,490 £1,600	10 inch £840 £900 £1,140 £1,260 £1,910 £2,020
Offtake Dia. (mm) 63 63+LV 90 90+LV 125	2 inch £840	Parent 3 inch £830 £890 £1,070	# Main Diamer ### 4 inch ### £830 ### £890 ### £1,070 ### £1,250 ### £1,350	ter (Metallic M 6 inch £840 £900 £1,080 £1,260 £1,500 £1,600 £2,470	8 inch £840 £900 £1,070 £1,250 £1,490	10 inch £840 £900 £1,140
Offtake Dia. (mm) 63 63+LV 90 90+LV 125 125+LV	2 inch £840	Parent 3 inch £830 £890 £1,070	# Main Diamer ### 4 inch ### £830 ### £890 ### £1,070 ### £1,250 ### £1,350	ter (Metallic M 6 inch £840 £900 £1,080 £1,260 £1,500 £1,600	8 inch £840 £900 £1,070 £1,250 £1,490 £1,600	10 inch £840 £900 £1,140 £1,260 £1,910 £2,020

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 $<sup>^{12}</sup>$  12% Gross profit margin is calculated as (1 / (1 – 12%))-1 = 13.64% uplift on costs.

_	WEST MIDLANDS						
Offtake Dia. (mm)	Parent Main Diameter (PE Mains)						
	63mm	90mm	125mm	180mm	250mm	315mm	
63	£910	£910	£910	£1,260	£1,260	£1,820	
63+LV	£970	£970	£970	£1,320	£1,320	£1,940	
90		£1,810	£2,070	£3,170	£3,170	£4,010	
90+LV		£2,050	£2,180	£3,300	£3,300	£4,140	
125			£2,080	£3,310	£3,770	£4,610	
125+LV			£2,180	£3,420	£4,020	£4,730	
180				£3,330	£4,050	£5,020	
180+LV				£3,550	£4,270	£5,260	
In line	£980	£1,820	£1,970	£3,230	£3,340	£4,730	
III IIIIC	2000	۲,020	21,370	20,200	£3,3 <del>4</del> 0	L <del>4</del> ,730	
Offtake Dia. (mm)	2300			ter (Metallic M		24,730	
Offtake Dia.	2 inch					10 inch	
Offtake Dia.	·	Paren	t Main Diame	ter (Metallic M	lains)		
Offtake Dia. (mm)	2 inch	Paren	t Main Diame	ter (Metallic M	ains) 8 inch	10 inch	
Offtake Dia. (mm)	<b>2 inch</b> £910	Paren	t Main Diame 4 inch £970	ter (Metallic M 6 inch £1,260	ains) 8 inch £1,260	<b>10 inch</b> £1,820	
Offtake Dia. (mm) 63 63+LV	<b>2 inch</b> £910	Paren: 3 inch £900 £950	t Main Diame 4 inch £970 £1,090	ter (Metallic M 6 inch £1,260 £1,320	8 inch £1,260 £1,320	<b>10 inch</b> £1,820 £1,940	
Offtake Dia. (mm) 63 63+LV 90	<b>2 inch</b> £910	Parent 3 inch £900 £950 £2,050	### ##################################	ter (Metallic M 6 inch £1,260 £1,320 £3,180	8 inch £1,260 £1,320 £3,170	10 inch £1,820 £1,940 £4,010	
Offtake Dia. (mm) 63 63+LV 90 90+LV 125 125+LV	<b>2 inch</b> £910	Parent 3 inch £900 £950 £2,050	### ##################################	ter (Metallic M 6 inch £1,260 £1,320 £3,180 £3,300	8 inch £1,260 £1,320 £3,170 £3,300 £3,310 £3,420	10 inch £1,820 £1,940 £4,010 £4,130 £4,010 £4,130	
Offtake Dia. (mm) 63 63+LV 90 90+LV 125 125+LV	<b>2 inch</b> £910	Parent 3 inch £900 £950 £2,050	### ### ##############################	ter (Metallic M 6 inch £1,260 £1,320 £3,180 £3,300 £3,180 £3,280 £3,440	8 inch £1,260 £1,320 £3,170 £3,300 £3,310 £3,420 £3,430	10 inch £1,820 £1,940 £4,010 £4,130 £4,010 £4,130 £4,410	
Offtake Dia. (mm) 63 63+LV 90 90+LV 125 125+LV	<b>2 inch</b> £910	Parent 3 inch £900 £950 £2,050	### ### ##############################	ter (Metallic M 6 inch £1,260 £1,320 £3,180 £3,300 £3,180 £3,280	8 inch £1,260 £1,320 £3,170 £3,300 £3,310 £3,420	10 inch £1,820 £1,940 £4,010 £4,130 £4,010 £4,130	

	EAST OF ENGLAND						
Offtake Dia. (mm)	Parent Main Diameter (PE Mains)						
	63mm	90mm	125mm	180mm	250mm	315mm	
63	£830	£840	£840	£1,110	£1,110	£1,820	
63+LV	£890	£900	£900	£1,170	£1,170	£1,940	
90		£1,810	£2,060	£2,890	£2,890	£3,730	
90+LV		£1,900	£2,180	£3,010	£3,010	£3,840	
125			£2,080	£2,890	£3,490	£4,330	
125+LV			£2,170	£3,000	£3,600	£4,440	
180				£2,910	£3,750	£4,320	
180+LV				£3,260	£3,990	£4,560	
In line	£840	£1,680	£1,820	£2,800	£2,910	£4,160	
Offtake Dia. (mm)		Paren	t Main Diamet	er (Metallic M	lains)		
	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	
63	£830	£830	£830	£1,180	£1,180	£1,820	
63+LV	£890	£890	£890	£1,240	£1,240	£1,940	
	2	2000	~000				
90	2000	£2,050	£2,050	£2,890	£2,890	£3,730	
90 90+LV	2000					£3,730 £3,840	
	1000	£2,050	£2,050	£2,890	£2,890		
90+LV	1330	£2,050	£2,050 £2,160	£2,890 £3,010	£2,890 £3,010	£3,840	
90+LV 125		£2,050	£2,050 £2,160 £2,180	£2,890 £3,010 £3,020	£2,890 £3,010 £3,020	£3,840 £3,730	
90+LV 125 125+LV		£2,050	£2,050 £2,160 £2,180	£2,890 £3,010 £3,020 £3,140	£2,890 £3,010 £3,020 £3,140	£3,840 £3,730 £3,830	

_		LONDON					
Offtake Dia. (mm)	Parent Main Diameter (PE Mains)						
	63mm	90mm	125mm	180mm	250mm	315mm	
63	£1,200	£1,190	£1,200	£1,450	£1,450	£2,220	
63+LV	£1,260	£1,250	£1,280	£1,520	£1,520	£2,240	
90		£1,660	£1,760	£2,150	£2,230	£3,910	
90+LV		£1,890	£1,860	£2,250	£2,340	£4,020	
125			£1,830	£2,150	£2,750	£4,510	
125+LV			£1,970	£2,260	£2,860	£4,630	
180				£2,820	£3,020	£4,470	
180+LV				£3,160	£3,150	£4,580	
In line	£1,190	£1,560	£1,630	£2,480	£2,650	£6,950	
	Parent Main Diameter (Metallic Mains)						
Offtake Dia. (mm)		Parent	t Main Diamet	er (Metallic M	ains)		
Offtake Dia. (mm)	2 inch	Parent	t Main Diamet	er (Metallic M	ains) 8 inch	10 inch	
	2 inch £1,200						
(mm)		3 inch	4 inch	6 inch	8 inch	£2,230	
(mm) 63	£1,200	3 inch £1,250	<b>4 inch</b> £1,280	6 inch £1,450	8 inch £1,450		
(mm) 63 63+LV	£1,200	3 inch £1,250 £1,350	4 inch £1,280 £1,380	6 inch £1,450 £1,530	8 inch £1,450 £1,530	£2,230 £2,310	
(mm) 63 63+LV 90	£1,200	3 inch £1,250 £1,350 £1,890	4 inch £1,280 £1,380 £1,950	6 inch £1,450 £1,530 £2,140	8 inch £1,450 £1,530 £2,230	£2,230 £2,310 £4,010	
(mm) 63 63+LV 90 90+LV	£1,200	3 inch £1,250 £1,350 £1,890	4 inch £1,280 £1,380 £1,950 £2,060	6 inch £1,450 £1,530 £2,140 £2,250	8 inch £1,450 £1,530 £2,230 £2,340	£2,230 £2,310 £4,010 £4,130	
(mm) 63 63+LV 90 90+LV 125	£1,200	3 inch £1,250 £1,350 £1,890	4 inch £1,280 £1,380 £1,950 £2,060 £2,050	6 inch £1,450 £1,530 £2,140 £2,250 £2,150	8 inch £1,450 £1,530 £2,230 £2,340 £2,240	£2,230 £2,310 £4,010 £4,130 £4,020	
(mm) 63 63+LV 90 90+LV 125 125+LV	£1,200	3 inch £1,250 £1,350 £1,890	4 inch £1,280 £1,380 £1,950 £2,060 £2,050	6 inch £1,450 £1,530 £2,140 £2,250 £2,150 £2,260	8 inch £1,450 £1,530 £2,230 £2,340 £2,240 £2,350	£2,230 £2,310 £4,010 £4,130 £4,020 £4,140	

Note: LV = Line valve

#### **Application Criteria**

The above standard charges are applicable where the ICP / iGT:

- carries out all excavation and reinstatement associated with the required connection
- lays its infrastructure back to our parent main at the agreed point of connection
- makes payment of any applicable asset adoption charge (non GIRS only) as set out in Section 8 of this document
- makes payment of any applicable reinforcement or enhancement costs

Where standard charges cannot be applied, the connection charge will be determined using a Non-Standard Quotation.

**Streetworks Scheme Charges –** Note that additional highway authority charges may apply in addition to the above charges. Note also that where VAT applies to the quoted standard charge, VAT at the same rate will be applied to any Streetworks Scheme Charges charged in respect of that job. Please refer to Appendix D for an explanation of the applicability of Streetworks Scheme Charges.

#### APPENDIX A: CHARGING EXAMPLES

The following examples are shown for illustrative purposes only and show the application of our standard charges in a range of scenarios for some typical jobs. Note that charges include a profit element only where this is indicated. For the purpose of these examples Streetworks Scheme Charges are excluded.

#### 1 New connection standard charges example

#### **Example Project Details**

A request is received for a new gas connection to a domestic premise (not part of a multiple development) in West Midlands Network, for which the request details are:

- Annual gas consumption 16,500 kWh per annum (using standard U6 domestic meter).
- Proximity of the premises to a relevant main 5 metres.
- Length of pipe required on consumer's premises 11 metres.
- Excavation type including excavation and reinstatement.
- Termination to a bolt on meter box on the front profile of the building.

#### **Charges Applied**

The request is eligible for a standard charge; a charge of £430 plus VAT is quoted to the customer.

#### 2 Disconnection standard charges example

#### **Example Project Details**

A request is received for the disconnection of a gas service pipe in West Midlands Network, for which the request details are:

- Diameter of service pipe to be disconnected 90mm.
- Pressure tier of network connected to Low Pressure.
- Surface category of the disconnection Public Footpath.

#### **Charges Applied**

The request is eligible for a standard charge of £1,501 plus VAT.

Note this charge does not cover any work related to the removal of the gas meter.

#### 3 Alteration standard charges example

#### **Example Project Details**

A request is received for the alteration of a gas service pipe in East of England Network, for which the request details are:

- Diameter of service pipe to be altered 32mm.
- Operating pressure of service pipe Low Pressure.
- Service entry Ground Floor.
- Length of alteration required 7 metres.
- Surface adjacent to exiting service entry is flower bed.
- Surface adjacent to proposed meter box is tarmac.
- Excavation and reinstatement to be carried out by National Grid
- Security or similar access restrictions None.
- A bolt on meter housing is required.
- Meter relocation and reconnection to internal pipework is required.

#### **Charges Applied**

The request is eligible for a standard charge. By reference to the Service Alterations Pack provided, the customer can identify that this job falls into charge band 2, and so £1,145 plus VAT is self-quoted.

#### 4 ICP/iGT mains connection standard charge example

#### **Example Project Details**

An Independent Gas Transporter (iGT) requires National Grid to connect their new gas main, feeding phase one of a newly constructed housing estate – which they will operate as an independent gas distribution system – to the Distribution Network System in North West Network. The job details are:

- No. domestic dwellings in final proposed connected system 250.
- Diameter of main laid by ICP 125mm (assumes peak hourly load <=3,250 kW, per table A.4 T/SP/NP/14 document).
- Diameter of PE parent main in Distribution Network System 125mm.
- Operating pressure of Distribution Network System Low Pressure.
- Offtake main laid by ICP up to parent main connection point and site fully excavated to allow mains connection.

#### **Charges Applied**

The request is eligible for a standard charge. By reference to the standard charges table for North West Network, a connection charge of £1,180\* plus VAT is self-quoted.

\* Includes a 12% profit element.

## 5 Self-Connection Request received from a GIRS registered Utility Infrastructure Provider (UIP)

An Independent Connection Provider (ICP) registered under the Gas Industry Registration Scheme is seeking to lay a gas service supplying a new industrial unit back to a National Grid Gas plc Relevant Main and to perform the final connection

- No anticipated difficulties associated with the construction works
- Anticipated aggregate annual consumption is 240 MWh
- Anticipated peak 6 minute flow rate: 24 standard cubic metres per hour
- 63mm diameter service to be installed
- No requirement for mains reinforcement
- · Work request is submitted manually

#### Charge details

Customer would receive a standard administration charge as per Table 2 of Section 8.2 of this document.

Standard Charge = £123 plus VAT

## 6 Customer requests a Non-Standard Quotation for a Connection to a Commercial Premises

#### **Example Project Details**

A request is received for a new gas connection to a commercial premise, for which the request details are:

- Single connection for commercial load expected to consume at peak levels below 695 kWh
- Proximity of the premises to a relevant main 19 metres.
- Length of service pipe required on premises 14 metres.

#### **Quotation Charge Applied**

The customer would be required to pay a quotation charge of £277\* plus VAT at the point of requesting the quotation for works.

\* Includes a 12% profit element.

## 7 One-off Connection to an Existing Relevant Main for a Domestic Premises designated as Fuel Poor

Note: Please refer to Appendix C for more information on Fuel Poor Connections.

#### **Example Project Details**

- Existing domestic premises eligible for measures under Warm Front (England)
- Customer has had their Fuel Poor status verified by an appropriate body and has applied to National Grid for the gas connection
- Premises boundary located 12m from a Relevant main in West Midlands DN
- Connection to premises requires the laying of 11m service in private land

#### Calculation details

Connection costs for this customer are determined using the prevailing standard costing for domestic one-off connections. The connection cost is then compared to the prevailing value for the domestic standard NPV of transportation revenue for West Midlands DN. The difference between the two values determines the value of the Fuel Poor Voucher for this connection and any contribution payable by the customer, thus:

Standard Connection Cost (A)	£1,427*
Standard domestic NPV transportation revenue for WM (B)	£2,425*
Value of Fuel Poor voucher for this connection (C) = min(A, B)	£1,427
Contribution payable by customer = <b>A</b> - <b>C</b>	NIL

In this case the total Connection Cost is less than the standard domestic NPV of transportation revenue for the DN concerned. As a result, the value of the Fuel Poor Voucher is determined as equal to the total connection cost and therefore no connections contribution is payable by the Fuel Poor customer.

<sup>\*</sup> See table of standard values in Appendix C.

#### APPENDIX B: GLOSSARY OF TERMS

#### DISTRIBUTION NETWORK / DISTRIBUTION NETWORK SYSTEM / DN

The above terms refer to the relevant gas pipe-line system owned by National Grid Gas plc within the Distribution Network, as defined in Paragraph 1 in Special Condition E1 of our GT Licence. (This definition excludes service pipes, which are provided for the purpose of supplying individual premises.)

#### **DOMESTIC**

Any reference in this document to the term "domestic" is made in relation to domestic premises as defined under the terms of the Utilities Act 2000.

#### DOMESTIC LOAD CONNECTION ALLOWANCE

The Domestic Load Connection Allowance is the contribution that we are required to make towards the cost of installing the connection from a premises to the main as required by Condition 4B(1) of our Licence. The contribution is for the laying of up to the first ten metres of pipe in land that is dedicated to public use. The allowance only applies where the premises is defined as domestic under the terms of the Utilities Act 2000 and is situated within 23 metres of a Relevant Main.

#### **ECONOMIC TEST**

The Economic Test is a financial assessment tool that is designed to ensure that we meet our Gas Act obligations to develop and maintain an efficient and economical pipeline system for the conveyance of gas and to comply with any reasonable request to connect to its system any premises or pipeline system operated by another authorised transporter, where it is economical to do so (Gas Act, Section 9(1)(a) and 9(1)(b)). It does this by deriving the required customer contribution (if any) in respect of reinforcement costs incurred by us as a result of providing a connection to our system. Where the Economic Test is "passed", no customer contribution is payable in respect of the reinforcement. Where the proposed connection does *not* pass the Test, the customer must pay a specified contribution in advance.

#### **FIT FOR PURPOSE**

This term describes apparatus or a design for same, which meets the required engineering standards and which will safely transport the requisite quantity of gas at an appropriate pressure throughout the life of the apparatus, taking into account the Gas Act requirement for economic pipe-line system development.

#### **FUEL POOR TEST**

This is an alternative form of economic test which is applied in place of the Economic Test where the works in question relate to domestic premises which are identified as Fuel Poor. Under the Fuel Poor Test, the incremental costs of the load which are offset against incremental transportation income also include the costs of providing the service pipe. The operation of the Fuel Poor Test is explained in Section 6 of our Gas Distribution Connection Charging Statement.

#### **FUEL POOR VOUCHER**

This term describes the value of the Connection Costs which are offset as a result of the application of the Fuel Poor Test, and is determined in the manner set out in Section 6 of our Gas Distribution Connection Charging Statement. The Fuel Poor Voucher can be used as full or partial payment of the cost of connection by the Fuel Poor connectee.

#### **INDEPENDENT CONNECTION PROVIDER (ICP)**

This is an organisation which designs and constructs gas infrastructure for adoption by Gas Transporters (They may also offer to construct other utility related equipment e.g. a water service pipe and / or install gas appliances and / or offer other services.)

#### **INFILL SCHEMES**

An Infill Scheme is the extension of new relevant mains to an area having a number of existing premises (there may also be new premises being constructed in the area) where not all of the owners or occupiers of those premises have expressed a desire to be connected to a gas supply at the time the mains are laid. In an infill, an individual contract is formed when sufficient premises have returned completed acceptances for a gas connection and an individual charge is made to carry out that connection. We will only consider acceptances for the establishment of an infill when the expected uptake of gas connections in the first 20 years is sufficient to make the project economic. The infill is only confirmed when sufficient acceptances have been received to confirm that the expected uptake of connections to gas is likely to be achieved. The charging arrangements for Infills are covered by the Gas Connection Charges Regulations. Note that the Domestic Load Connection Allowance is not applicable to connectees within a live Infill scheme.

#### NON-STANDARD QUOTATION

A Non-Standard Quotation (or Bespoke Quotation) is any quotation for works other than a Standard Quotation but excluding a self quotation, i.e., all quotations that require a bespoke price, a site visit or reinforcement.

#### **RELEVANT MAIN**

A Relevant Main is a distribution main operated by us which is being used for the purpose of giving a supply of gas to any premises in its authorised area at a rate not exceeding 2,196,000 kWh per annum, except any pipe which is not relevant in accordance with Section 10(13) of the Gas Act 1986 as amended by the Gas Act 1995.

#### SHIPPER SELF-QUOTE

This refers to standard quotations for domestic connections that are provided by a shipper or supplier to a customer, using standard charging information provided by the gas transporter.

#### **SOURCE PRESSURES**

We publish standard source pressures, which may be subject to change from time to time. However, please note that the service for specific network analysis enquiries was discontinued as of 3 July 2006, in line with revisions to National Grid's Network Policy Manual, NP14. Any enquiries regarding this change to policy should be directed to our Network Strategy Team using the contact details provided in Appendix D to this document.

#### STANDARD QUOTATION

A Standard Quotation is a desktop quotation for an individual one-off new service or alteration request which results in the application of a standard price, (excluding self-quotations).

#### STREETWORKS SCHEME CHARGES

For the purposes of this document and National Grid's Connections Charging Methodology Statement, the term "Streetworks Scheme Charges" means charges made by highway or street authorities in relation to permit schemes made under Part 3 of the Traffic Management Act 2004 (TMA), and / or Lane Rental schemes made under Section 74A of the New Roads and Streetworks Act 1991 (NRSWA). The term "Streetworks Scheme Charges" covers Lane Rental charges; initial TMA permit fees, together with any subsequent fees for variation and further permit fees incurred to carry out the works ordered by the customer. The principles we will apply in determining where such charges are directly recoverable from customers are set out in Appendix D to this document.

#### SUFFICIENT COMPLEXITY

"Sufficient Complexity" connections occur when the connection, disconnection or service alteration is to be made to an above 2 barg<sup>13</sup>. system, or where there are known obstacles on the proposed route of the new apparatus and the anticipated total cost of the construction works including applicable overheads is expected to exceed £10,000, or where the total construction costs including applicable overheads, based on past experience of projects of a similar nature, is expected to exceed £100,000.

"Sufficient Complexity" reinforcements occur when the reinforcement includes any apparatus that is designed to operate at above 2 barg<sup>8</sup>, or where there are known obstacles on the proposed route of the reinforcement apparatus and the anticipated total cost of the construction works including applicable overheads is expected to exceed £10,000, or where the total construction costs including applicable overheads, based on past experience of projects of a similar nature, is expected to exceed £250,000.

A list of obstacles having the potential to categorise a connection or reinforcement job as being of Sufficient Complexity is provided in Appendix C of our Connections Charging Methodology Statement.

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<sup>&</sup>lt;sup>13</sup> Under a change to connections policy effective from 15<sup>th</sup> October 2007 the threshold for Sufficiently Complex connections and reinforcements changed from 7 barg to 2 barg. Since that date all requests for connection to parts of our distribution network designed to operate at pressures in excess of 2 barg are deemed to be Sufficiently Complex.

#### APPENDIX C: FUEL POOR CONNECTIONS

#### INTRODUCTION

Where a potential new domestic connectee has been designated as "Fuel Poor", the customer will be eligible for a Fuel Poor Voucher, which may partially or wholly offset the cost of that connection to our Distribution Network System. Qualifying connection requests may take the form of individual domestic customers seeking a connection to an existing relevant main, or groups of existing domestic premises seeking connection collectively by means of an extension to our Distribution Network System. The criteria applied in determining eligibility and connection charges for Fuel Poor domestic connections are described in Section 6 of our Gas Distribution Connections Charging Methodology Statement. An example of how connection charges are derived for a one-off Fuel Poor Connection is provided in Appendix A, example 7.

#### **COMMUNITY FUEL POOR CONNECTIONS**

Connection charges for customers connecting as part of a Fuel Poor community scheme are calculated on a bespoke basis and are therefore not included in this statement of standard charges.

#### INDIVIDUAL "ONE-OFF" FUEL POOR CONNECTIONS

For individual domestic Fuel Poor customers whose premises are situated within 23 metres of our Relevant Main, the connection charge payable is calculated by comparing the standard domestic connection costs for the Distribution Network (DN) in which the premises is located, with a standard value for capitalised transportation revenue for that DN. The relevant standard values are published in the tables on the next page.

#### DOMESTIC LOAD CONNECTION ALLOWANCE

For domestic connections designated as Fuel Poor and which fall within 23 metres of a relevant main, the costs relating to the Domestic Load Connection Allowance<sup>14</sup>, which are otherwise excluded from the connection charge payable by the connectee, are included as part of the total connection cost for the purpose of applying the Fuel Poor Test, and this allowance therefore forms part of the value of the Fuel Poor Voucher.

#### STREETWORKS SCHEME CHARGES

Please note that where Streetworks Scheme Charges apply to a one-off Fuel Poor connection request which meets the application criteria within Section 2 of this document it must be included, within the costs relating to the Domestic Load Connection Allowance, as part of the total connection cost for the purpose of applying the Fuel Poor Test. Therefore the specified exemption (a) in Appendix D<sup>15</sup> has no effect on the calculation of the contribution payable by the Fuel Poor customer. This means that where Streetworks Scheme Charges are applied to a Fuel Poor connection request and this causes the total connection cost to exceed the maximum value of the Fuel Poor Voucher, or increases the amount by which that threshold is exceeded, this will increase the contribution required from the customer.

Where the addition of Streetworks Scheme Charges would otherwise result in a quoted charge that is higher than that quoted for an equivalent non-Fuel Poor connection job, we will quote the non-Fuel Poor charge to the customer.

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<sup>&</sup>lt;sup>14</sup> See Glossary in Appendix B

<sup>&</sup>lt;sup>15</sup> This explains the principles we will apply in determining whether Streetworks Scheme Charges are directly recoverable from customers.

#### Fuel Poor Standard Values applicable from April 2014

#### 1. Table of Standard Gross Domestic Connection Costs

	Length on Private	North West	West Midlands	East of England	London
NG to Excavate /	0m	£697	£1,231	£908	£1,399
Backfill or Insert	<=40m	£943	£1,583	£1,237	£2,038
Cust to Excavate /	<=40m	£688	£1,222	£885	£1,370

Note: Values above include costs relating to the Domestic Load Connection Allowance

#### 2. Table of Standard NPV Transportation Revenue

Transportation charges effective from 1	North	West	East of	
April 2010	West	Midlands	England	London
NPV Transportation Revenue	£2,112	£2,207	£2,052	£2,380

Note: The values in this table represent the maximum value of the Fuel Poor Voucher

#### 3. Table of Fuel Poor Voucher Values

	Length on Private	North West	West Midlands	East of England	London
NG to Excavate /	0m	£697	£1,231	£908	£1,399
Backfill or Insert	<=40m	£943	£1,583	£1,237	£2,038
Cust to Excavate /	<=40m	£688	£1,222	£885	£1,370

#### 4. Table of Standard Contributions

	Length on Private	North West	West Midlands	East of England	London		
NG to Excavate /	0m	£0	£0	£0	£0		
Backfill or Insert	<=40m	£0	£0	£0	£0		
Cust to Excavate /	<=40m	£0	£0	£0	£0		

NB: Streetworks Scheme Charges are excluded from the above, as these vary by highway or street authority.

# APPENDIX D: RECHARGING OF STREETWORKS SCHEME CHARGES

#### **General Principle**

Where a customer requests works from National Grid that involve excavations in a street that is subject to a local highway authority permit scheme made under Part 3 of the Traffic Management Act 2004 (TMA) and / or Lane Rental Schemes made under Section 74A of the New Roads and Streetworks Act 1991 (NRSWA), the relevant Streetworks Scheme Charges will be chargeable to the customer<sup>16</sup>. Such costs will be separately identified in the customer's quotation. The customer will be required to pay the estimated Streetworks Scheme Charges in advance, together with payment of the quoted charge for the requested work. Any variation from the initial estimate of Streetworks Scheme Charges will be reconciled and refunded or invoiced to the customer following completion of the works.

Please also note that additional Streetworks Scheme Charges may also be payable where a customer triggers any change that invalidates the terms of the original agreed permit. Such changes include:

- i) Requests to reschedule the agreed date for carrying out the required works, or
- ii) Where the actual required work is found to differ from that quoted, due to incorrect or incomplete information having been supplied by the customer.

In all instances, we will make such charges in respect of Streetworks Scheme Charges from the local highway authority separately identifiable.

Please note that validly applied Streetworks Scheme Charges are non-refundable.

#### SPECIFIED EXEMPTIONS

#### (a) Domestic Load Connection Allowance

Please note that for connections eligible for the Domestic Load Connection Allowance (see Glossary in Appendix B), the initial Streetworks Scheme Charges will be deemed to fall within this allowance and thus will not be charged to the customer directly<sup>17</sup>. However any further Streetworks Scheme Charges incurred other than under (b) and (c), below, will be chargeable to the customer.

#### (b) National Grid Policy

Streetworks Scheme Charges will not be charged to customers where the work is initiated pursuant to our policy, for example, the replacement of existing metallic services with polyethylene pipe.

#### (c) National Grid Failure or Default

We will only seek to recover Streetworks Scheme Charges where these have been incurred efficiently. The customer will not be charged where Streetworks Scheme Charges have been incurred as a result of any failure or default on our part.

#### (d) Fuel Poor Connections

Where Streetworks Scheme Charges are included as part of the total Connection Costs for the purpose of applying the Fuel Poor Test, it may not be practicable to separately identify such within any quote for a customer contribution. Where the

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<sup>&</sup>lt;sup>16</sup> With the exceptions specified.

<sup>&</sup>lt;sup>17</sup> Except for Fuel Poor Connections, as explained in Appendix C.

addition of Streetworks Scheme Charges would otherwise result in a quoted charge that is higher than that quoted for an equivalent non-Fuel Poor connection job, we will quote the non-Fuel Poor charge to the customer.

#### Streetworks Scheme Charges - Recharging Process

Where applicable, we will provide an estimate of the Streetworks Scheme Charges which we would reasonably expect to incur in carrying out the requested works together with our quotation for the cost of those works and will be separately identifiable on that document. The estimated Streetworks Scheme Charges will be payable in advance along with the quoted cost of the works.

Where the actual Streetworks Scheme Charges incurred exceeds the estimated amount either due to the customer's action (e.g. where the site is not ready on the planned day of the works, or the customer is not available to enable completion of the works within the planned job duration) or where additional Streetworks Scheme Charges are incurred due to other circumstances beyond our reasonable control, we will invoice the customer for the additional charges incurred. Where this happens, we will make all reasonable endeavours to inform the customer of the additional charges, prior to invoicing.

Where we are unable to contact the customer, we may cease works and charge all additional costs incurred up to that point. The customer will then need to contact us to arrange completion of the works; which will be conditional upon receipt of payment of any further estimated Streetworks Scheme Charges, together with any additional costs for works which may apply.

Where the actual Streetworks Scheme Charges incurred are less than the estimated amount, we will refund the difference to the customer.

#### **Avoidability of Lane Rental Charges**

Where a Lane Rental scheme is in place and depending upon the rules of that particular scheme, Lane Rental charges may be avoidable in certain circumstances, e.g. where the works can be undertaken with no impact on the road carriageway or cycleway, or where the works can be completed during non-traffic sensitive times. Where it is reasonably practicable for us to avoid Lane Rental charges, within operational and economic limits, we will make reasonable endeavours to do so. In all other circumstances, we will recharge to the customer the Lane Rental charges we incur in carrying out the requested works, subject to exemptions (a), (b) and (c) above.

Where we incur additional costs in order to achieve a net saving by avoiding Lane Rental charges, we will reflect those additional costs within the charges for works and / or quotation charges, accordingly.

<sup>&</sup>lt;sup>18</sup> Note that where Lane Rental charges are avoided, TMA Permit charges may be applicable.

#### **APPENDIX E: CONTACT DETAILS**

#### 1 Requesting our Domestic Connections Services

To obtain any of the domestic services set out in this document, please either:

Apply online at <a href="https://www.nationalgrid.com/gasservices">www.nationalgrid.com/gasservices</a>

Or contact:

**Domestic Connections** 

Sales Order Processing National Grid PO Box 5516 Wolverhampton WV1 9NZ

Tel: 0870 903 9999

Email: cos.enquiries@nationalgrid.com

#### 2 Network Strategy Team

Please contact:

Network Strategy National Grid Block 4 Area 6 Brick Kiln Street Hinckley Leicestershire LE10 0NA

Tel: 0845 3666 758 Fax: 0845 0700 868

#### 3 Further Information on this document

Any comments or enquiries regarding this document should be forwarded to our gas distribution Stakeholder Delivery team:

Pete Averill Stakeholder Delivery National Grid Brick Kiln Street Hinckley LE10 0NA

Email: peter.averill@nationalgrid.com

#### 4 Our Complaints Process

Good customer service is a high priority within National Grid and when our customers tell us they are unhappy with any aspect of the service they have received, we do our best to take action to put it right.

This section tells you what steps to take if you find yourself in this position and wish to draw a matter to our attention by making a complaint. This service is free to all our customers.

So that we can address your concerns we may need to disclose your information to our employees, professional advisers or contractors. We will respect your privacy and comply with the data protection and privacy laws that govern these situations.

#### Step 1. Making a complaint or checking progress of a complaint.

Please contact us by phone, email or in writing.

Phone: **08450 700203** select Option 2 (All calls are recorded and may be monitored for training purposes)

Minicom for consumers with hearing difficulties: 0800 371787.

Email: box.complaints2@uk.ngrid.com

Post: National Grid Customer Support Brick Kiln Street Hincklev

Leicestershire. LE10 0NA

If English is not your first language we will find an interpreter who can translate for you.

We treat all complaints seriously and guarantee:

- A full investigation
- · A detailed response within 10 working days

If we are unable to fully investigate your complaint within 10 working days we will keep you informed of our progress and let you know when you can expect a response. If we do not give you a response within 10 working days you may be eligible for a compensation payment under our standards of service.

#### Step 2. If you are unhappy with our first response

You can ask for your complaint to be referred to our escalated complaints team. This team will review your complaint, try to resolve any outstanding issues and provide you with a further response within 10 working days.

You can ask for your complaint to be referred to this team, or contact them by phone, email or post quoting your complaint reference number.

Phone **0845 609 1543** (All calls are recorded and may be monitored for training purposes)

Minicom for consumers with hearing difficulties: 0800 371787

Email: <u>Customer.escalations@uk.ngrid.com</u>

Post: National Grid Escalated Complaints Brick Kiln Street Hinckley. LE10 0NA

#### Step 3. If you are unhappy with our second response

If you are still not satisfied or you think we may not have followed our complaints procedure correctly, you can ask for your complaint to be referred to the Customer Support Manager. How we have dealt with your complaint to this point will be reviewed, and you will receive a response which explains our final position within 10 working days.

Please contact us by phone, email or in writing, using the address details given in Step 2.

#### Step 4. Independent review

If you are not happy with how we have dealt with your complaint, you can get in touch with the Citizens Advice Consumer Service, an independent consumer organisation. They will be able to tell you what your rights are and what you can do to pursue your complaint. They will expect you to use our complaints procedure first though. You can contact them in the following ways:

Consumer Helpline: 08454 04 05 06

Typetalk for consumers with hearing difficulties: 08451 28 13 84

Website: www.citizensadvice.org.uk/consumer service

#### Step 5. Energy Ombudsman

If we have taken longer than eight weeks to deal with your complaint, or we have written to tell you that we aren't able to resolve it, you can contact the Energy Ombudsman. If they are able to help, they will study your complaint, make a final decision and let you know what they have decided.

If the Ombudsman believes there is a case to answer, we may be required to:

- Provide an apology; or
- Provide an explanation; or
- Take corrective action; or
- If appropriate, pay compensation.

The Ombudsman is not able to help you unless you have gone through our complaints procedure first. By law, we have to accept the decision of the ombudsman. You can contact the Ombudsman service in the following ways:

Phone: 0845 055 0760 or 0330 440 1624

Typetalk for consumers with hearing difficulties: 08450 511513 or 01925 430886

Email: enquiries@energy-ombudsman.org.uk

Post: Energy Ombudsman

PO Box 966 Warrington

Cheshire. WA4 9DF

National Grid is a trading name for: National Grid Gas plc

Registered Office: 1-3 Strand, London WC2N 5EH Registered in England and Wales, No 2006000

#### **Additional Information**

- It will be helpful if you can give us any additional information to do with your complaint (such as reference numbers) so that we can deal with it more quickly.
- We will always try to answer your complaint by telephone. If you would like a written response to your complaint, please let us know.
- If we decide we need to visit you at home to discuss your complaint or enquiry, we will get in touch with you to arrange an appointment.
- So that we can make improvements, we use the information gathered from complaints to identify failures in the service we provide.
- Full details of our standards of service
- The Energy Ombudsman is a free service created by Parliament to settle disputes between gas and electricity companies and their customers.

For additional information please refer to the full version of our **Code of Practice**. A printed copy can be provided on request from Customer Support.

Ofgem has provided the following definition of a "complaint" any expression of
dissatisfaction made to an organisation, related to any one or more of its products, its
services or the manner in which it has dealt with any such expression of dissatisfaction,
where a response is either provided by or on behalf of that organisation at the point at
which contact is made or a response is explicitly or implicitly required or expected to be
provided.

Department Business Enterprise and Regulatory Reform (BERR) has provided the following **definition of a small business** who can use the Consumer Redress scheme:

- an annual consumption of up to 200,000 kwh; or fewer than 10 employees (or their full time equivalent); and
- an annual turnover or annual balance sheet total not exceeding £2 million.

#### **Referral to Ofgem**

If it ultimately proves necessary to refer the matter to Ofgem for a determination, correspondence should be addressed to:

The Chairman
The Gas and Electricity Markets Authority
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE