



Accuracy Review Scheme

## **1. Accuracy Review Scheme**

Paragraph 3 of Standard Special Condition D10 of the GT licence provides that the licensee shall from time to time submit to the Authority, for its agreement an Accuracy Review Scheme. The scheme is operated as follows:

A refund, where applicable, will be paid to customers where quotation amounts are agreed by Northern Gas Networks Limited, or judged by an independent expert, to be inaccurate. Northern Gas Networks Limited will only be liable for an accuracy claim where the original quotation is inaccurate.

“Accurate” is defined for quotations as:

- Standard Quote  $\leq 275\text{kWh}$  per hour – the correct amount as specified in Northern Gas Networks Limited connection charging statement issued in accordance with standard condition 4B of its Licence.
- Non-Standard Quote  $\leq 275\text{kWh}$  per hour – within 5% or £150 (whichever is greater) of the correct amount as calculated in accordance with Northern Gas Networks Limited connection charging statement issued in accordance with standard condition 4B of its Licence.
- Non-Standard Quote  $> 275\text{kWh}$  per hour – within 5% or £300 (whichever is greater) of the correct amount as calculated in accordance with Northern Gas Networks Limited connection charging statement issued in accordance with standard condition 4B of its Licence.
- Connections activity not covered by the statutory instrument or standard special condition D10 - within 5% or £300 (whichever is greater) of the correct amount as calculated in accordance with Northern Gas Networks Limited connection charging statement issued in accordance with standard condition 4B of its Licence.

Successful claims will result in a reissued quotation to all parties who requested a quotation for the same site where that quotation is identified as also being inaccurate. A re-quotation issued as a result of a successful accuracy challenge will be defined as having a request received at the same time as the original request that resulted in the inaccurate quotation.

In addition to the refund due under the accuracy scheme in accordance with Table 1 below, a standards of service compensation payment may also be due in line with Table 2 below – these will be based on the reissued new quotation contract sum not on the original inaccurate quotation. The compensation cap for the issue of a quotation will apply to the sum of any compensation payments made, against the original quotation and the re-quotation.

**Table 1 – Quotation Accuracy Table of Payments**

<b>Process Category</b>	<b>SI Ref. (Business Rules ref.)</b>	<b>Accuracy Target</b>	<b>Penalty Domestic and Non-Domestic (£)</b>	<b>Cap</b>
Accuracy challenge Standard charge =<275 kWh per hour	10.3.c 10.3.ii 10.4 (4.2)	Correct Charge as published by GT	Refund of any overcharge + Rules for 10.3.a & 10.3.b Apply until requote provided	Rules for 10.3.a & 10.3.b Apply + refund of any overcharge
Accuracy challenge Non Standard charge =<275 kWh per hour	10.3.c 10.3.ii 10.4 (4.3)	Greater of 5% or £150	Refund of any overcharge + Rules for 10.3.a & 10.3.b Apply until requote provided	Rules for 10.3.a & 10.3.b Apply + refund of any overcharge
Accuracy challenge Non Standard charge >275 kWh per hour	10.3.c 10.3.ii 10.4 (4.4)	Greater of 5% or £300	Refund of any overcharge + Rules for 10.3.a & 10.3.b Apply until requote provided	Rules for 10.3.a & 10.3.b Apply + refund of any overcharge
<b>Business Rules section 7.1</b>				
Connections activity not covered by the statutory instrument or standard special condition D10	(7.1)	Greater of 5% or £300	Refund of any overcharge	Refund of any overcharge

**Table 2 – Standards of Service Table of Payments**

<b>Process Category</b>	<b>SI Ref. (Business Rules ref.)</b>	<b>Target Period (working days)</b>	<b>Penalty Domestic and Non-Domestic (£)</b>	<b>Cap</b>
Standard Quote =<275 kWh per hour	10.3.a (4.2)	6	£10 per working day	Lesser of £250 or quote value
Non-Std Quote =<275 kWh per hour	10.3.b.i (4.3)	11	£10 per working day	Lesser of £250 or quote value
Non-Std Quote >275 kWh per hour	10.3.b.ii (4.4)	21	£20 per working day	Lesser of £500 or quote value
Land Enquiry	10.3.d. (4.5)	5	£40 per working day	=<275 kWh per hour £250 >275 kWh per hour £500
Offer date for Commencement & Substantial Completion. =<275 kWh per hour	10.3.e.i (4.6)	20	£20 per working day	Lesser of £250 or contract sum
Offer date for Commencement & Substantial Completion. >275 kWh per hour	10.3.e.ii (4.6)	20	£40 per working day	Lesser of £500 or contract sum
Substantial Completion on agreed date. Quote up to £1,000	10.3.f.i (4.7)	N/A	£20 per working day	Lesser of £200 or contract sum
Substantial Completion by agreed date. Quote £1,001-£4,000	10.3.f.ii (4.7)	N/A	Lesser of £100 or 2.5% of contract sum per working day	25% of contract sum
Substantial Completion by agreed date. Quote £4,001-£20,000	10.3.f.iii (4.7)	N/A	£100 per working day	25% of contract sum
Substantial Completion by agreed date. Quote £20,001-£50,000	10.3.f.iv (4.7)	N/A	£100 per working day	£5,000
Substantial Completion by agreed date. Quote £50,001-£100,000	10.3.f.v (4.7)	N/A	£150 per working day	£9,000
Advise that payment is due and make payment in respect of regulation: 10. Connections	12.4 (4.8)	20	£20 one off payment	£20 (one payment only)

### ***Submission of Accuracy Claims***

The procedure for the submission of a claim is as follows:

- These rules do not preclude the customer from accepting a quotation that is subject to an accuracy challenge.
- A claim must be received in writing by Northern Gas Networks Limited within 60 days of the date of issue of the quotation or, if it is accepted, within 10 days of the date of acceptance, with a statement of the reasons why the quotation is thought to be excessive and an estimate of the excess, in accordance with the section below titled "Claim Form".
- A claim submitted to Northern Gas Networks Limited is requested to be completed on the specified Northern Gas Networks Limited claim form, copies of which have been circulated to customers. A copy can also be obtained from Northern Gas Networks Limited web site - photocopies are acceptable.
- Northern Gas Networks Limited will ascertain whether a claim form is valid in respect of timescale and customer / job details.

A claim form is not valid if:

- more than 60 days has elapsed from the quotation date or more than 10 days from acceptance whichever is earlier.
- it refers to the make up of a standard charge.
- it is not fully completed.
- it refers to an indicative cost or budget indication.
- Non valid claim form - Northern Gas Networks Limited will respond by fax, where available, or by post recording the date of receipt and Northern Gas Networks Limited claim reference.
- Valid claim form- Northern Gas Networks Limited will acknowledge receipt of claims form, recording the date of receipt, date of proposed response and Northern Gas Networks Limited claim reference.
- If, within 28 days after being submitted to Northern Gas Networks Limited the claim has not been resolved it may be referred by either party to an independent person acting as an expert and not as an arbiter, who may be nominated, in default of agreement between parties, by the Authority on application of either party, and whose costs shall be paid, in default of agreement between the parties, as the Authority may direct.
- A refund is not payable where the original quotation is deemed to be accurate.

### ***Accuracy Payments***

See Table 1 – Quotation Accuracy Table of Payments for applicable payments due to failure to meet standards of quotation accuracy.

Table 2 will also apply for subsequent failure of standards regarding standard quotations =<275kWh per hour and non standard quotations where a re-quotation is issued against an inaccurate quotation that is captured within the standards of service compensation criteria under the voluntary scheme and the arrangements under the Statutory Instrument. Table 2 will NOT apply for quotations issued to connections that are not covered by the Statutory Instrument.

### ***Exclusions from the Accuracy Review Scheme***

Quotation errors arising from a failure by the customer to provide the Minimum Information Requirements or any inaccuracies by the customer shall be excluded from claims under the Scheme.

Northern Gas Networks Limited will not accept a claim for accuracy, where this is a challenge to the construction of a standard price, as specified in the Charging Statement. However, where Northern Gas Networks Limited has applied the wrong standard charge to a quotation, this will be accepted as a valid claim under the scheme.

### ***Statement of Engineering Assumptions***

A statement will be provided with each response (except alterations and standard price new services) indicating any key assumptions that Northern Gas Networks Limited has made in the construction of the response, including; route, surface condition, method of pipelaying, pipe diameters, pipe material specification, variable cost elements that cannot be accurately determined at the quotation stage.

The customer should inform Northern Gas Networks Limited where they become aware that one or more assumptions may be incorrect.

### ***Claim Form***

For the purposes of the submission of Accuracy claims, Northern Gas Networks Limited will produce the necessary forms for the submission of accuracy claims. The forms are designed to secure a quick and efficient settlement of the issue and to assist in the Final Determination of quotation errors and the resolution of disputes.