



Connection Charges Statement

Effective from 15 August 2009



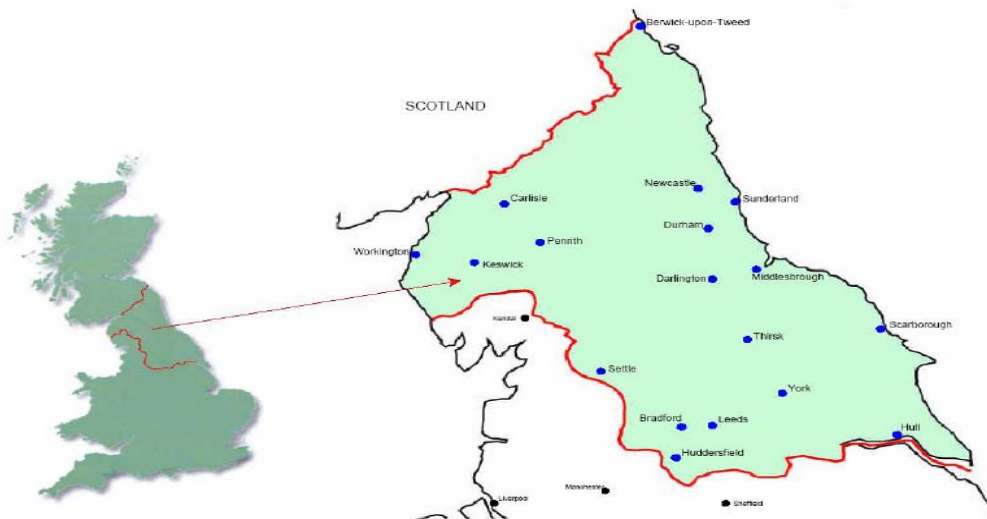
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1. Introduction

This document outlines the various standard charges used by Northern Gas Networks (NGN) in charging for connection services. These charges apply to connections to our network and will be applicable for quotes issued after the close of business on 26th August 2008.

Northern Gas Networks (NGN) own and operate the gas distribution network in the North of England. Our network spans an area covering West, East and North Yorkshire, the North East and Northern Cumbria. We are responsible for managing 36,000km of pipeline delivering gas to around 2.5m customers. Our day to day operational activities are carried out by United Utilities (UU), supported by a number of contractors. As part of the contracted service provided by UU they also handle our connections service.



Further information regarding NGN can be found at www.northerngasnetworks.co.uk. This site contains an electronic version of this document, as well as a range of other connections-related publications. For general enquiries on connection services please ring 0870 3007677.

Specific enquiries regarding this document should be forwarded to:

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2. Domestic Connection Charges

Statement of Charges

	Inc. Excavation & Reinstatement	Ex. Excavation & Reinstatement	Zero Horizontal Length
(ex vat)	£540	£381	£297

The charges in the above table are exclusive of VAT.

Application

Standard charges are applicable for up to 20 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, subject to the eligibility criteria being met.

Where the eligibility criteria for standard charges are not met, NGN will produce a bespoke quotation for the required new connection works.

Eligibility Criteria

To be eligible for a standard charge, the new connection must be for individual premises, anticipated to consume 73,200 kWh per annum or less and within 23 metres of a NGN relevant main, subject to the following:

- the person requesting the connection is the owner or occupier of the premises, or their agent, and
- the premises is used or proposed to be used mainly or wholly for domestic purposes, and
- there is no existing gas supply to the premises, and 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, and
- 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. and
- the individual premises does not form part of a multiple development, or
- where the individual premises does form part of a multiple development that it can be demonstrated¹ that there is a separate identifiable domestic customer for each

¹ 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:

- The name and address of the owner or occupier of each premises or;

premises. Any individual premises that meets the criteria stated above, is eligible, regardless of whether the enquiry is part of a single or multiple connection request.

Description of Charging Categories

Inc. Excavation & Reinstatement

This category refers to the circumstance where NGN will carry out excavation and reinstatement of trenches etc. on private land.

When a specialist surface e.g. a mosaic, coloured tarmac, tiles etc. is encountered within private land the customer may choose to pay the standard charge and have excavations reinstated with black tarmac or relaid modules (without any damaged modules being replaced by new ones) or they may choose to pay a supplementary charge that will pay for the employment of a specialist reinstatement contractor. There is no guarantee that an exact match can be achieved particularly if the existing surface is weathered or the original surfacing material is no longer manufactured.

Customers are advised to relocate or protect growing plants because NGN will not replace them if they are destroyed or damaged.

Ex. Excavation & Reinstatement

This category refers to the circumstance where the customer has elected to carry out excavation and reinstatement of trenches etc. on private land. The customer should complete excavation prior to NGN attending site to avoid having to pay for a works variation (to pay for NGN to carry out the excavation) or an abortive visit charge.

Zero Horizontal Length

This category refers to the circumstance 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.

Meter Housing

The charges include for the provision of meter housing where applicable. NGN will only transport to site and install 'bolt on' and 'semi concealed' meter boxes. Where a 'built in' meter housing is required, a customer must buy the meter housing from a suitable retailer and undertake its installation prior to NGN beginning work on site. No discount, from the standard charge is available if the customer buys their own meter housing.

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- A written statement specifying the reasons why a name and address cannot be provided and confirming that the each of the premises are individually owned or occupied.

On completion of works a meter box becomes the property of the customer; they are responsible for ongoing maintenance, however, NGN provides a chargeable repair service.

Other Information

NGN may carry out work additional to that required by the customer in order to ensure that it develops and maintains its pipeline system in an economic and efficient manner. Where this occurs the cost of any additional works will not be charged to the person requiring the new connection.

Any premises which falls within a 'live' infill scheme and meets the standard charge eligibility criteria, will be required to pay an additional mains contribution cost as well as the standard charge.

3. Disconnection Standard Charges

Statement of Charges

Pipe Diameter	Footpaths, Unmade & Cultivated	All Road Types
< = 32 mm PE or 1" Metallic	£301	£458
63mm PE or 2" Metallic	£414	£620
90mm PE or 3" Metallic	£640	£955
125mm PE or 4" Metallic	£697	£1,062
180mm PE or 6" Metallic	£867	£1,321

The charges in the above table are exclusive of VAT.

Application

These charges are applicable for disconnection of gas service pipes (up to 6" diameter) connected to the low pressure distribution networks. The amount to be charged is based upon the diameter of the pipe to be disconnected and the type of surface where the disconnection is to be made.

Bespoke quotations will be issued for disconnection of gas mains or gas service pipes connected to the medium and intermediate pressure networks or above 6" diameter.

4. Service Alteration Standard Charges

Statement of Charges

NGN applies a charging methodology based on the length of external pipework to be laid. The charging system is designed around self-quotation where customers use an 'alter pack' that enables them to work out the length of new external pipework to be laid and then fill out an enclosed job request form.

The standard charges that apply are:

32mm Domestic Service Alteration requiring up to and including three metres of external pipework	£472
Additional per metre charge for any additional external pipework over three metres	£36

The charges in the above table are exclusive of VAT.

Where the eligibility criteria for these standard charges are not met, NGN will produce a bespoke quotation for the required alteration works.

Eligibility Criteria

The service pipe and service pipe alteration works must fulfil the following criteria to be eligible for the standard charges:

- Service pipe diameter 1" metallic/32mm polyethylene, or less;
- Operating at a pressure of below 7 barg;
- The existing service entry (the location where the service pipe enters the property) is not more than 3 metres above ground level;
- The proposed service entry (the location where the service pipe enters the property) will not be 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;
- If NGN is required to alter existing pipework to meet a request for an increase in load;
- 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.

Meter Housing

The charges include for the provision of meter housing where applicable. NGN will only transport to site and install 'bolt on' and 'semi concealed' meter boxes. Where a 'built in' meter housing is required, a customer must buy the meter housing from a suitable retailer and undertake its installation prior to NGN beginning work on site. No discount, from the standard charge is available if the customer buys their own meter housing.

On completion of works a meter box becomes the property of the customer; they are responsible for ongoing maintenance, however, NGN provides a chargeable repair service.

Moving and Connecting Meters as part of Service Alteration Works

The standard charges do not include any work associated with moving meters and connecting to external or internal pipework. NGN will carry out these works at the request of the customer and on payment of the associated charges. Details of the charges can be found in the NGN metering charges statement on the NGN website (www.northerngasnetworks.co.uk) or in the alter pack sent to customers.

3rd Party Service Pipe Alteration works

Where a 3rd party e.g. an Independent Connection Provider relays a ≤ 2 " steel service pipe as part of the service alteration NGN will pay a fixed allowance of £467 per service on satisfactory completion of the work.

Vulnerable Customers

NGN does not charge for the alteration of a meter position and / or service pipe to meet the physical needs of:

- the disabled,
- chronically sick or
- persons of pensionable age,

In this instance, '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.

Other Information

When a specialist surface (e.g. a mosaic, coloured tarmac, tiles etc.) is encountered within private land the customer may choose to pay the standard charge and have excavations reinstated with black tarmac or re-laid modules (without any damaged modules being replaced by new ones) or they may choose to pay a supplementary charge that will pay for the employment of a specialist reinstatement contractor. There is no guarantee that an

exact match can be achieved particularly if the existing surface is weathered or the original surfacing material is no longer manufactured.

Customers are advised to relocate or protect growing plants because NGN will not replace them if they are destroyed or damaged.

NGN may carry out work additional to that required by the customer in order to ensure that it develops and maintains its pipeline system in an economic and efficient manner. Where this occurs the cost of any additional works will not be charged to the person requiring the alteration.

5. Meter Box Repair Standard Charges

Statement of Charges

Description	Cost
Supply and install Replacement Surface Mounted Meter Box (excluding back plate)	£106
Supply and replace Meter Box Door	£57
Supply and install Vandal resistant Door	£142
Supply and install "Pregnant" Meter Box Door	£79
Replace Meter Box Door Hinge and / or Lock	£42

The charges in the above table are exclusive of VAT.

Application

These charges are applicable in respect of NGN 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 NGN pipe-line system.

Other Information

Payment is required in advance of works being undertaken.

6. Connection Design Charges

a) Charging for Connections which are deemed Sufficiently Complex

Sufficient Complexity connections occur when the connection, disconnection or service alteration is to be made to an above 7 barg. 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 7 barg. 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.

Statement of Charges

Where the design of Sufficient Complexity projects is resourced internally, NGN will predict the number of hours that its staff will take to complete the design and charge on the basis of the number of hours multiplied by the applicable hourly rate, which is £35 per hour excluding VAT.

Where the nature of a new connection project is of Sufficient Complexity, NGN may use an external design organisation.

Where an external design organisation is used, the design charge will be levied according to the cost to NGN, and overheads will be applied at the appropriate rate.

It is also possible for NGN to use a combination of external and internal resources to complete a design. In this situation, NGN will charge for each type of resource using the appropriate methodology as outlined above.

Application

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 that passes the NGN Economic Test.

Eligibility Criteria

New connections, disconnections, connection alteration and reinforcement works may all be designated to be Sufficient Complexity, provided that they conform with the definition above.

b) Charging for Connections which are not deemed Sufficiently Complex

Statement of Charges

Standard design charges will be based upon an hourly charge out rate, for design staff, of £35 per hour excluding VAT.

Application

Design charges shall be applied and itemised on the quotation for the construction works, and shall not be charged in advance of the quotation for construction / installation works being accepted.

Eligibility Criteria

Charges for design shall only be applied to new connection projects in respect of the design of infrastructure, which is to be supplied and laid by NGN, subject to the following criteria:

- the infrastructure is for an individual or multiple premises anticipated to consume more than 73,200 kWh per annum, or;
- the infrastructure is for multiple (three or more) premises, where each individual premises is anticipated to consume not more than 73,200 kWh per annum, or;
- the infrastructure is for multiple premises, where there is a combination of individual premises anticipated to consume more, and less than 73,200 kWh per annum, or;
- the infrastructure is for a third party network, which is anticipated to consume on aggregate in excess of 73,200 kWh per annum, where NGN is to supply and lay a stub connection that is not a standard design stub connection.

c) Charging for design associated with other connections related activities

NGN will only apply charges for design to new connection projects, which meet the respective eligibility criteria above.

Charges for design will not be applied where a new connection project does not meet the eligibility criteria above. In addition, no charge for design shall be made in respect of the following activities:

- reinforcement schemes associated with connections work, which are not of Sufficient Complexity;
- final connections to the NGN main;
- alterations to services <7barg;
- disconnections of services <7barg;
- connection to premises anticipated to consume 73,200 kWh or less, which are not part of a request to connect multiple supply points.

7. Adoption of Assets Charges

Statement of Charges

NGN Limited applies a charge where it is asked to adopt or take ownership of gas pipes where they are laid by Independent Connection Providers (ICPs) who are not registered under the Gas Industry Registration Scheme (GIRS). NGN Limited does not apply a charge for this service where an ICP holds the relevant GIRS registration.

Standard charges are applied to small and large job categories where an ICP does not have the required GIRS registration scope. A bespoke charge will be made in respect of complex job categories. The NGN charges for this service are as follows:

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

The above charges do not include VAT.

NOTE: Where the principal ICP (The ICP 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 the ICP is GIRS registered for Project Management and subcontracts to an organisation that is GIRS registered for Design and/or Construction/Commissioning.

Complex Job Charge

NGN Limited will charge £35 per hour 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

Charges for adoption or taking ownership of assets where they are laid by Independent Connection Providers (ICPs) form part of the customer quotation and are payable on acceptance of the quotation. If NGN does not receive the required payment a rejection letter will be issued requesting payment of the relevant charge.

The standard charge categories are applied subject to the following criteria:

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 sizes 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 meeting the Sufficient Complexity obstacle category of NGN connections charging methodology statement pursuant to Standard Condition 4B of its Gas Transporter Licence.

Eligibility Criteria

To qualify for a reduction in charges a ICP 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. ICPs should indicate their registration status in the appropriate boxes on the customer quotation request form.

8. Abortive Visit Charges

Statement of Charges

The charge to be applied for eligible abortive visits is £60 excluding VAT.

Application

The abortive visit charge is applicable for all connection works.

The abortive visit standard charge is subject to the eligibility criteria, detailed below, being met.

Eligibility Criteria

For an abortive visit charge to be applied, the following must occur:

- a) the customer refuses an on-site variation for a shipper self quote, which may require a job cancellation or deferral, or;
- b) the customer has not informed NGN of on-site conditions which prevent the work from being carried out, or would make it unsafe to do so. For example this would include Vehicles/Skips/Scaffolding along the route of the gas supply or the customer not being present to allow access for internal works. Where on-site conditions outside of the customer's control prevent the work from being carried out, no charge shall be made, or;
- c) the customer refuses an on-site variation for a customer self quote (including alteration standard charge self-quotation), which may require a job cancellation or deferral.

NGN will apply VAT to these charges at the appropriate rate. This rate will depend on the nature of the work being carried out and the status of the customer being billed.

Other Information

Such an invoice shall clearly state that the charge relates to a cancelled one off connection, and the reason for the cancellation.

Where NGN has 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 is not applicable.

9. Examples

The following examples are used for illustrative purposes only and show the application of NGN standard charges in a range of scenarios (new connections, disconnection and alterations).

a) New connection standard charge

Example Project Details

A request is received by NGN for the new connection of a house (not part of a multiple development) of which the request details are:

- Annual Quantity – 20,000 kWh per annum.
- Proximity of the premises to a relevant main – 5 metres.
- Length of pipe required on consumer's premises – 11 metres.
- Excavation type – NGN to excavate and reinstate.
- Termination – to a bolt on meter box on the front profile of the building.

Charges Applied

The request is eligible for a standard charge and a charge of **£506 plus VAT** is quoted to the customer.

b) Disconnection standard charge

Example Project Details

A request is received by NGN for the disconnection of a gas service pipe of which the request details are:

- Diameter of service pipe to be disconnected – 63mm.
- Pressure tier of network connected to – Low Pressure.
- Surface category of the disconnection – Unmade ground.

Charges Applied

The request is eligible for a disconnection standard charge of **£414 plus VAT** at the appropriate rate.

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

c) Alteration standard charges

Example Project Details

A request is received by NGN for the alteration of a gas service pipe of 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 – 6 metres
- Surface adjacent to exiting service entry is flower bed
- Surface adjacent to proposed meter box is tarmac
- Security or similar access restrictions – None
- A bolt on meter housing is required

Charges Applied

The request is eligible for a standard charge. Three additional meters are required to the base charge resulting in **£580 plus VAT** charge which is self-quoted by the customer.

Note this charge does not include work related to the relocation or reconnection of the gas meter.

10. Glossary of Terms

Abbreviation/Term

Definition

Infill

An **Infill** 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. NGN will only accept acceptances, which would establish 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.

Relevant Main

A **Relevant Main** is a distribution main operated by NGN 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.

11. Complaints

If there is a problem with the service you have received from NGN or our contracting partner UU, please contact us in writing, by e-mail or by telephone. It will be helpful, when contacting us, if you can provide any information relating to your case (i.e. reference numbers so that we can deal with your complaint more quickly).

Written complaint / query should be sent to:	Customer Service Section 1st Floor 1 Emperor Way Doxford International Business Park Sunderland SR3 3XR
Telephone complaint / query:	0191 5014300
E-mail complaint / query	enquirycustserv@uuplc.co.uk

Copies of our full complaint procedure is available on our website
www.northerngasnetworks.co.uk