



Independent Gas Transporter (IGT) – Connection Charging Methodology and Statement

Effective from 1 April 2024



About this statement

Stark Infra-Gas Ltd (SIGL), is an Independent Gas Transporter (IGT) operating local gas distribution networks throughout the Great Britain. This combined charging methodology and statement outlines the principles and methods we use to determine charges for connection to our network and also provides information on supply disconnections and alterations.

This statement has been prepared in accordance with the requirements of Condition 4B of SIGL's IGT Licence and the Gas Act 1986 (Gas Act) and has been approved by Ofgem (as required by Condition 4B).

This document also sets out the processes and the terms and conditions applicable to the Connection service provided by SIGL. It covers connections to SIGL's networks only.

This Connection Charging Methodology & Statement, will be reviewed at least once annually and any proposed changes will become effective from the relevant date, following approval from Ofgem.

For more information on the content of this document, please contact us:

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Methodology

Principles

SIGL will always calculate charges for Connection services on a case by case basis to maximise cost reflectivity. The charge will reflect our estimated costs of the work to be done and of the assets to be installed for the specific benefit of the party seeking the Connection.

SIGL aims to recover all reasonable costs that we may incur in providing a Connection to our networks. These costs will include design, labour, materials, etc. and each cost element will carry an appropriate level of overhead to reflect the cost of the management and delivery of connections services and the general business costs attributable to this activity. We will apply VAT charges at the appropriate rate. We will also include charges that arise from third parties such as highway authorities or third party landowners. These charges may include fees associated with permit fees, parking bay suspension, temporary traffic regulations, etc.

SIGL will construct apparatus for a project on a least cost, Fit for Purpose basis taking into account the customer's requirements and our relevant Licence obligations. This means that where there are different Fit for Purpose design solutions which meet a customer's requirements, we will select the one that is anticipated to have the lowest overall cost of construction.

Charging Methodology

Charges for connection/disconnection/alteration works are calculated using:

- current materials costs, plus overheads relating to the handling of materials
- labour costs of SIGL incurred in providing connection/disconnection/alteration services;
- contract rates for any bought in services including an appropriate level of overhead
- overheads related to the management of contractors and the general costs of providing this activity;

- Where appropriate, charges will also reflect costs arising from charges payable by SIGL to third parties such as highway authorities, (e.g. fees in connection with the suspension of parking bays, permit fees and the costs of temporary traffic regulation).

Charges for connection, except where the connection is eligible for the Domestic Load Connection Allowance under standard condition 4B(1) of the Licence, include excavation, backfill and reinstatement in the public highway.

Charges include excavation, backfill and routine reinstatement on private land except requested otherwise. We will not guarantee full reinstatement of specialist surfaces, e.g., coloured flagstones, mosaic tiles, etc. customers requiring specialist finishing are advised to arrange for their own contractor to carry out such work. We also cannot guarantee to avoid damaging growing plants.

Standard Charges – SIGL will use standard charges for some types of connection services request, where:

- the standardisation is based on an analysis of the types of works that are typically carried out in that charge category;
- the costs of such typical works are calculated in accordance with the principles and methods of this statement; and
- the resulting standard charges do not result in undue preference or undue discrimination.

Standard Designs – SIGL will use standard designs for connection service request where:

- the cost benefit of using standard designs, relative to the production of high volumes of individual designs is believed, by SIGL, to be favourable;
- the designs have been produced in accordance with the principles and methods of this statement; and
- the resulting standard designs do not result in undue preference or undue discrimination.

Domestic Load Connection allowance – In respect of premises that are wholly or mainly used for domestic purposes we are obliged, at no Initial charge, to install the connection to the main and lay the first ten metres of pipe in land that is dedicated to public use, provided that the premises is situated within 23m of an SIGL Relevant Main and operating at a pressure equal to or less than 2 barg. Our contribution in respect of these connections is known as the Domestic Load Connection Allowance.

A customer may request multiple Connections, each benefitting from this allowance, provided that each Connection is to a different eligible premises and it can be demonstrated that there is a present intent by an identifiable domestic consumer to use gas at each premises.

Connection Design Charges – Any charges made for connection Design Works will be calculated on the basis of the cost that we expect to incur in carrying out such a design and is dependent upon the information provided by the customer, other publicly available information and information relating to our pipeline systems.

Pressure Reduction Equipment – Where SIGL proposes to fit Pressure Reduction Equipment it will be charged as follows:

- if it forms part of the Supply Meter Installation, then it is not covered by the provisions of this statement
- if it is located along the connecting pipe work, it is charged for at cost plus overheads

Load Increase – No charge will be made if the additional flow of gas is required from an existing Supply Meter Point and the total consumption remains below 73,200 kWh (2,500 therms) per annum. In other circumstances SIGL will charge for works as if the Customer required a new connection. Please note the Domestic Load Connection Allowance will not apply in these circumstances.

Pressure Increase – All the costs associated with increasing the gas supply pressure from an existing gas supply pipe will be charged to the person concerned.