



**SQUIRE**  
E N E R G Y

**CONNECTION  
CHARGING  
METHODOLOGY AND  
STATEMENT**

**EFFECTIVE: APRIL 21**

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## Introduction

Squire Energy Limited (SEL) 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 SEL'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 SEL. It covers connections to SEL'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:

**Address:** 55 High Street, Epsom, Surrey, KT19 8DH

**Tel:** 01372 360607

**Email:** [IGTenquiries@squireenergy.co.uk](mailto:IGTenquiries@squireenergy.co.uk)

## Methodology

### Principles

SEL 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.

SEL 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 land owners. These charges may include fees associated with permit fees, parking bay suspension, temporary traffic regulations, etc..

SEL 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 SEL 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 SEL 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 where 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** – SEL 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** - SEL 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 SEL, 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 SEL 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 benefiting 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 SEL 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 SEL 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.

**Load Evaluation Services** – SEL will not carry out any load evaluation services except under the circumstances detailed below, in which case such load evaluation will be a basic evaluation only, as follows:

- to determine whether a potential customer will require a Supply Point NExA, or
- where it is necessary to determine which Connection charge category a potential consumer is in

**Reinforcement** – Reinforcement required to enable the connection of a new consumer, or to permit an increase in consumption by an existing consumer, or to allow the connection of a nested CSEP is known as Specific Reinforcement. If SEL is required to reinforce its own network to facilitate a connection request the cost of undertaking such reinforcement will be charged to the customer along with SEL's reasonable overheads.

The incumbent GDN system may also require reinforcement to meet any increased or new demand and these reinforcement costs may also be charged to the consumer requesting the capacity increase or new connection.

**Abortive Visit Charge** – Where SEL, or anyone working on SEL's behalf, arrives on-site and cannot complete all, or part, of the Connection work, SEL will charge the Customer for the abortive visit and any associated costs if the Customer is deemed to be at fault. In all instances where an Abortive Visit Charge is applied, SEL will only recharge costs reasonably incurred by ourselves and any party working on our behalf.

### Adoption of below 7barg assets

Subject to the exception detailed in the paragraph below we will adopt fit for purpose below 7barg connections assets that are connected to our system and that is not intended to be operated by another system operator (e.g. another Gas Transporter).

We will not adopt assets where this forms part of a system of pipes that includes any assets, which will become a connected system that will not also be adopted by SEL.

SEL will usually adopt free of charge any gas network assets installed by UIPs that are registered with the GIRS. This will be assessed on a site-by-site basis and we reserve the right to levy a charge for this service.

We will levy a charge in respect of the adoption of any gas network assets that are installed by persons who are not registered with GIRS. This charge will reflect our costs in ensuring that the installation has been designed, installed and commissioned to an appropriate standard.

Where a person is not registered with GIRS they should contact us to explain their intentions and to discuss the adoption procedure before carrying out any works in respect of the design or construction of gas pipes that they wish SEL to adopt.

Where a material change to our methodology is required as a result of a change to law or energy regulation, we will notify shippers as soon as reasonably practicable before the changes come into effect, but we will not be required to consult shippers in such cases.

## Connection Process

### 1. Apply for a Connection

Any party seeking a new Connection or an alteration to an existing Connection to a SEL gas network should apply in writing to:

**Address:** 55 High Street, Epsom, Surrey, KT19 8DH

**Email:** [IGTenquiries@squireenergy.co.uk](mailto:IGTenquiries@squireenergy.co.uk)

The following minimum information must be provided:

- Full postal address of the premises
- Contact details
- When the connection is required
- Expected gas consumption (or type of property for a domestic connection)

### 2. Acknowledgement

SEL will acknowledge receipt of the application and if required request any additional information as soon as practicable (normally within 5 working days).

### 3. Connection Offer

On receipt of all necessary information, a Connection offer will be sent to the applicant, which will specify:

- Terms for Connection to the network
- Terms for SEL to carry out all Connection work (if requested)
- Any other relevant information

We will endeavour to provide the proposal within an appropriate timescale for the work required as set out below:

Connection Type	Target delivery period
Single Point Connection (Domestic)	6 WDs
Alterations & Disconnections	11 WDs
Non-standard Single Point Connection	11 WDs
Single Point Connection (I&C)	21 WDs
CSEP Connection & Network Reinforcement	28 WDs

If a bespoke design is required, SEL may charge for this design service. The design will be an estimate of the anticipated costs and will be either invoiced separately, or included within the non-standard quotation. SEL may require payment of the design costs prior to issuing a full quotation for the works.

The following connections types will be quoted on a bespoke basis:

- Connections from a Medium Pressure SEL main
- Connections from an Intermediate Pressure SEL main
- Connections for new developments
- Connection requests from Housing Developers, Consultants or Landlords
- Connections to Non-Domestic Sites

All quotations will be subject to SEL standard terms and conditions, a copy of which will be made available on request.

Our quotations are based on information provided by the customer and if this information is proven to be inaccurate and prevents SEL (or any sub-contractor working on our behalf) from completing our works, an additional charge may be applied.

#### 4. Sign Connection Agreement

By signing the Connection Agreement, the Customer will enter into a contract with SEL. The Connection Agreement sets out both parties' rights and obligations regarding the Connection and the required works.

We will normally require payment in full at this stage of the process and prior to any works commencing.

#### 5. Connection Appointment

Once SEL is in receipt of the signed Connection Agreement and payment for the works, we will agree an appointment date and our engineers will be on site on the agreed date(s) to carry out the agreed Connection work.

SEL may complete additional work to support our obligation to develop and maintain an efficient and economical pipeline system, if this occurs, the customer will not be charged for this additional work.

## Contact Information

If you require any further information or guidance relating to this document please use the contact details provided below:

**Address:** 55 High Street, Epsom, Surrey, KT19 8DH

**Tel:** 01372 360607

**Email:** [IGTenquiries@squireenergy.co.uk](mailto:IGTenquiries@squireenergy.co.uk)

If you need to contact Ofgem, please find correspondence details below:

The Office of Gas and Electricity Markets (Ofgem) regulates the Energy Industry, which Includes Gas Transporters, and approves the dispute resolution service operated by The Energy Ombudsman. Ofgem can be contacted on:

Ofgem  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

Tel: 020 7901 7295

Fax: 020 7901 7196

Email: [consumeraffairs@ofgem.gov.uk](mailto:consumeraffairs@ofgem.gov.uk)

Website: [www.ofgem.gov.uk](http://www.ofgem.gov.uk)

# Appendix A

### Obligation to Connect

SEL is obliged to comply with any reasonable request to connect a premise to its gas transportation system, where it is economical to do so. If a property is situated within 23m of a SEL Relevant Main, there is no existing supply to the premises and the connection request is received from the owner or occupier of the premises then we must offer a connection.

A Customer may opt to construct some parts of the Connection, which can be installed by themselves or a contractor working on the Customer's behalf. Such work, normally undertaken by a Utility Infrastructure Provider (UIP), is referred to as 'Self-Lay'. An appropriate agreement between SEL and the party undertaking any Connection work on our network must be in place prior to the design phase of any work. We have a duty to adopt any Self-Lay pipeline which connects a premise expected to consume less than 2,196,000 kWh per annum. For Self-Lay pipelines which connect premises expected to consume more than this, we will assess whether adoption is economic.

The provision of gas distribution connection services is open to competition. Details of independent connection providers (UIPs) who hold Gas Industry Registration Scheme (GIRS) membership can be obtained from the following web site: <https://www.lr.org/en/utilities/gas-industry-registration-scheme-girs/>

### Types of Connection

The following section describes the different types of connection work that a Customer may request from SEL.

**Single Point Connection** – A Connection onto SEL's existing gas network that will feed a single Meter Point. A Single Point Connection can be either to a Domestic or I&C premises. There are two types of quotations for Single Point Connections:

- Standard Quotations are provided for Connections where a desktop quotation is produced based on set rates, resulting in a standard cost. We will use this where:
  - The cost/benefit of using standard designs is considered to be cost effective;
  - The standard designs have been produced in accordance with the principles and methods of this statement; and
  - The resulting standard designs do not result in charges which place undue discrimination on any SEL customer.
- Non-standard Quotations are provided for Connections where a bespoke quotation is required. In many cases, a Non-standard Quotation will take longer to produce than a Standard Quotation.

**Alteration** – There are three types of Alteration to a Service. Any Alteration work can comprise one or both of the following:

- Relocation - an Alteration to the existing gas supply so the position of the Meter Point and/or the path the service takes to the Meter Point are changes
- Load Increase - when a premise already has one or more gas service pipes, and the owner or occupier wishes to increase their consumption of gas, it may be necessary for SEL to replace an existing service pipe.

- Pressure Increase – a change to the supply pressure. (Note: Consumers using less than 732,000 kWh (25,000 therms) per annum are not permitted to receive their gas at a pressure higher than 21 mbarg nominal because of the provisions of the Gas (Calculation of Thermal Energy) Regulations.

**Disconnection** – This is a permanent disconnection from the SEL Network, preventing the flow of gas to the Meter Point. We will disconnect Service(s) that are fed from a SEL Network when requested to do so by the Customer. If the Customer is not the person who owns or occupies the premises, or a person acting as their agent, we will seek permission from the owner prior to any Disconnection going ahead. If there is a Meter Unit attached to the Meter Point, then permission must also be obtained from the relevant supplier, prior to the Disconnection taking place.

If the gas meter that is connected to a Meter Point scheduled for Disconnection is owned by SEL, then the gas meter will also be disconnected during the visit. If the gas meter is the property of a third party, then it must be disconnected leaving the service outlet capped prior to the scheduled Disconnection. Failure to remove a third party owned gas meter prior to the scheduled Disconnection may result in the cancellation of the works and an Abortive Visit Charge as set out in section 6.

**CSEP Connection** – A CSEP Connection describes a Connection to SEL's network by another GT for the purposes of building and operating a downstream gas network. The CSEP Connection process is triggered by an application from another GT to connect to SEL's network.

**Network Reinforcement** – Reinforcement is typically required as a result of the need for CSEP or Meter Point works where the existing upstream network is not able to meet the Peak Load required by the proposed CSEP or Meter Point.

Reinforcement work is replacement of sections of the upstream network to support an increased load. All the costs associated with Reinforcement works that are required to increase the gas pressure at an existing Meter Point or CSEP will be charged to the Customer requiring the increase.

## Appendix B

### Glossary

Abortive Visit Charge	Charges that apply to a Customer's connection offer, in the circumstances described in section 6 of this statement.
Adopt	The process by which SEL takes ownership of a new section of pipework or network laid by a third party subject to the works meeting industry standards
Alteration	Any change made to an existing Service and any associated equipment.
Connection Agreement	The contract between SEL and a Customer requesting a Connection to SEL's network.
CSEP	Connected System Exit Point – The point(s) of connection between two GTs' networks
Customer	Party requesting the Connection
Domestic Load Connection Allowance (DLCA)	For individual new connections to domestic premises situated within 23 metres of a relevant main, Standard Condition 4B of our Gas Transporter Licence requires that we only charge the customer for the provision of the service pipe on the customer's premises and the amount laid in public-use land in excess of 10 metres from our Relevant Main. The net investment cost which we bear in respect of these connections is known as the Domestic Load Connection Allowance (DLCA).
End User	An individual or organisation that consumes the gas conveyed through SEL's pipeline system
Fit for Purpose	A design that will safely convey the requisite quantity of gas at an appropriate pressure throughout the life of the assets, taking into account the Gas Act requirement for economic pipe-line system development.
Gas Industry Registration Scheme (GIRS)	A scheme developed to allow Utility Infrastructure Providers (UIPs) to carry out installation, commissioning and Connection of gas Mains and services as well as the Alteration and Disconnection of services to be adopted by Gas Transporters.

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Gas Transporter (GT)	Companies licenced by Ofgem to provide and operate the pipelines through which gas is transported to End Users.
Gas Distribution Network (GDN)	A licenced GT appointed to operate the gas network in a specific regional area.
GT Licence	A licence granted by Ofgem to GTs.
Intermediate Pressure (IP) Main	Pipeline operating at between 2 and 7barg
Independent Gas Transporter (IGT)	All licenced Gas Transporters other than the GDNs.
Main	Pipe that typically transport gas to two or more properties, which individual Services connect to.
Medium Pressure (MP) Main	Pipeline operation at between 75mbarg and 2barg
Meter Point	The physical offtake point on SEL's network at which a gas meter is installed, enabling the consumption of gas by an End User.
Non-Domestic Site	Used to describe either an End User engaged in, or premises used for the purposes of, organisational activity, manufacturing processes and/or business enterprise.
Ofgem	The Office of Gas Electricity and Markets. The independent authority responsible for the regulation of the onshore gas and electricity markets in Great Britain.
Peak Load	The amount of gas passing through a Meter Point or CSEP at the point in a calendar year where gas usage is at its maximum for that Meter Point.
Pressure Reduction Equipment	Assets with the function of reducing gas pressure in a controlled manner.
Relevant Main	A distribution main operated by a Gas Transporter 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.
Self-Lay Connection	Where approved by SEL, a Connection where the Customer has elected to appoint their own contractor to undertake all or part of the necessary work.

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Service	Pipes connected to a Main, with the purpose of transporting gas to a single End User.
NExA	Network Exit Agreement - where required by SEL, the agreement between SEL and an End User or another GT that permits the offtake of gas from SEL's network.
Utility Infrastructure Provider (UIP)	An organisation which designs and constructs gas network infrastructure for adoption by a Gas Transporter.