

# **Standard Domestic Connections Pricing change January 2020**

**Pricing Guide**

# We are a regulated Gas Transporter and follow a set of guidelines for how we price our connection services



## Our pricing framework is published on our website

[www.cadentgas.com/get-connected](http://www.cadentgas.com/get-connected)

### Our Pricing Framework

- The Gas Transporters' Licence contains the regulations we are obliged to follow in respect to pricing our services
- Our [Connections Charging Methodology](#) explains how we have interpreted and applied these regulations
- Ofgem, the industry regulator, has approved our Charging Methodology
- Our Connections [Charging Statement](#) follows our charging methodology and sets out the charges for our services

### Key principles

- We are required to review the prices customers pay for domestic gas connections, alterations and disconnections on an annual basis
- Prices must be cost reflective of work completed
- Prices are set to provide transparency

# Frequently asked questions

## What are the activities and costs involved in providing a gas connection?

When you apply online for one of our connection services you will be sent a quotation. The quotation provides an indicative breakdown of the price. The chart to the right is an example of how we break down the quotation to show the activities that are involved in delivering a gas connection.

### Onsite works

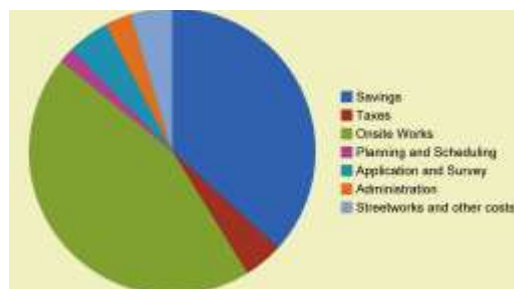
Work onsite is a significant element of the overall cost. This includes our teams on site time and materials required to complete the works. These costs will also cover travel to site and van costs including fuel and tools to do your job.

### Planning and Scheduling

Our connections team co-ordinate a number of activities so all aspects of the job can be delivered on the same date. We engage with Local Authorities to arrange any necessary permits and lane rentals, (local authorities will charge a rental fee to contractors for closing lanes to complete work). The contract includes a rental fee based on the estimated cost of delay or inconvenience to the road user, road closures and parking bay suspensions so our operational teams can complete the work.

### Application and Survey

These costs cover the systems and teams that are involved in the application and production of the quotation for the requested works. The costs also include the cost for the surveyor who attends site prior to the planned date, to confirm the information provided at the application stage is correct.



### Administration

This covers all additional administration and system costs relating to connections. These include related costs to the call centre, payments team and the Completions team who manage the completion of the work and ensure any necessary paperwork is provided to the customer, for example, site clear certificates for disconnections.

### Streetworks and other costs

This covers any additional costs for streetworks or traffic management i.e. permit schemes and lane rental charges (if applicable) additional charges that may be incurred to complete the requested works, such as the cost of sub-contractor services and associated overheads or a requirement for more than 3 metres of internal pipework.

### Taxes

Every business must charge taxes (VAT) when you sell goods or services. The rate of VAT applied is 20%.

### Savings

The chart represents the full cost of the work before any savings or discounts have been applied. Domestic customers are entitled to a significant discount on the cost of their connection if the criteria for the Domestic Load Connection Allowance (DLCA) has been met. For a new gas connection the customer is entitled to the first 10 metres of work in the public highway free of charge.

For further information of the criteria for DLCA please click the link to our [Charging Methodology](#).

### Why have the prices increased?

We are obligated by Ofgem to review our charges at least once a year. We must make sure we are cost reflective and not setting our charges too high or too low (see key principles section).

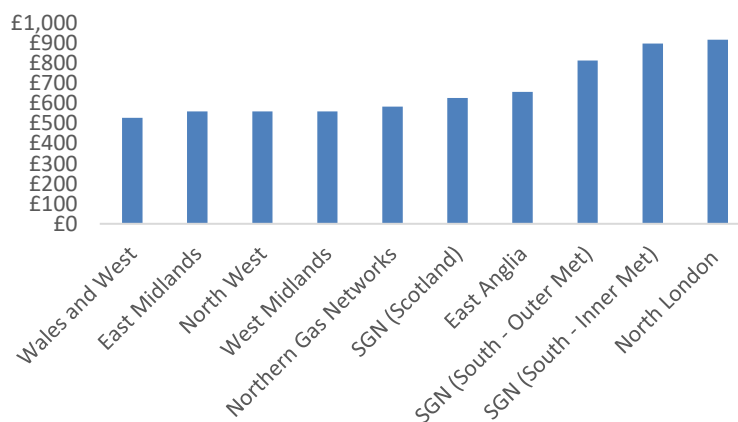
As part of the yearly review it has been identified that within our East Anglia and London networks costs are significantly higher due to the high demand driving up labour and contractor costs. There are more complex traffic management schemes with more local authorities requesting Temporary Traffic Regulation Orders (TTRO's). TTRO's are requested when it is deemed necessary to temporarily stop or limit vehicular and/or pedestrian traffic along the highway. These are expensive to administer and deliver.

Traffic management will require our teams to set up temporary traffic lights, necessary signs and barriers and sending letters to local residents.

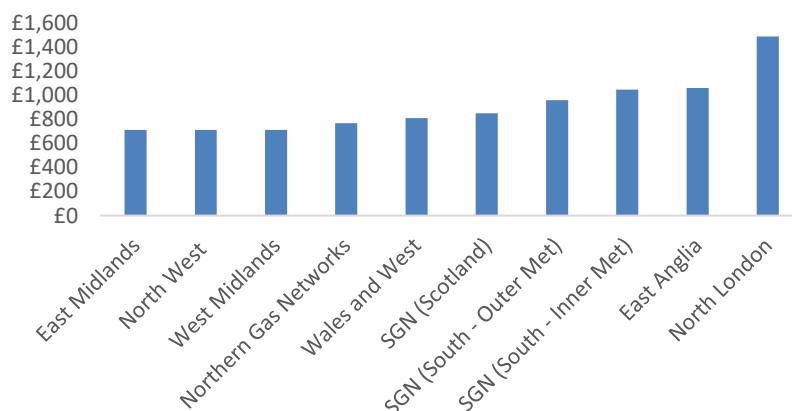
### How do the prices compare to the market?

As part of the price review, we complete a comparison with the other gas distribution networks (GDNs) to ensure we are comparative with the other gas distribution networks. The graphs to the right give an example of our prices for a Connection, Alteration or Disconnection compare with the other GDN's. Our networks are East Midlands, East Anglia, North London, North West and West Midlands.

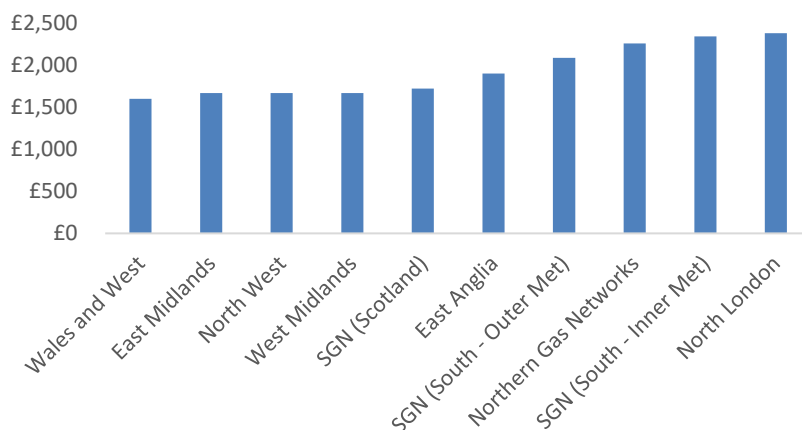
**New Connection - 0m**



**Alterations - <5m**



**Disconnection - 90mm**



## Are there any ways I can get a lower price?

We offer a variety of discounts to reduce the connection price.

Please refer to the [Connections Charging statement](#) for further information on discounts as restrictions do apply.

## Do I have to use Cadent to deliver my connection?

We are not the only company who can provide a quotation for a new gas connection or supply or works on existing gas pipes/infrastructure.

Further information can be found in our Customer Choice information booklet by following the link below.

## [Customer Choice Booklet](#)

New and Existing Connections	Saving against standard charge
Customer elects to dig and reinstate their own trench on private land	33%
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	85%
Alterations	Saving against standard charge
Customer elects to dig and reinstate their own trench on private land <sup>1</sup> Or Back to back alterations, where a meter is moving from inside to outside or outside to inside.	33%
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)	5%
Disconnections	Saving against standard charge
Each additional disconnection at the same location, where a separate excavation is required	4%
Each additional disconnection at the same location, where no further excavations are required	92%

<sup>1</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)

## What happens if I was quoted before the price changes?

Take a look at the various scenarios and find out how your charge may be impacted by the price change

Scenario	Outcome
Application received before 03 January, but quote issued to customer after 03 January	Customer charged lowest price (comparing old and new charges)
Application received after 03 January	Customer charged new prices
Application received and quoted to customer before 03 January, but customer acceptance received after 03 January (includes scenarios when acceptance incomplete; e.g. either payment or acceptance not submitted)	All customers with unaccepted quotes at 03 January to be contacted to advise them of the changes. Customer charged lowest price (comparing old and new charges)
Customer quoted before 03 January but reasons where the customer has needed a variation, and has not yet accepted: <ul style="list-style-type: none"> <li>If the new information is shared with Cadent by the customer before the 03 January</li> <li>If the new information is not known by Cadent until after the 03 January</li> </ul>	Customer charges lowest price (comparing old and new charges)
Customer quoted before 03 January and accepted before 03 January, but reasons where the customer has needed a variation (before or after the 03 January)	Customer charges lowest price (comparing old and new charges)

