



New Connection, Adoption and System Exit Charges Statement

MURPHY GAS NETWORKS LIMITED

NEW CONNECTION, ADOPTION AND SYSTEM EXIT CHARGES STATEMENT

GAS TRANSPORTER LICENCE STANDARD LICENCE CONDITION 4B

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1.0 INTRODUCTION

This is a statement of the principles on which, and the methods by which, Murphy Gas Networks Limited (**MGN**) will determine from the Effective Date below the charges specified in Standard Condition 4B of our Gas Transporter Licence. In addition this document contains sections that outline how MGN will charge for the alteration and disconnection of apparatus. It also includes some information about capacity availability and meter housing.

The effective date of this Statement is 1st July 2018

2.0 PRINCIPLES

This statement outlines the principles and methods which MGN will use to determine the charges specified in Standard Condition 4B of the Gas Transportation Licence. MGN aims to recover those charges, which it reasonably anticipates to incur when it provides connection services. In general, it is expected that these charges will be paid in full prior to the works commencing.

This statement is split into two parts,

PART ONE: applies to new connection to an existing Domestic Property (with an annual gas consumption of less than 73,200kWh (kilowatt hours) per annum) and located within 23metres of a MGN operated main; or to an alteration / disconnection of such a property already supplied by, and connected onto, an MGN operated Network.

PART TWO: applies for a connection into MGN operated Network (or apparatus) as part of a non-domestic, industrial or commercial supply, embedded connection by another Independent Gas Transporter (IGT) into our network, or to an alteration / disconnection of an existing supply already supplied by, and connected onto an MGN operated Network and that does not fall within the scope of **PART ONE**.

Customers should be aware however that they are free to employ the services of a suitably accredited contractor to carry out any connections work with the exception of physical tie-in to the MGN network which is subject to prior agreement, works that are subject to signature of an MGN adoption agreement (available on request) and where fit for purpose will be adopted by MGN.

The customer, if they choose to use MGN for provision of the connection services, may nominate if they so wish an approved and accredited contractor of their choice to be used by MGN in the provision of the works. In such an event the cost will be based on a design & build tender completed and provided by the chosen contractor plus uplift related to the management of contractors and the general costs of providing connections activities.

MGN's charges for Connection Works will reflect labour, material and overhead costs and include any special expenses required to carry out the connection to the customer's requirements.

Standard charges will be applied for some categories of connection where economies of scale relative to production of bespoke connection quotations show this to be more economic to both the customer and MGN. When a standard charge is not applied, MGN will assess, and quote, the cost of each project using the principles outlined above.

MGN will charge for design where a bespoke design is required to enable the quotation of proposed connection apparatus. Design charges will be identified within quotations and will be based upon the anticipated cost of design works. Any applicable design charge will only be paid, by the customer, when MGN is requested to install the quoted apparatus.

NEW CONNECTION, ADOPTION AND SYSTEM EXIT CHARGES

MGN may carry out work additional to that which is required to meet the requirements of the customer to ensure that it develops its pipeline system in an economic and efficient manner. Where this occurs, the cost of any additional works will not be charged to the customer.

Quotations are provided on the presumption of the requester's information. If this information is found to be invalid on connection, MGN has the right to make an additional charge for the inaccuracy.

Any quotations that are issued by MGN will be excluding Value Added Tax (VAT) and each cost element will have an appropriate level of overhead added.

MGN is committed to delivering the best possible service to its consumers. MGN uses chosen contractors for works upon their networks which are being used to quote customers. When obtaining a quotation from our contractors for works upon our network at the customers' requirements, they quote based on those given requirements.

3.0 CONTACTS

GAS EMERGENCIES

If you smell gas or are worried about gas safety, call the National Gas Emergency Number immediately on

0800 111 999

All calls to this emergency number are recorded and may be monitored

MURPHY GAS NETWORKS LIMITED

To obtain information about any of the services set out in this document, or to have a quotation for a Connection to an MGN operated system, or any other queries regarding this document should be forwarded to:

Post: Murphy Gas Networks Limited
Hawks Green Lane
Cannock
Staffordshire
WS11 7LH

Phone: 01543 466 110

Fax: 01543 572 877

E-Mail: gasnetworks@murphygroup.co.uk

Website: www.murphygasnetworks.co.uk

ENERGY OMBUDSMAN SERVICES

Any complaint in respect of a charge to which this statement relates should be raised with MGN in the first instance to help resolve your complaint.

If we have not been able to resolve your complaint you may refer it to the Energy Ombudsman:-

Post: Ombudsman Services: Energy
PO Box 966
Warrington
WA4 9DF

Phone: 0330 440 1624

Fax: 0330 440 1625

Textphone: 0330 440 1600

Email: osenquiries@os-energy.org

Website: www.ombudsman-services.org/sectors/energy

PART ONE

This part applies to connections, disconnections and alterations to an existing Domestic Property with an annual gas consumption of less than 73,200kWh (kilowatt hours) per annum and located within 23metres of a MGN operated main; or to an alteration / disconnection of such a property already supplied by, and connected onto, an MGN operated Network. For all other works proposed to connect, disconnect or alter our networks, please see **PART TWO**.

4.0 DOMESTIC NEW CONNECTION STANDARD CHARGES

4.1 ELIGIBILITY

DOMESTIC LOAD CONNECTION ALLOWANCE

In respect of premises that are wholly or mainly used for domestic purposes (consuming 73,200 kWh (2,500 therms) per annum or less), MGN is obliged, at no initial charge, to install the connection to the relevant MGN operated main and lay the first 10 metres of pipe in land that is dedicated to public use provided that the potential consumer's premises is situated within 23m of the relevant MGN operated main. The contribution by MGN in respect of these connections is known as the Domestic Load Connection Allowance. Our Standard Domestic New Connection Charges already discount this allowance.

This allowance is applied so that the first 10 metres laid outside the consumer's premises in land dedicated to public use is free of charge, which includes the final connection, and is subject to the following criteria;

- the new connection must be for individual premises situated within 23 metres of one of MGNs operated mains with no engineering difficulties or other obstacles present that would result in more than 23 metres of pipe being laid to the premises boundary
- the individual premises does form part of a multiple development, however, the person owning or occupying each premises can be identified (evidence of the owner or occupier will be required). Note that housing developers or landlords or an agent working on behalf of a developer or landlord are not eligible.
- the premises being used or proposed to be used mainly or wholly for domestic purposes
- there is no existing gas supply to the premises
- only up to 20 metres of service pipe to be laid on land owned or occupied by the person requiring the connection and where the service termination emergency control valve (ECV) is not more than 1.5 metres above the exterior ground surface level of the individual premises

In addition, any exclusions as defined in the Gas Act, Utilities Act 2000, MGN's Gas Transporters Licence and the Gas (Connection Charges) Regulations 2001 as amended. However, in these circumstances, MGN may still apply the Domestic Load Connection Allowance to these exclusions on selected networks where it has allocated additional investment for these networks to ensure domestic connection costs are kept to a required level based on its own economic criteria and marketing requirements.

Any individual premises meeting the criteria for a Domestic Load Connection Allowance is eligible, regardless of whether the enquiry is part of a single or multiple connection request. Where a situation requires above and below ground pipework, a bespoke price will be issued upon request.

4.2 CHARGES

The price of our Standard Domestic New Connection Charges are as follows:-

| Far side connection, including Excavation and Reinstatement on the Public Highways* | Near side connection, including Excavation and Reinstatement on the Public Highways* | Connection, excluding Excavation and Reinstatement on the private area | Above Ground pipework |
|---|--|--|-----------------------|
| £900.00 | £685.00 | £355.00 | £245.00 |

* This only includes for excavation and backfill only within your private area, and does not include for any permanent surface reinstatement in the private area.

A **Far Side** connection is one where the customer's service pipe would need to cross over a road to reach their boundary because the nearest relevant MGN operated main is on the opposite side of the road to their property.

A **Near Side** connection is one where the customer's service pipe would not need to cross over a road to reach their boundary because their nearest relevant MGN operated main is on the same side of the road to their property.

Meter box

The above charges include the provision of a surface mounted or Multi-box meter housing where applicable. Where a recessed (built in) meter box is required, the customer must undertake its installation prior to MGN beginning the engineering works and must be sited in a location in agreement with MGN. This type of meter box will be provided by MGN. The customer should agree that the proposed built in meter box location is acceptable to MGN before installation commences.

On completion of works, a meter box becomes the property of the customer; they are responsible for any ongoing maintenance and upkeep of that meter box.

There may be occasions where the customer may want, or be required, to provide the meter housing. In such cases this work will be done in full consultation with MGN, and MGN will only accept meter housing it believes is suitable. Also, there will be no discount from the standard charges if the customer procures their own meter housing.

4.2 DESCRIPTION OF CHARGING CATEGORIES FOR A DOMESTIC NEW CONNECTION STANDARD CHARGE

Including Excavation & Reinstatement:-

This category refers to the circumstance where MGN will carry out excavation and reinstatement of trenches etc. on private land. Customers are advised that MGN are unable to reinstate finished surfaces, e.g., concrete, tarmac, mosaic tiles or coloured flagstones to match the existing finish on the customers' property. In such cases, customers are advised to engage their own specialist contractor to replace the final surface to their requirements. MGN are also unable to replace any plants, shrubs, trees or other greenery, damaged as a result of the work being carried out.

Excluding 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 MGN attending site to avoid having to pay for a works abortive visit.

Above Ground Pipework

This category refers to the circumstance where no excavation will occur on private land. That is, the customer occupies a house or flat that fronts directly onto the street or public highway. They may have a connection to a built in meter box, or a ground floor house entry, or an entry into an adequately ventilated and accessible basement or to a first floor flat where no more than 1.5 metres of above ground pipework will be installed.

4.3 EXCLUSIONS AND OTHER INFORMATION

Any premises which falls within a 'live' Infill scheme and meets the criteria for the Domestic New Connection Standard Charges stated in Section 4.1 above, will be required to pay a mains contribution cost, plus the appropriate standard charge already detailed. The mains contribution cost will be assessed on an individual basis for each such an Infill scheme.

Where the criteria for these New Domestic Connection Standard Charges are not met, a bespoke quotation will be provided for the required new connection works.

To help reduce costs to the customer MGN may allow the party requesting the connection to do some of the work required themselves. This is normally restricted to the excavation of the trench and some reinstatement work where it is on the party's own land. It is entirely at MGN's discretion what work the party will be able to undertake and the party must agree with MGN what work they intend to do before the works are undertaken.

On occasion, MGN may carry out work additional to that required by the customer in order to ensure that MGN develop and maintain their pipeline system in an economic and efficient manner. Such additional work will not be charged to the person requesting the connection.

5.0 DOMESTIC DISCONNECTION STANDARD CHARGES

These charges are applicable for disconnection of domestic gas service pipes connected to MGN low and medium pressure distribution networks. The charge is based upon the diameter of the service pipe shown and the type of surface where the disconnection is to be made from the MGN operated main. These charges will also be applied where customers requesting a service alteration also request that the service pipe be disconnected on a separate visit, prior to the alteration of the service.

The prices of our standard domestic disconnection charges are as follows:-

| Service pipe size | Unmade / Cultivated / Turfed / Grass-Seed Surface | Footpath / Road Surface |
|---|---|-------------------------|
| <= 32mm PE Low and medium pressures | £540.00 | £569.00 |
| <=63mm PELP Low and medium pressures | £545.00 | £625.00 |

Applications for disconnection of services for greater than or equal to 90mm diameter and / or for all applications for disconnection that is connected into an Intermediate pressure distribution network, services will be dealt with on an individual basis and a bespoke quotation provided in each case.

Disconnection can only be carried out by MGN as set out in the MGN Network Code; therefore, disconnections cannot be carried out as a self-lay scheme. Also, disconnection cannot be carried out without the permission of the registered Shipper for the property. For this reason, it is recommended to contact your Shipper before arranging a disconnection with MGN.

6.0 DOMESTIC ALTERATION STANDARD CHARGES

These charges are applicable for alteration of domestic gas service pipes connected to MGN low and medium pressure distribution networks. To be eligible for these standard charges, the premises must be used mainly or wholly for domestic purposes and the service pipe alteration works must meet all the following criteria:

- the proposed altered service pipe is of diameter 32mm PE or less, and operating at low or medium pressure
- both the existing and proposed service entry points (the location where the service pipe enters the property) are not more than 1.5 metres above ground level
- the total length of the alteration is not more than 20 metres
- the service to be altered is a pipe that supplies only one supply meter point
- 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...
- the premises is not part of a multi-storey or multi occupancy property, supplied by a metallic pipe system

Any individual premises meeting the criteria stated above is eligible, regardless of whether the enquiry is part of a single or multiple connection request. Where a situation requires above and below ground pipework, a bespoke price will be issued upon request.

The prices of our domestic alteration standard charges are as follows:-

| Service length diverted / altered* | Including Excavation** |
|------------------------------------|------------------------|
| <=2.0 metres | £539.00 |
| 2.0<=10.0 metres | £1013.00 |
| 10.0<=20.0 metres | £1679.00 |

* These charges are based on the length of the service alteration of the infrastructure, not of the physical 'to and from' of the termination.

** This only includes for excavation and backfill on the private area, and does not include for any permanent surface reinstatement.

The above prices include for the relocation and reconnection of the gas meter, but does not include reconnection to your boiler / appliances from your meter.

Other Information

Customers are advised that MGN are unable to reinstate finished surfaces, e.g. concrete, tarmac, mosaic tiles or coloured flagstones to match the existing finish on the customer's property. In such cases, customers are advised to engage their own specialist contractor to replace the final surface to their requirements. MGN are also unable to replace any plants, shrubs, trees or other greenery damaged as a result of the work being carried out.

On occasion, MGN may carry out work additional to that required by the customer in order to ensure that MGN develop and maintain their pipeline system in an economic and efficient manner. Such additional work will not be charged to the person requesting the alteration

The above charges include the relocation of the customer's meter following service pipe alteration works but does not include reconnection to your boiler / appliances from your meter.

The above charges include the provision of a surface mounted or multi-box Multi-box meter housing where applicable. Where a recessed (built in) meter box is required, the customer must undertake its installation prior to MGN beginning the engineering works, this type of meter box will be provided by MGN. The customer should agree that the proposed built in meter box location is acceptable to MGN before installation commences.

On completion of works, a meter box becomes the property of the customer; they are responsible for any ongoing maintenance and upkeep of that meter box.

If MGN are required to alter existing pipework to meet a request for an increase in load, the standard charges will not be applicable.

Where customers require the service pipe to be disconnected in a separate visit, prior to the service alteration, a standard disconnection charge will also apply.

MGN will not charge for the alteration of a meter position and / or service pipe to meet the physical needs of people who are disabled, chronically sick, of state pensionable age or have other vulnerable conditions. In these cases the work carried out by MGN will be the least cost fit for purpose solution to meet the physical needs of the customer (i.e. The alteration is required to allow that person to operate the emergency control valve and / or read the meter.)

Any additional works beyond those listed above will be chargeable to the customer.

7.0 DOMESTIC METER BOX REPAIR STANDARD CHARGES

These charges are applicable in respect of MGN's service to repair standard 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 connected directly to MGN's operated system.

The prices of our domestic meter box repair standard charges are as follows:-

| Repair Type | Charge |
|---|------------|
| Repair meter box door hinge / door lock | £62.45 |
| Replace meter box door | £63.82 |
| Replace meter box | *see below |

** To replace a meter box requires isolation of the service which thusly will be classed as an alteration of <2.0 metres as described previously. Please note that if the meter box is of the built-in variety and needs to be replaced, the customer will have to undertake its installation themselves, so a disconnection standard charge and a new connection standard charge will apply, and so would not include for the relocation and reconnection of the gas meter.*

Other Information

Payment is required in advance of works being undertaken

8.0 DOMESTIC ABORTIVE VISIT STANDARD CHARGES

The abortive visit standard charge is applicable in respect of any works where a planned date has been agreed between MGN and the customer and will apply where:

- the customer refuses an on-site variation, or
- the customer cancels the visit within two working days before the agreed start date
- the customer has not informed MGN of on-site conditions which prevent the work from being carried out, or would make it unsafe to do so (e.g., working under scaffolding erected by others)

Where on-site conditions outside of the customer's control prevent the work from being carried out, no charge shall be made.

The charge to be applied for abortive visits is £92.00.

Where MGN have 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 standard charge will not apply.

PART TWO

This Part of the document applies to connections into MGN operated apparatus as part of a non-domestic, industrial or commercial supply, embedded connection by another Independent Gas Transporter (IGT) into our network, or to an alteration / disconnection of an existing supply already supplied by, and connected onto, an MGN operated Network and that does not fall within the scope of **PART ONE**.

9.0 METHODOLOGY

9.1 CONNECTION WORK CHARGING

Charges for connection works are normally calculated using:

- Current materials costs and any special expenses required to carry out the connection plus overheads related to the management of materials and other bought-in services and,
- Contract rates (of the principal incumbent) plus overhead costs related to the management of contractors and the general costs of providing connections activities

However, as MGN maintain networks across the whole of the United Kingdom, to provide an equitable and competitive environment for its customers, MGN will review the published charges for the Large Distribution Network Operators in the areas which they predominately operate. An average figure will then be used for the associated type of work, thereby ensuring that the fairest charge will be applied.

Charges for connection will include (if applicable) excavation, backfill and reinstatement in the public highway. These charges also include excavation and backfill only on private land except where requested otherwise by the customer. If the customer requested for MGN to complete the excavation, backfill and reinstatement on private land, there will be certain circumstances where MGN will not be able to reinstate to the condition which existed before works commenced. This is because works may affect a specialist surface (for example: a mosaic, specific coloured tarmac, non-standard tiles / flagstones, growing plants etc....) and MGN may not be able to replace them.

Special Case: Pressure Reduction Apparatus

If a request from a customer required or includes Pressure Reduction Apparatus, this 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 pipework, it is charged for at cost plus overheads
- if it is part of any specific reinforcement, MGN shall endeavour to fund it, where it can be demonstrated such reinforcement is of a material benefit to the existing MGN network

When a premises already has one or more gas services, and the owner or occupier wishes to increase their consumption of gas, it may be necessary for MGN to replace, or duplicate an existing service pipe. 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 73,200kWh (2,500 therms) per annum. In other circumstances MGN will charge for works as if the consumer required a new connection of the appropriate charge category. The only exception to this is that the consumer will not receive a Domestic Load Connection Allowance.

All the costs associated with increasing the gas supply pressure from an existing gas supply pipe will be charged to the customer concerned. (Note: Consumers using less than 73,200kWh 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.)

9.2 STANDARD CHARGES

Standard charges will be used for some charge categories, in place of bespoke charges, 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;
- the resulting standard charges do not entail undue preference or undue discrimination

9.3 STANDARD DESIGNS

MGN will utilise standard designs in respect of certain connections, where:

- the cost / benefit of using standard designs is believed by MGN to be advantageous,
- the designs have been produced in accordance with the principles and methods of this statement
- the resulting standard designs do not result in charges, which entail undue preference or undue discrimination

9.4 CONNECTION DESIGN CHARGES

Design Charges for New Connection Projects not deemed to be Sufficiently Complex

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.

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 MGN subject to any of the following criteria:

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

These types of design charges will be based upon an hourly charge out rate, for design staff, of £47.60 per hour.

Design Charges for New Connection Projects Deemed to be Sufficiently Complex

Where the nature of a new connection project is of Sufficient Complexity, MGN may either resource this internally or use an external design organisation.

Where the design of Sufficient Complexity projects is resourced internally, MGN will predict the number of hours that MGN 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 £47.60 per hour.

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

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

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 and that passes MGNs economic review of that reinforcement.

9.6 DESIGN CHARGES

Any charges made for design works will be calculated on the basis of the cost that MGN expects to incur in carrying out such a design and is dependent upon the information provided by the customer and information relating to MGN's pipeline system.

MGN will charge for design except where there is a standard charge quotation or standard design connection. MGN will not provide its designs for construction by third parties and consequently will not charge for designs when it does not also construct apparatus.

9.7 ABORTIVE VISIT CHARGES

The abortive visit charge is applicable in respect of any works where a planned date has been agreed between MGN and the customer and will apply where:

- the customer refuses an on-site variation, or
- the customer cancels the visit within two working days before the agreed start date
- the customer has not informed MGN of on-site conditions which prevent the work from being carried out, or would make it unsafe to do so

Where on-site conditions outside of the customer's control prevent the work from being carried out, no charge shall be made.

The charge to be applied for abortive visits will be assessed on an individual basis dependant on the time of the abort, the amount of planning and controls that have been put in place prior to the abort, and other factors.

Where MGN have visited the premises for the purpose of laying a new connection pipe and found a live, suitable, supply to an Emergency Control Valve, an abortive visit charge will not apply.

9.8 ASSET ADOPTION CHARGES

MGN does not apply a charge where it is asked to adopt or take ownership of gas pipes where they have been laid by Utility Infrastructure Providers (UIP's) who are registered under the relevant competences of the Lloyds Register's Gas Industry Registration Scheme (GIRS), and who have been approved to work and connect onto MGN operated networks.

NOTE Where a UIP does not have the relevant GIRS related competencies, MGN reserve the right to refuse connection, and adoption, of that gas pipe; or charge for that Asset Adoption on a price on application basis.

Sufficiently Complex Projects

A bespoke Asset Adoption Charge may be made in respect of all sufficiently complex projects. Please contact MGN in the first instance if you have a sufficiently complex project to connect to our Networks.

9.9 LOAD EVALUATION SERVICE

MGN will not carry out load evaluation except in the circumstances detailed below:

- to determine whether a potential consumer will require an Advanced Reservation of Capacity Agreement (ARCA)
- to determine whether a potential customer will require a Supply Point Network Exit Agreement (NExA)
- where it is necessary to determine which connection charge category applies to a potential consumer
- where the potential consumer's request may impact on the upstream network

A Load Evaluation Service will be based upon the complexity of the customer's proposal and will be assessed and costed on an individual application basis.

9.10 REINFORCEMENTS FOR SYSTEM EXIT CONNECTIONS

Given the nature and age of MGN networks, it is anticipated that our networks will be discrete system extensions to the main gas network. Therefore any additional load which requires infrastructure reinforcement to that system will be charged as Specific Reinforcement.

MGN will apportion the cost of Specific Reinforcement according to its location in relation to the Connection Charging Point (which is the point where gas enters our network that feeds the consumers requested location). Specific reinforcement downstream of the Connection Charging Point is charged to the customer. MGN, subject to the Economic Test in respect of network system reinforcements, the Specific Reinforcement upstream of the connection charging point will not be charged to the customer. *However, please note that Specific Reinforcement of this type can increase lead times of substantial completion of the customer works.*

All the costs associated with reinforcement works that are required to increase the **gas pressure** at an existing Supply Point or Connected System Exit Point will be charged to the customer requiring the increase.

Where requested by the customer, and where practicable and consistent with the other provisions of this Statement, and MGN's Network Code as appropriate, MGN will provide pressure elevation at a new Supply Point or Connected System Exit Point, free of charge if the required pressure is predicted to be continuously available during the subsequent 5 years. If the pressure is determined to be unavailable at any time within this period, reinforcement will be required and subject to the exception detailed in the paragraph below, the cost of these works will be charged to the customer requiring the elevated pressure.

It may be necessary for MGN to upsize a connection or reinforcement pipe beyond that which is required to enable the connection of a load. MGN will do this to ensure efficient system development. MGN will do this when the anticipated cost of subsequent reinforcement is greater than the predicted cost of upsizing apparatus, taking into account the time value of money and probability that subsequent reinforcement will be required. Where necessary in this case, MGN will fund the upsizing cost of apparatus that it adopts. In this circumstance MGN will ask the Utility Infrastructure Provider to quote for the upsizing works and will use this quotation when deciding whether to proceed with upsizing.

9.11 QUOTATION ASSUMPTIONS

Where it is necessary for MGN to make assumptions, to determine the cost of a connection, these will be stated on the quotation.

Quotations will include a statement to the effect that the customer, in accepting the quotation will also be accepting that the assumptions are appropriate and understood. If it is determined later, but prior to works

commencing on site, that any stated assumption is significantly wrong, MGN will determine whether the customer's charge should be varied. Works will only then commence if the customer agrees to the variation (in line with the contract).

9.12 TAKING OWNERSHIP OF ABOVE 7 BARG APPARATUS

MGN will make a charge to determine whether connection apparatus, that is designed to operate at 7 barg. or above, is fit for purpose.

The charge will be based upon the number of hours that MGN staff will take, together with any costs incurred by service providers employed by MGN, to evaluate the suitability and fit for purpose nature of the connection apparatus. Charges will include an appropriate level of overhead.

Regardless of whether the apparatus is laid by MGN or a third party lay, the charges will be calculated in the same way so that there will be no difference in the basis for calculating the charges.

10.0 DISCONNECTION AND ALTERATION OF MGN GAS APPARATUS

In general, MGN will follow the same principles that it applies to connection works in respect of pricing disconnection and alteration of gas services connected into an MGN supply system.

10.1 SERVICE PIPE DISCONNECTIONS

A service pipe disconnection occurs when a person requests that an existing gas service pipe, owned and operated by MGN, is physically disconnected from the MGN gas supply system.

MGN will disconnect service pipes that it owns when requested by the Shipper. If a person who owns or occupies the premises, or a person acting as their agent, contacts MGN to request a disconnection, MGN will disconnect the premises and inform the Shipper when the work is complete.

MGN will charge the cost that it reasonably expects to incur when disconnecting a service pipe. Charges will include an appropriate level of overheads.

MGN will not charge the additional cost where it carries out works, which are in addition to those required to fulfil the requirements of a disconnection which are designed to enhance its network.

If works are unable to proceed for reasons outside the control of MGN, MGN may reserve the right to charge an abortive visit charge.

10.2 SERVICE PIPE ALTERATIONS

A service pipe alteration occurs when a person requests the relocation of a gas service pipe, without there being any significant variation in the load at the premises.

MGN will alter the position of any service pipe it owns when requested by the Shipper. If a person who owns or occupies the premises, or a person acting as their agent, contacts MGN to request a service alteration, MGN will alter the service pipework.

MGN will charge the cost that it reasonably expects to incur when altering a service pipe. Charges will include an appropriate level of overheads.

MGN will not charge the additional cost where it carries out works, which are in addition to those required to fulfil the requirements of a service alteration which are designed to enhance its network.

MGN will not charge for the minimum work entailing a compliant relocation of a service pipe where a Qualifying Person requires it.

11.0 OTHER

The alteration of transportation apparatus, other than existing connection (service) pipes, together with any pressure reduction apparatus associated with those pipes, is known as a Diversion.

Where applicable, charges for Diversions will be calculated either in accordance with the New Roads and Street Works Act 1991 or the Model Consultative Agreement. Otherwise diversions shall be carried out on a time and materials basis, including overheads. Details of Diversions may be obtained from MGN at the address shown in Section 3.0 of this statement.

12.0 DEFINITIONS

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| Alteration | an alteration is any change made to an existing service pipe, and associated equipment, to premises. |
| ARCA | <p>is an Advanced Reservation of Capacity Agreement and is required when a load is to be classified as 'firm' (this includes load increases and interruptible to firm transfers) and specific reinforcement upstream of the charging point is required. An ARCA is required for gas loads that exceed 586,000,000kWh (20 million Therms) a year in aggregate.</p> <p>MGN reserve the right to request an ARCA for loads exceeding 58,600,000kWh (2 million Therms) but less than 586,000,000 (20 million Therms) a year if they so deem necessary.</p> <p>An ARCA will oblige the person making the connection (or load increase or transfer) to either ensure that their Shipper books firm capacity (in respect of their supply point, to at least the level of the ARCA) or to pay MGN an appropriate amount to compensate for the loss of transportation revenue. Each ARCA will remain in force for the time specified within it.</p> |
| Connection Charging Point | The Connection Charging Point is the closest economically feasible point, taking into account any customer request for gas to be made available at a particular pressure, on the MGN network, which is deemed to have enough capacity to supply the new load disregarding existing loads. The Charging Point creates the financial distinction between connection costs, that are fully chargeable to the person concerned and upstream reinforcement costs, (which may be funded by MGN) subject to any reinforcement and contractual requirements. |
| Connection Costs | in respect of Connected System Exit Points (CSEPs), are the costs of all physical connection works downstream of the Charging Point, which may include specific reinforcement costs downstream of the Connection Charging Point (which may be chargeable to the customer). |
| Design Study | <p>is the design work, which must occur before construction works can take place. Very small projects (e.g. the connection of a small domestic premises) require little in the way of design and no charge is made in respect of design and design study for these projects.</p> <p>For larger, but routine, connection projects MGN will apply standard design charges.</p> |

NEW CONNECTION, ADOPTION AND SYSTEM EXIT CHARGES

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| Design works | can be defined as the preparatory work required before the Physical lay or Connection activity can take place. |
| Disconnection | occurs when a service pipe is disconnected from an MGN operated main. |
| Diversion | is a change made to the route of an existing MGN operated main or the relocation of other gas transportation assets. This definition is not associated with service pipes. |
| DLCA | the Domestic Load Connection Allowance will apply to all individual premises that are mainly used for domestic purposes and which are situated within 23 metres of an MGN operated main. See section 4.1 for more detailed information of eligibility of DCLA. |
| Economic Test | The Economic Test is a financial assessment tool that is designed to ensure that MGN meet MGN's Gas Act obligations to develop and maintain an efficient and economical pipeline system for the conveyance of gas and to comply with any reasonable request to connect to its system any premises or pipeline system operated by another authorised transporter, where it is economical to do so (Gas Act, section 9(1)(a) and 9(1)(b)). It does this by deriving the required customer contribution (if any) in respect of reinforcement costs incurred by MGN as a result of providing a connection to MGN network. Where the Economic Test is "passed", no customer contribution is payable in respect of the reinforcement. Where the proposed connection does not pass the Test, the customer must pay a specified contribution in advance of the works being undertaken. |
| Final Connection | consists of the labour and materials required to physically connect the pipe at the point where it interfaces with the MGN operated main but does not include the costs of excavation, backfill or reinstatement works. |
| Physical Connection Works | are works necessary to supply and lay gas mains and services, including any associated equipment and works to reinforce, MGN's supply system. |
| Qualifying Person | is a person who requires the relocation of their gas meter and/or Emergency Control Valve because of his or her physical condition or who is either:- <ul style="list-style-type: none"> • Of state pensionable age and/ or; • Is a registered disabled person and/ or; • Is a chronically sick person <p><i>For more information on the services MGN can offer for customers with vulnerable conditions, please contact us for our Safety and Security of Supply Statement, which can also be downloaded from our website at www.murphygasnetworks.co.uk</i></p> |
| Reinforcement | is determined by MGN, and is necessary to ensure that its pipeline system has sufficient capacity to supply new, increased and/or existing demands at the applicable pressures. Pipeline system pressures affected by the connection of a new load (or an interruptible to firm load transfer or an increase in load at an existing connection) may cause MGN to reinforce its pipeline system, prior to the requested load being connected. This reinforcement may take the form of new infrastructure being laid or the installation or modification of other equipment to increase the pressure within the MGN supply system. |

NEW CONNECTION, ADOPTION AND SYSTEM EXIT CHARGES

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| Relevant Main | is a distribution main operated by a Gas Transporter which is being used for the purpose of giving a supply of gas to any premises, where that premises is at a rate not exceeding 2,196,000kWh per year. <i>There are exceptions to this in accordance with Section 10(13) of the Gas Act 1986 as amended by the Gas Act 1995.</i> |
| Specific Reinforcement | occurs when MGN has to undertake system reinforcement, or additional system reinforcement, as a result of one or more of the following:- <ul style="list-style-type: none">• An increase in the rate of gas consumption at a supply point• An increase in the rate of gas consumption of a connected system• The connection of a new supply point where the consumer in question is anticipated to be likely to consume more than 73,200kWh per year• The connection of a Connected System or where there has been an interruptible to firm load transfer |
| Sufficient Complexity (SC) | occurs when the connection, disconnection or service alteration is to be made <ul style="list-style-type: none">• equal to or above a 7 barg system or• where there are known engineering and/or other obstacles on the proposed route of the new apparatus or• are of intermediate pressure or• are classed as Sufficient Complexity by MGN |
| SC Reinforcement | occurs when the reinforcement includes any apparatus that is reinforcement and is <ul style="list-style-type: none">• designed to operate equal to or at above 7 barg or• where there are known engineering and/or other obstacles on the proposed route of the reinforcement apparatus• are of intermediate pressure• are classed as Sufficient Complexity Reinforcement by MGN |
| Supply Meter Installation | is the gas meter and associated apparatus used to measure the volume of gas taken off at a supply point. |
| UIP | Utility Infrastructure Provider is an accredited organisation under the Lloyds Register GIRS Registration Scheme that designs and constructs gas infrastructure for adoption by a Gas Transporter. |

13.0 CHARGES SUMMARY

The charges within in this statement are listed below for ease of reference

| Description | Detail and Charge | | | Additional Information |
|--|---|---|--------------------------------|---|
| New domestic connection standard charges <i>(Section 4.0)</i> | Connection, including Excavation and Reinstatement in the public highways* | Connection, excluding Excavation and Reinstatement on the private area | Above Ground Pipework | <i>* This only includes for excavation and backfill only on the private area, and does not include for any permanent surface reinstatement in the private area.</i> |
| | £611.00 | £355.00 | £245.00 | |
| Domestic disconnection standard charges <i>(Section 5.0)</i> | Service pipe size | Unmade / Cultivated surface | Footpath / Road Surface | |
| | <= 32mm PE Low and medium pressures | £540.00 | £569.00 | |
| | <=63mm PELP Low and medium pressures | £545.00 | £625.00 | |
| Domestic alteration standard charges <i>(Section 6.0)</i> | Service length diverted / altered* | Including Excavation** | | <i>* These charges are based on the length of the service alteration of the infrastructure, not of the physical 'to and from' of the termination.</i> <i>** This only includes for excavation and backfill on the private area, and does not include for any permanent surface reinstatement.</i> |
| | <=2.0 metres | £569.00 | | |
| | 2.0<=10.0 metres | £1013.00 | | |
| | 10.0<=20.0 metres | £1679.00 | | |
| Domestic meter box repair standard charges <i>(Section 7.0)</i> | Repair Type | Charge | | <i>* To replace a meter box requires isolation of the service which thusly will be classed as an alteration of <2.0 metres as described previously. Please note that if the meter box is of the built-in variety and needs to be replaced, the customer will have to undertake its installation themselves, so a disconnection standard charge and a new connection standard charge will apply, and so would not include for the relocation and reconnection of the gas meter.</i> |
| | Repair meter box door / hinge / lock | £62.45 | | |
| | Replace meter box door | £63.82 | | |
| | Replace meter box | *see right | | |
| Abortive visit standard charges <i>(Section 8.0 and Section 9.7)</i> | Project type | Charge | | |
| | Charge for domestic Abortive Visit | £92.00 | | |
| | Charge for a non-domestic abortive visit | Assessed on individual basis | | |

NEW CONNECTION, ADOPTION AND SYSTEM EXIT CHARGES

| Description | Detail and Charge | | Additional Information |
|--|--|---|--|
| Design Charges <i>(Section 9.6)</i> | Projects not deemed Sufficiently Complex | Projects deemed Sufficiently Complex | |
| | <i>£47.60 per hour</i> | <i>£47.60 per hour</i> | |
| Asset Adoption <i>(Section 9.8)</i> | Asset Connection Type | Charge | <i>NOTE Where a UIP does not have the relevant GIRS related competencies, MGN reserve the right to refuse connection, and adoption, of that gas pipe.</i> |
| | <i>63mm PE connection or below (non GIRS) (low or medium pressure)</i> | <i>£POA</i> | |
| | <i>>63mm <=180mm PE connection (non GIRS) (low or medium low pressure)</i> | <i>£POA</i> | |
| | <i>>180mm PE connection (non GIRS) (low or medium low pressure)</i> | <i>£POA</i> | |
| | <i>Sufficiently Complex Projects</i> | <i>Assessed on individual basis</i> | |
| Load Evaluation <i>(Section 9.9)</i> | Load Evaluation Type | Charge | <i>A Load Evaluation Service will be based upon the complexity of the customer's proposal and will be assed and costed on an individual application basis.</i> |
| | <i>All types</i> | <i>Assessed on individual basis</i> | |
| Reinforcements for System Exit connections <i>(Section 9.10)</i> | Reinforcement type | Charge | |
| | <i>Infrastructure</i> | <i>Assessed on individual basis</i> | |
| | <i>Increase of Gas Pressure</i> | <i>Assessed on individual basis</i> | |