

FAQ on fuel poor network extensions for our website

What is the fuel poor network extension scheme?

This is a scheme which aims to enable vulnerable domestic customers to switch to natural gas to heat their homes by helping towards the cost of connecting to the gas network. It is for use in existing houses that have no gas supply at present.

The scheme works in partnership with government schemes and initiatives so funding is available towards the cost and installation of new gas heating systems and appliances.

The scheme provides funding for connecting single properties as well as communities like villages and flats to the gas network.

Why do we have this scheme?

The scheme was bought in at the Gas Distribution Price Control which sets the allowance a network company can recover from its customers through energy bills. As part of this we also put incentives on the network companies for them to take part in the scheme. They can also be rewarded as part of the discretionary reward scheme.

The scheme enables vulnerable customers to switch to cheaper fuel alternatives than electricity and oil to help alleviate fuel poverty.

More customers using natural gas will also mean fewer green house gas emissions so it will contribute towards to sustainable development targets.

Am I eligible for a discount towards the cost of my gas connection?

You may be eligible for funding towards the cost of your gas connection if you satisfy at least one of the following criteria:

- Reside within the 20% most deprived areas in the UK. This is measured using the Government's Index of Multiple Deprivation¹ (IMD), when measured at the Lower Level Super Output Areas (LOSA). The IMD is defined separately for England, Scotland and Wales, however each index is based on the same principles. Income, employment, education and health can be identified and measured, this can then be used to provide an overall calculation of deprivation which is used to give the area a deprivation level; or
- Are eligible for measures under Warm Front² (England), Nest³ (Wales), or the Energy Assistance Package⁴ (Scotland) or;
- Fall within the Priority Group (low income households and over 70 years of age) for measures under the Carbon Emissions Reduction Target (CERT), which has

¹ The interactive map detailing where these areas are can be found here, <http://www.imd.communities.gov.uk/>

² More information can be found here, <http://www.warmfront.co.uk/>

³ More information can be found here, <http://www.nestwales.org.uk/>

⁴ More information can be found here, <http://www.energysavingtrust.org.uk/scotland/Scotland-Welcome-page/At-Home/Energy-Assistance-Package?tc=EAP>

been put in place to try and meet the Kyoto emissions targets that have been set for the UK; or

- Are in fuel poverty based on the standard government definition – that is spending more than 10% of your disposable income on all household fuel use to maintain a satisfactory heating regime.

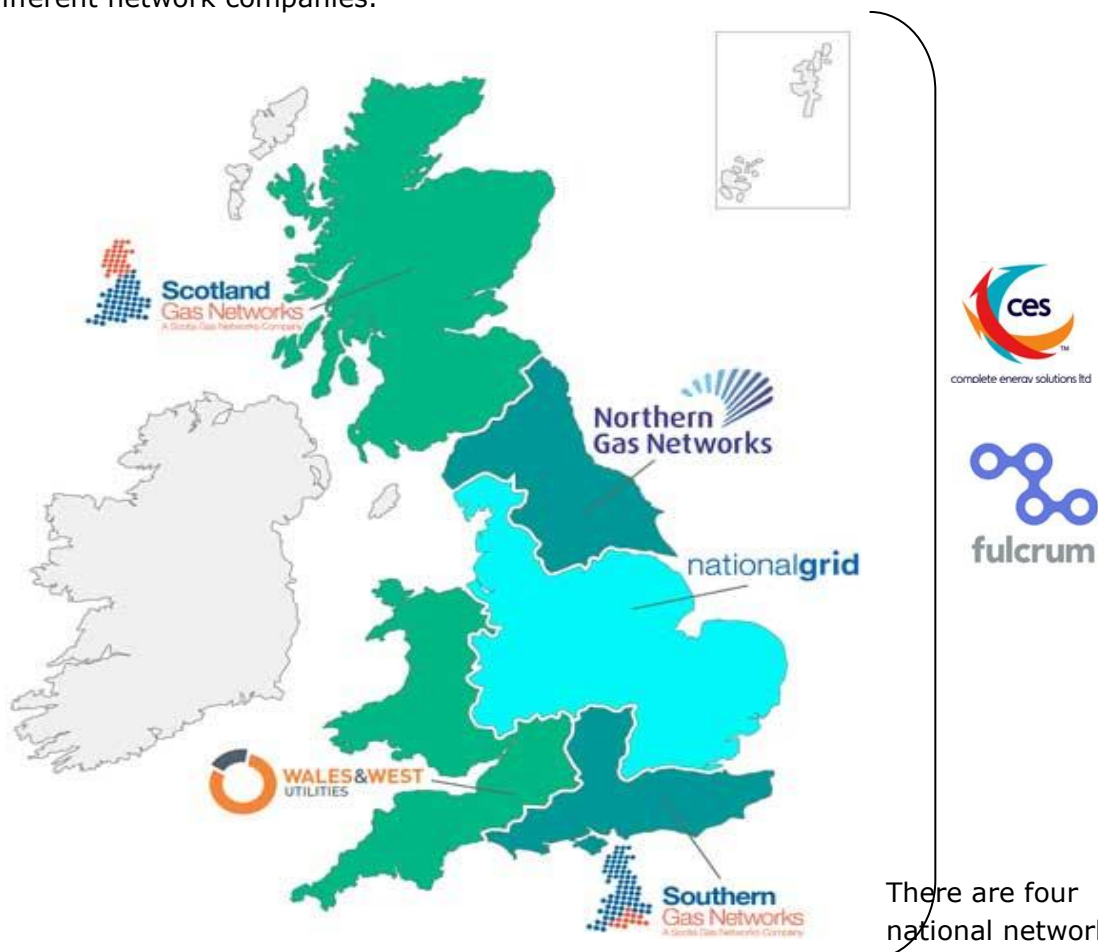
Will the discount cover the cost of the connection?

You may need to make a contribution towards the cost of the connection; however in the majority of cases the discount will cover the cost of the connection. If you do need to make a contribution it is because the cost of the work involved to set up the connection exceeds the value of future income the network company will receive from the connection, therefore you will have to pay the difference.

Worked examples of the calculations used can be found here (p9), <http://www.ofgem.gov.uk/Networks/GasDistr/GasDistrPol/Documents1/Revised%20Position%20letter%2016July2009.pdf>

How do I apply for a discount for the cost of my connection?

If you think you may be eligible for funding you will need to contact the company which owns the gas networks in your area. The map below shows the areas covered by the different network companies.



companies; each company provides connections in their area of the national gas network. However there are also two independent network companies identified in the scheme that can provide connections to any property on the national gas network regardless of what area of the network it is in.

All seven network companies have formed partnerships with other organisations that will help assess whether you are eligible for funding. You will need to contact your local network company or visit their website to find out which organisation you need to contact to proceed with an application. Below are the web addresses for each of the network companies:

- <http://www.wwutilities.co.uk/>
- <http://www.northerngasnetworks.co.uk/>
- <http://www.nationalgrid.com/>
- <http://www.sgn.co.uk/> (Covers Scottish and Southern Gas Networks on map)
- <http://www.fulcrum.co.uk/>
- <http://www.fegroup.co.uk/CESindex.php>

Below is a table detailing the approved partners of the network companies.

Network Company	Partner
Wales and West Utilities	EAGA Nest
Scotia Gas Networks	Acho Dumfries and Galloway Housing Partnership EAGA Fyne Homes Perth and Kinross Council
Northern Gas Networks	Community Energy Solutions EAGA
National Grid Gas	Affordable Warmth Solutions
Fulcrum	Affordable Warmth Solutions
Complete Energy Solutions	Affordable Warmth Solutions

How is the scheme funded?

The funding for the cost of the connection comes from allowances the network company receives from their price control settlement, and is recovered through transportation charges which form part of all of their customer's energy bills. The funding for the gas central heating and its installation is sourced by the organisations the network companies form partnerships with.