

NATIONAL GRID ESSENTIAL GAS PIPE REPLACEMENT WORK

COMPENSATION FOR SMALL BUSINESSES

About National Grid Gas

National Grid's Gas network is made up of nearly 133,000 kilometres of pipeline, comprising of high pressure national transmission systems and lower pressure local distribution pipeline networks.

The lower pressure local distribution pipeline networks delivers gas to around 11 million domestic, industrial and commercial customers in the North West and East of England, the West Midlands and North London.

Investing in our Network

National Grid is investing over £15 billion in improving the national gas supply network over a period of 30 years. In all, over 90,000km of metal gas pipes are being replaced with modern plastic pipes which will have a lifespan of around 80 years. This work has been developed in conjunction with the Health and Safety Executive

National Grid's gas network is one of the safest in the world. This programme of work will ensure that it continues to operate safely and reliably into the future.

Working to protect your business

When National Grid plans its gas pipe replacement work, careful consideration is given to the impact it will have on local businesses, residents and road users. Special techniques are used wherever possible to lay new pipes inside existing pipes to reduce the need for open excavation.

The company also liaises with the local highways authority and the police to plan the management of traffic around the work.

In some circumstances, however, work will have an impact on local businesses. Our compensation process complies with The Gas (Street Works) (Compensation of Small Businesses) Regulations 1996.

Claiming for compensation

The following information explains how small business owners can make a claim for compensation for loss of profits during essential gas mains replacement works carried out by National Grid. Claims can only be made in

respect of planned gas pipe replacement work and not in respect of work carried out to deal with gas emergencies or escapes.

Compensation is payable to small businesses which meet **all** of the following criteria:

- National Grid works must have taken place over a minimum of 28 consecutive days
- Businesses must have an annual turnover of under £1million* (excluding VAT)
- The loss must amount to more than £500
- The loss must exceed 2.5% of the annual turnover of the business (or group turnover) for the financial year ending before the completion of the National Grid works.

**This figure is linked to the retail price index and therefore changes from year to year*

INFORMATION TO SUPPORT YOUR CLAIM

In order to make a claim you must give written notice to National Grid **within three months** of the company's work being completed. In addition, you must provide the following information **within six months** of work being completed.

1. Audited trading accounts for the three years before the claim is made. If your business has not been trading for three years, accounts will be accepted for your whole trading period. The accounts must be agreed with the HM Revenue and Customs and certified by your accountant.
2. If your claim is significant, we will also need copies of the accounts for the year when trade was disrupted.
3. If your business is not required to produce audited accounts, we need to see the original figures submitted to HM Revenue and Customs and details of VAT returns.
4. Associated balance sheets for the three years before the claim.
5. A breakdown of weekly sales figures for the three years before the claim and the weekly sales figures for the period during National Grid's work. We reserve the right to inspect the original books of account in order to check these figures.
6. A clear statement of the losses incurred and how this was calculated.
7. Confirmation that the business is registered for VAT purposes and whether the figures shown are inclusive of VAT or not.

8. Completing the enclosed claim form will greatly assist us in assessing your claim.

If you feel that your business could qualify for compensation, please complete and return the enclosed claim form.

Please note that the information you provide will be treated as confidential and will not be revealed to third parties. It should be noted that the HM Revenue and Customs has a legal right to ask for details of any compensation payments.

If you have any questions about the form, or would like further information to help you to decide if you qualify to make a claim, please contact National Grid Customer Support on 0845 070 0203.

YOUR QUESTIONS ANSWERED

What types of business are covered by the National Grid compensation scheme?

You may qualify if you are a small business which relies on people being able to visit your premises for your business to carry out normal trade.

Am I able to make a claim if my business does not have a gas supply?

Yes. The compensation process is solely related to loss of profit.

Why are only small businesses covered by your compensation scheme?

Businesses, or businesses which are part of a group with a turnover of over £1m are not able to make a claim because our work is deemed not to have a significant impact on their profit levels. To make a claim, the amount must also exceed 2.5% of the annual turnover of the individual business or group of businesses.

How do you decide on the level of compensation to be paid?

You are required to provide us with financial information about your business so that we can calculate your claim based on loss of gross profit. If you have any queries about this, please contact National Grid Customer Support on 0845 020 0203 or write to National Grid Customer Support, Lakeside House, The Lakes, Northampton NN4 7HD.

Where can I find out more about the regulations governing payment of compensation?

National Grid uses The Gas (Street Works) (Compensation of Small Businesses Regulations 1996 (Reg 5(4) (B) (iv) in determining claims for loss of profit. A full copy of the regulations can be found on the HMSO website at www.hmso.gov.uk

COMPENSATION CLAIM FORM FOR SMALL BUSINESS

This form is to be completed by the Claimant and return to **National Grid, Gas Distribution Finance, National Grid House, Warwick Technology Park, Gallows Hill, Warwick CV34 6DA.**

Please note that the issue of this form is not an acceptance of liability.

Full name and address:	Business telephone numbers: VAT Registration Number:
Description of business.	
Pattern of trade, e.g. counter-sales, pre-booked orders, appointments, passing trade.	
Please provide dates and times for periods of disruption.	
Claims for damage to property will be directed to the resident engineer. Please provide details of any such damage.	
Written description of the impact of the street-works on your business.	

Exact location of your business in relation to National Grid's gas works. (It is important to provide a sketch and any evidence to support your claim e.g. traffic lights, road closures, one-way systems, diversions etc.)

PRINT NAME:

SIGNATURE:

DATE: