

1990 No. 1634

GAS

**The Gas (Alternative Method of Charge) Regulations
1990**

<i>Made</i>	- - - -	<i>6th August 1990</i>
<i>Laid before Parliament</i>		<i>10th August 1990</i>
<i>Coming into force</i>	-	<i>1st September 1990</i>

The Secretary of State, in exercise of the powers conferred upon him by sections 13(1) and (2), 47(3)(b) and (4) and 48(1)(a) of the Gas Act 1986(b) and of all other powers enabling him in that behalf, hereby makes the following Regulations:-

Citation and commencement

1. These Regulations may be cited as the Gas (Alternative Method of Charge) Regulations 1990 and shall come into force on 1st September 1990.

Interpretation

2. In these Regulations-

“the Act” means the Gas Act 1986;

“area” means an area in relation to which the calorific value of any supply of gas has been declared under the Gas (Declaration of Calorific Value) Regulations 1972(c);

“the area average calorific value” attributable to any period means the area average calorific value which is calculated as respects that period in accordance with whichever of paragraphs (3) or (4) of regulation 5 below is applicable and paragraph (5) of that regulation;

“measurement direction” and “measurement place” have the meanings assigned by paragraph (1) of regulation 4 below;

“the relevant area average calorific values”, in relation to gas supplied to any customer, means the average calorific values relating to the area in which the customer was supplied;

“a relevant charge period”, in relation to any customer, means a period of gas supply in respect of which charges are payable by that customer;

“the relevant calorific value”, in relation to the gas supplied to any customer during a relevant charge period, means the relevant calorific value of the gas calculated in accordance with paragraph (2) of regulation 5 below;

“the relevant declared calorific value”, in relation to the gas supplied to a customer during a relevant charge period, means the declared calorific value which was in force with respect to the area in which the customer was supplied on the first day of that period, except that, if any alteration in the declared calorific value in force with

(a) See the definition of “regulations”.

(b) 1986 c.44.

(c) S.I. 1972/1878, to which there are amendments not relevant to these Regulations.

respect to the area in question occurred at any time in the course of the period, the relevant declared calorific value shall be whichever is the lower or lowest (as the case may be) of the declared calorific values in force during the period;

“a relevant seven day period” means a period of seven days ending at midnight on a Saturday;

“a relevant supplier” means any public gas supplier in so far as the number of therms supplied by him is calculated in the manner permitted by regulation 3 below.

Provision for alternative method of charge on basis of actual calorific values of gas supplied

3. The number of therms supplied by a public gas supplier may, to such extent as he thinks fit, be calculated in the manner prescribed by regulation 5 below on the basis of actual calorific values of the gas determined by the supplier in accordance with measurement directions given by the Secretary of State.

Determinations of actual calorific values

4.—(1) A relevant supplier shall make determinations of actual calorific values of gas supplied by him, at such places (in these Regulations referred to as “measurement places”), at such times and in such manner as may be specified in directions given to him by the Secretary of State (in these Regulations referred to as “measurement directions”).

(2) A relevant supplier shall provide such premises, apparatus and equipment for the purpose of making such determinations as aforesaid as may be specified in directions given to him by the Secretary of State, and shall maintain the same to the satisfaction of the Secretary of State.

(3) In respect of each measurement place specified in directions given to him, a relevant supplier shall—

- (a) maintain a record showing the time and date of each determination made, in accordance with measurement directions, at that place during the preceding twelve months, and the calorific value determined at each time and date shown; and
- (b) keep the said record at, or at premises which are readily accessible from, the measurement place.

Calculations of the number of therms supplied on the basis of actual calorific values of gas supplied

5.—(1) The number of therms supplied by a relevant supplier to a customer during a relevant charge period shall be calculated in accordance with the following formula:

$$\text{number of therms supplied} = \frac{A \times B}{105.5}$$

where A is the number of cubic metres of gas supplied to the customer during the relevant charge period, and B is the relevant calorific value of the gas supplied to the customer during such period.

(Note: Where gas is supplied through a meter measuring in cubic feet, the number of therms supplied can be ascertained by multiplying the number of cubic feet of gas supplied by the number of megajoules in the relevant calorific value and dividing the product by 3730.)

(2) The relevant calorific value of the gas supplied to a customer during a relevant charge period shall be calculated by aggregating the relevant area average calorific values attributable to each relevant seven day period (except the first such period) the whole or part of which falls within the relevant charge period, and dividing the aggregate so obtained by the number of periods in respect of which a value is aggregated, but so that in calculating the relevant calorific value of the gas supplied to the customer during the relevant charge period—

- (a) no account shall be taken of any amount of less than 0.1 megajoules per cubic metre;
- (b) where the relevant declared calorific value for the relevant charge period exceeds 35 and does not exceed 45 megajoules per cubic metre, the relevant

calorific value shall not exceed a maximum of 0.8 megajoules per cubic metre above the relevant declared calorific value; and

- (c) where the relevant declared calorific value for the relevant charge period either does not exceed 35 or exceeds 45 megajoules per cubic metre, the relevant calorific value shall not exceed a maximum of 2% above the relevant declared calorific value.

(3) Where measurement directions require that actual calorific values of the gas supplied in an area are determined at one measurement place, the area average calorific value attributable to any relevant seven day period shall be calculated by aggregating the actual calorific values determined in accordance with the directions, or, if either regulation 6 or regulation 7 below applies, deemed to be determined in accordance with that regulation, at that place in respect of the gas supplied in the area in question on each day falling within the period of seven days ending at midnight on the Wednesday preceding the relevant seven day period, and dividing the aggregate so obtained by seven.

(4) Where measurement directions require that actual calorific values of the gas supplied in an area are determined at more than one measurement place, average calorific values attributable to any relevant seven day period shall be calculated in respect of each measurement place, in the manner provided in paragraph (3) above as respects a single measurement place, and the area average calorific value attributable to the period shall be—

- (a) if the calculations in respect of the different places result in different averages, the lower or lowest (as the case may be) of the averages so calculated;
- (b) if the calculations result in the same average, that average.

(5) In calculating any maximum under paragraph (2) above, or any average calorific value under paragraph (3) or (4)—

- (a) no account shall be taken of any amount which is less than 0.05 megajoules per cubic metre, and
- (b) any amount of less than 0.1 but not less than 0.05 megajoules per cubic metre shall be treated as if it were equal to 0.1 megajoules per cubic metre.

Accurate determination of actual calorific value not possible

6.—(1) Where, at any measurement place at which measurement directions require a relevant supplier to determine the actual calorific values of gas supplied by him in any area, the supplier is unable for a continuous period in excess of four hours (in this regulation referred to as “the relevant four hour period”) to determine those values accurately the actual calorific value determined at that place in respect of the gas supplied in that area on any day on which any part of the relevant four hour period falls shall be deemed to be an amount which is equal to 95% of the declared calorific value in force with respect to the area in question on that day, but so that in calculating the actual calorific value—

- (a) no account shall be taken of any amount which is less than 0.05 megajoules per cubic metre, and
- (b) any amount of less than 0.1 but not less than 0.05 megajoules per cubic metre shall be treated as if it were equal to 0.1 megajoules per cubic metre.

(2) This regulation does not apply in a case where the reason for the supplier’s inability to determine the actual calorific values of gas supplied accurately is an interruption in the flow of gas and accordingly regulation 7 below applies.

Interruption in the flow of gas

7. Where, at any measurement place at which measurement directions require a relevant supplier to determine the actual calorific values of gas supplied by him in any area, the flow of gas is interrupted for any period, the actual calorific value determined at that place in respect of the gas supplied in that area on any day on which any part of the period of interruption falls shall be deemed to be an amount which is equal to the declared calorific value in force on that day with respect to the area in question.

Transition to or from alternative method of charge

8.—(1) This regulation applies where, in the exercise of his discretion under regulation 3 above, a public gas supplier decides to adopt the alternative method of charge provided for in these Regulations in respect of any part of a relevant charge period relating to the supply of gas to any customer of his (referred to in paragraph (2) below as “the customer”).

(2) In a case where this regulation applies, the number of therms supplied to the customer in the relevant charge period shall be calculated in the manner prescribed by regulation 5 above, but treating the actual calorific value determined in respect of the gas supplied in the area in which the customer is supplied as being, on any day during that part of the relevant charge period in respect of which the alternative method of charge is not adopted, an amount which is equal to the declared calorific value in force on that day with respect to the area in question.

Publication of information

9.—(1) A relevant supplier shall maintain at appropriate premises in each area a record showing—

- (a) the declared calorific values in force with respect to that area during the preceding six years, and the periods for which each value recorded was in force;
- (b) the area average calorific value attributable to each relevant seven day period in the preceding six years during which measurement directions were in force with respect to the gas supplied in that area; and
- (c) the values applied in calculating each area average calorific value shown, and, in respect of each value so applied, the date to which the value relates and whether it was determined in accordance with measurement directions or deemed to be determined in accordance with regulation 6 or regulation 7 above.

(2) Each record maintained under paragraph (1) of this regulation shall be kept available for inspection free of charge by any customer of the relevant supplier during normal office hours.

(3) A relevant supplier shall send free of charge to any customer of his such particulars as the customer may request of the values specified in any record maintained under paragraph (1) of this regulation.

(4) A relevant supplier shall cause a notification to be printed on each customer's gas account—

- (a) showing the relevant calorific value for the relevant charge period to which the account relates;
- (b) stating that the values from which the relevant calorific value shown has been calculated are included in a record maintained by the supplier, that the record is available for inspection and that particulars of any of the values specified in it will be sent to the customer on request;
- (c) stating the address of the premises at which the record is kept and the hours during which it may be inspected.

(5) A relevant supplier shall display at any premises of his at which facilities are provided for customers to pay their accounts—

- (a) a notice stating that the values from which relevant calorific values are calculated are included in a record maintained by the supplier, and stating, as in the notification to be printed on customers' accounts in accordance with paragraph (4) of this regulation, how customers may have access to the record or to particulars included in it; and
- (b) a notice specifying the area average calorific value attributable to gas supplied in the area in which the premises are situated during the relevant seven day period which is current.

Provision of information to Secretary of State

10.—(1) A relevant supplier shall, before the end of each relevant seven day period,

send to the Secretary of State particulars of each area average calorific value attributable to that period.

(2) A relevant supplier shall furnish to the Secretary of State any other information which the Secretary of State may require as necessary or expedient for the purposes of section 13 of the Act.

(3) A relevant supplier shall make available, for inspection by any officer of the Secretary of State duly authorised in writing for the purpose, at the premises at which it is kept, any record maintained by the supplier under paragraph (1) of regulation 9 above.

Penalties

11. If a relevant supplier contravenes any provision of these Regulations, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

6th August 1990

Tony Baldry
Parliamentary Under Secretary of State,
Department of Energy

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations provide that, as an alternative to the standard method of charge provided for by section 12 of the Gas Act 1986 (whereby the number of therms supplied to a customer is calculated on the basis of the declared calorific value of the gas), the number of therms supplied by a public gas supplier may be calculated on the basis of actual calorific values of gas determined by the supplier in accordance with the Regulations. It is provided that the places and the times at which, and the manner in which, determinations of actual calorific values are to be made are to be those specified in directions made by the Secretary of State.

Provision is made for circumstances when the actual calorific values of the supply to a particular area cannot be measured accurately at a particular measurement place, either because of an interruption in the flow of gas, or for other reasons, such as a defect in measuring equipment. In cases when there is an interruption in gas flow, the actual calorific value of the supply to the area in question is deemed to be equal to the declared calorific value in force with respect to that area—the value applied under the standard method of charge; in other cases it is deemed to be 95% of the declared value.

The Regulations provide for the publication of the results of determinations of actual calorific values and certain other information, and make provision for the furnishing of information to the Secretary of State.

Penalties are provided for non-compliance.