



# Review of OAD – Redundant Assets Summary

Darren Dunkley  
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**Cadent**  
Your Gas Network

# Review of OAD

## Redundant Assets – Current Position

The current position is :

- Site User can install assets on Site Owner's land providing this is agreed by the Site Owner
- Site User has the right to retain such Connection Facilities on the Site Owner's Land once installed (B3.1.1)
- Clause B3.6 allows the Site User to remove their connection facilities as they so wish but subject to the modification rules also in Section B
- There is **no** provision in OAD that allows the Site Owner to request the removal of Site Users Assets especially if these are redundant
- There are lease agreements in place between NGG and NGN, SGN and WWU
- There are no lease agreements in place between NGG and Cadent as OAD is being followed
- Clause B1.1.4 states that if lease agreements are in place these take precedent over OAD.
- The lease agreements mirror OAD in that relocation is catered for but not removal
- This issue affects all operators as they all have one site where they are site owner

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## Redundant Assets – Proposed Changes

The proposed changes and approach are:

- The least cost/impact option upon all operators needs to be agreed.
  - NGN; SGN and WWU do not want to amend their lease agreements as this will be costly
  - Cadent does not want to implement new agreements as this is also will be costly
  - Either of the above options will impact upon National Grid resulting in a cost impact for them
- Solution:
  - New clauses will be added to OAD allow a Site Owner to request a Site User to remove redundant assets
  - A new two-step process will be developed and will be implemented as a subsidiary document to OAD.
  - Clause B1.1.4 will remain in place stating that lease agreements take precedent over OAD. However, a new clause is needed to refer to this clause for operators to check the terms of any lease first in relation to a redundant asset request. If removal of assets is not covered in the leases, then the arrangements in OAD will then need to be followed.
  - The above solution will mean that NGN; SGN and WWU will not need to update their lease agreements and Cadent will not need to implement new agreements. This is low cost option for all operators.
- It should be noted that NGN; SGN and WWU leases cover relocation but not the removal of assets.