

THE PUBLIC SERVICE FOR CONNECTING CONSUMERS TO NATURAL GAS IN ALGERIA



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Abstract:

The entitlement to gas connection is acknowledged as an inherent right of beneficiaries, ensuring its provision under optimal conditions of quality and pricing.

Consequently, the Electricity and Gas Regulation Committee has endorsed procedural guidelines for the connection of beneficiaries to gas networks.

Moreover, Regulatory Decision No. 482, issued by the Minister of Energy, outlines the specified tariff framework for accessing electric and gas energy on a nationwide scale.

Notably, the specified tariff for connecting to electric and gas energy underwent revisions in both 2021 and 2022, reflecting escalations in the costs of various equipment and cables integral to the connection process.

Legislatively, the concessionaire is mandated to supply gas energy in areas serviced by the network to any requesting party, in accordance with the conditions stipulated by the law.

Connection works are executed under the aegis of the concessionaire. Alternatively, the consumer may be granted a license to personally undertake the entire connection or a designated portion thereof at their own expense, engaging a contractor of their choosing. In such instances, the contractor requires approval from the concessionaire, and the connection works are subject to the supervisory purview of the concessionaire.

key words: Gas; Beneficiaries; Energy; Regulation; Concessionaire.

Introduction:

A Concession is a type of public service delegation that involves entrusting the management of a public service to a third party. It has contributed to the development of the liberal economy in general and has specifically facilitated the development of several sectors, such as water distribution, electricity, gas, and more.

Regarding the public service of gas and gas distribution, this sector has been marked by changes and the development of institutional reforms that have revolutionized it on a global level. The effects of globalization on competition have led public authorities to delegate the management of gas and gas distribution to concessionaires who are tasked with ensuring the mission of public service.

Public facilities are established by the state to perform necessary services for citizens and to satisfy their basic needs (محمد رفعت، 2012، صفحة 288) Including the electricity and gas distribution facility, which provides essential services to citizens and satisfies their basic energy needs (محمد، 2005، صفحة 308).

We aim to understand how the concession has implemented the procedure for processing requests for gas connection within the framework of the concession system and what impact this transition has had on its performance parameters.

Methodologically, our work is structured in two main parts:

Part One is dedicated to the procedure for processing requests for gas connection to the low-pressure gas network and is divided into two chapters: the procedure before payment of connection fees and the procedure after payment of connection fees.

Part Two is also divided into two chapters and focuses on the procedure for processing requests for gas connection to the high-pressure gas network. It is divided into two chapters: the procedure before payment of connection fees and the procedure after payment of connection fees.

THE FIRST TOPIC

Procedure for Processing Requests for Connection to the Low-Pressure Gas Network

The law stipulates that the gas distribution company submits to the Gas and Gas Regulatory Commission (CREG) a procedure for connecting customers to the gas networks for approval, according to article N° 03 (Décret exécutif N 95-10, 2010) .

This procedure outlines the various phases involved in handling an application for connecting customers to the low and high pressure gas network (Décision CREG N° D/13-13/CD, 2013).

The approved procedure for connecting customers to the gas network aims to provide a simplified and streamlined process for the different connection stages, as well as outlining the commitments of the distribution company in terms of timelines.

The number of required stages for a low pressure connection is four (04):

Stage I: Instruction and registration of the request

Stage 2: Technical study and connection estimate

Stage 3: Connection works

Stage 4: Inspection and commissioning of the facilities

The total duration of the connection stages is seven (07) calendar days for a low-pressure gas connection.

Forty days for a Low Pressure gas extension, forty-five days for a High Pressure connection according to article N° 03 de (Décision CREG N° D/13-13/CD, 2013).

There are two phases involved in processing a connection request: the first one is before the payment of connection fees, and the second one is after the payment of these fees (شوقي بلفار، 2023).

First requirement: Before Payment of Connection Fees:

The processing of a Low-Pressure connection request, before the payment of connection fees, goes through the following steps:

First section: Instruction and registration of the request:

There are two (02) types of power supply:

Simple Connection (connection $\leq$ 20 meters),

Network Extension (connection $>$ 20 meters). according to article 56 (Décret exécutif N 95-10, 2010) .

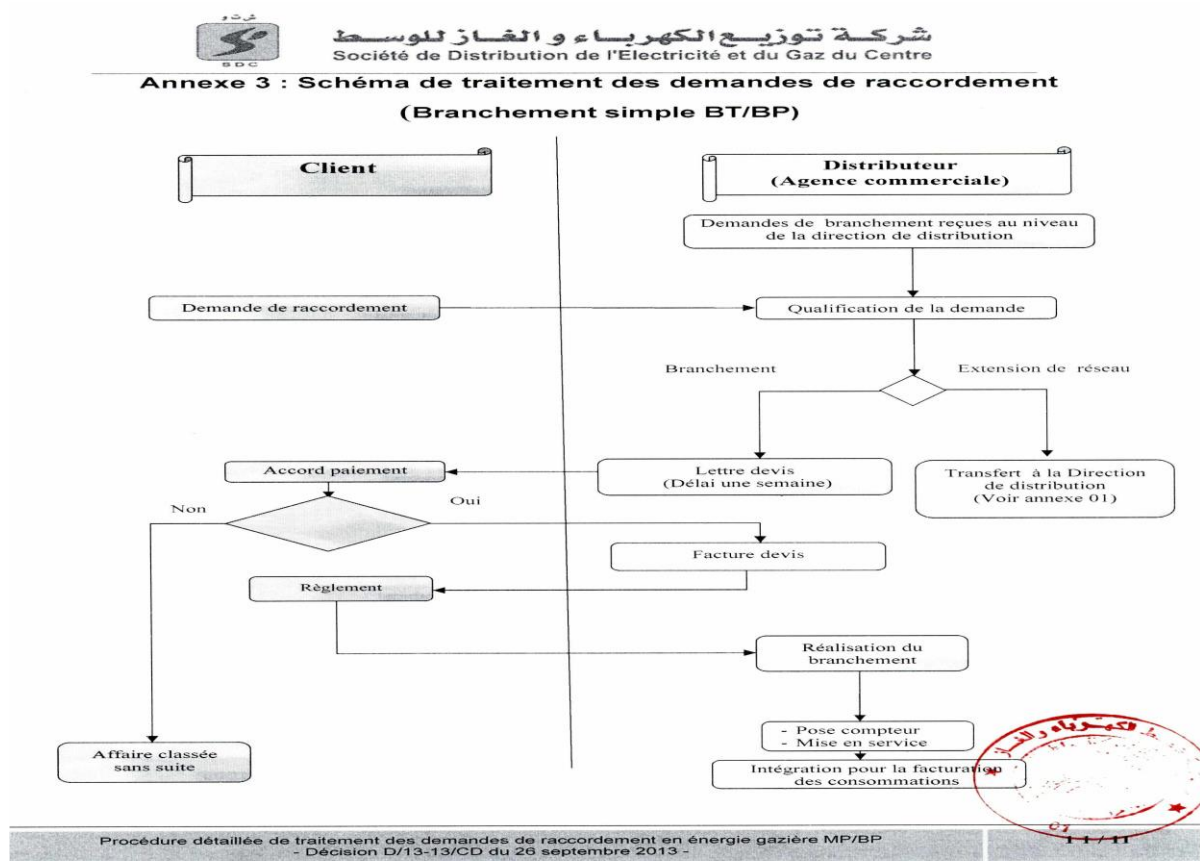
For their application, the applicant will provide the following documents:

- The duly filled connection form (which will serve as the supply contract),
- A copy of their identification document,
- Legal proof of occupancy of the premises.

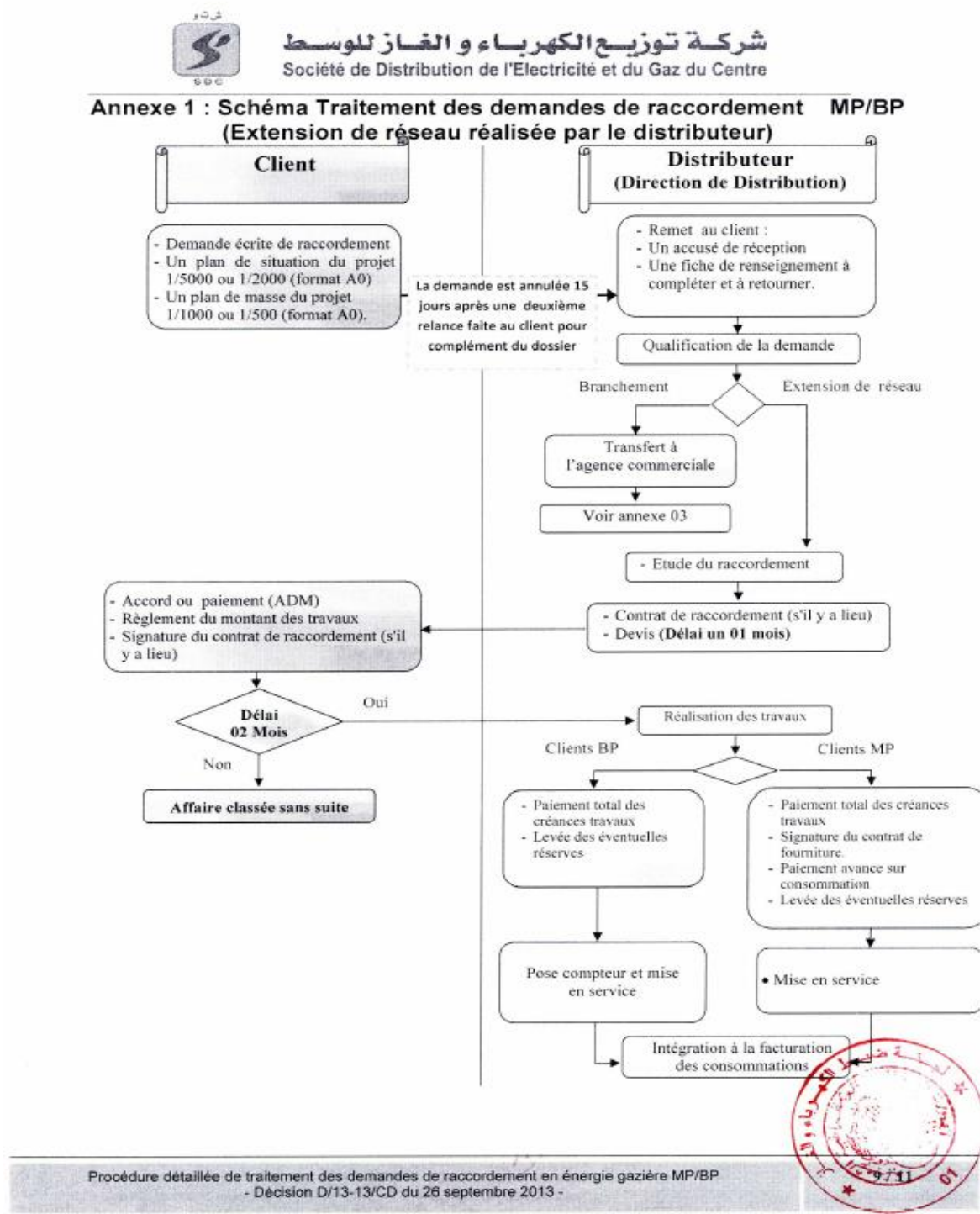
For network extensions, the application must also include a site plan at a scale of (1/1000 or 1/500).

Once the application is complete and deemed admissible, the following steps are taken:

- Registration of the request and assignment of a reference number,
- The applicant shall be provided with a receipt containing the reference number and the date of its admissibility, at the latest, within one (01) working day for a simple connection and five (05) working days for an extension.
- The applicant shall be informed of the admissibility of their request and the initiation of the technical study phase.
- If not admissible, the applicant shall be notified, at the latest within one (01) working day for a simple connection and within five (05) working days for an extension (via postal mail, electronic means, or any other appropriate method), about the incompleteness of their file and the necessary requirements. (Décision CREG N° D/13-13/CD, 2013).



Detailed procedure for processing MP/BP gas energy connection requests approved by (Décision CREG N° D/13-13/CD, 2013, p. 11)



- Confirmation of the feasibility of the connection and the status of the existing network,
- Connection scheme,
- Determination of the required connection equipment (type and quantity).

In case the connection is not feasible, the applicant will be informed of the reasons for refusal.

The applicant has the right to appeal to the Gas and Gas Regulation Commission (CREG) in case of: (D/21-13/CD, fixant la procédure de traitement des recours des consommateurs auprès de la CREG, 2013).

- Motivated refusal of the connection by the Utility Company,
- Contestation of the chosen technical solution for its connection.

If feasible, an offer for connection, based on the qualification of the connection, will be immediately submitted to the applicant without exceeding the deadline of this stage. The offer includes the details of the estimated quotation, established in accordance with the scale approved by ministerial decision. (قرار وزير الطاقة رقم 482 ، 2016)

The quotation specifies:

The scope of the required infrastructure, including the necessary equipment for the connection and corresponding unit prices.

The detailed estimated cost of the connection and its distribution between the customer's contribution and that of the concessionaire in accordance with regulatory texts.

The potential follow-up fee to be paid by the customer for the existing previous works already paid for by other customers according to regulatory texts.

The payment terms for the customer's contribution.

The validity details of the connection offer (quotation).

The validity period of the quotation is two (02) months. Once this period has elapsed, the applicant's file will be closed without further action.

The transmission of the quotation to the customer will be done through all possible means (mail, fax, email).

In accordance with executive decree 10/95, the customer may have the works carried out by an approved company, subject to a supervision agreement with the gas

distribution concessionaire, who is obliged to provide project management (study and monitoring). according to article N° 35 (Décret exécutif N 95-10, 2010).

second requirement: After Payment of Connection Fees

The processing of a low-pressure connection request after the payment of connection fees goes through the following steps:

First section: Connection Works

Connection works will commence immediately after meeting the following conditions:

- The applicant's signature on a contract in accordance with the current regulations.
- Settlement of the quotation in accordance with the contractual terms.
- Obtaining the necessary administrative approvals.

The connection works are carried out by Gas companies pre-qualified by the Concessionaire and under their supervision. The list of pre-qualified companies by the Concessionaire is periodically updated and published on their website(sonelgaz-distribution, 2024).

The Concessionaire will promptly inform the applicant of any events or constraints that may affect the progress of their connection works.

Upon receiving the project's documentation and the work execution order, the Concessionaire promptly initiates the scheduling of the consultation process.

After the assessment of billing orders by the competent committees "stakeholders involved in customer satisfaction," the concessionaire will establish the commitment for the execution of the works.

second section: Reception of Facilities and Commissioning

The commissioning of the facility is subject to the following prerequisites:

- Establishment of the DGD (Detailed General Design) to determine the final cost of the facility.
- Clearance of any reservations prior to the commissioning of the facility.
- Fulfillment of the necessary safety conditions of the facility.
- Submission of a technical dossier compliant with the execution and any administrative and financial documents related to the connection.

The commissioning order is issued by the Commercial Relations Division after confirmation of payment for any outstanding connection fees (partially settled cases, final invoicing, unsettled cases due to derogation, advance payment for consumption, etc.).

The Commercial Relations Division instructs the agency to install the meters before transmitting the commissioning order to the Gas Technical Division.

Upon receiving the commissioning order, the Gas Technical Division will forward the commissioning order to the district for execution no later than the following day ($j+1$).

The return of the duly completed and signed commissioning order to the Gas Technical Division must not suffer any delay.

The Gas Technical Division will deliver this document to the Commercial Relations Division on the same day it is received from the Gas district.

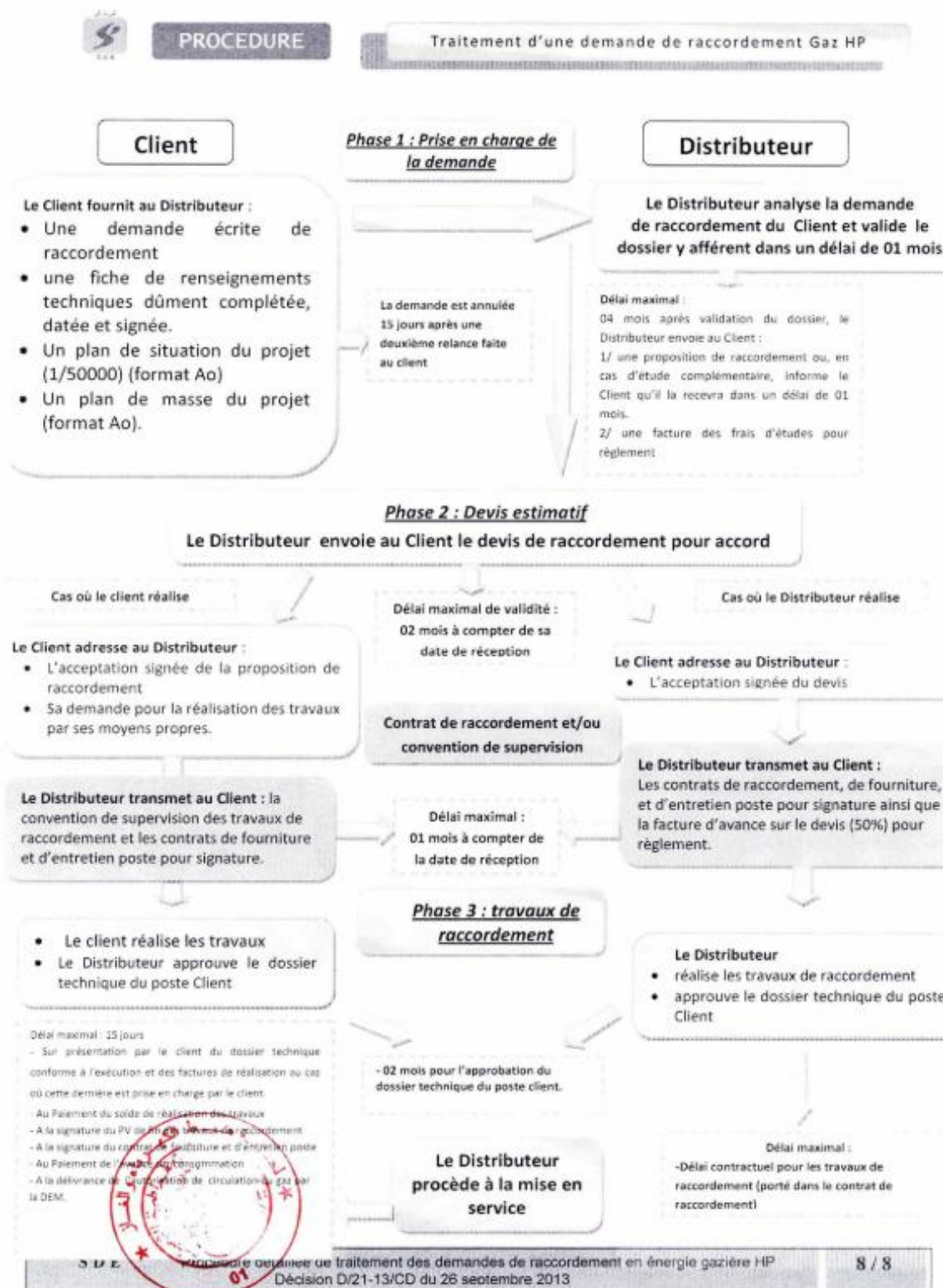
Supplying low-pressure Gas energy is subject to the establishment of a single contract between the distributor and the customer. The contract has a minimum duration of one (1) year, and renewal will be done by tacit agreement according to article N° 28 (Décret exécutif N 95-10, 2010).

THE SECOND TOPIC

Procedure for processing requests for Gas energy connection to the high-pressure gas grid

In the second section, we discuss the procedure for handling connection requests from gas energy customers to the gas transport network, where the requested pressure is greater than 2 absolute bars. It outlines information exchanges, management rules, and contractual relationships between the customer and the distributor from the connection request to commissioning.

In the absence of a medium-pressure distribution network, the applicant's connection will be made from the high-pressure network.



Decision D/21-13/CD of September 26, 2013 approving the procedure processing customer requests relating to energy connection gas, with a flow rate greater than 2500 Nm³/h, to the gas transport network high pressure (HP) (D/21-13/CD, Décision CREG N° D/21-13/CD, 2013, p. 8).

First requirement: Before Payment of Connection Fees

The processing of a high-pressure connection request before the payment of connection fees involves the following steps.

First section: Handling of the Request

This concerns the customer's written connection request sent by registered mail and addressed to the territorially competent distributor represented by: the commercial agency, the distribution department, or the commercial and marketing department of the distribution company.

The acknowledgment of receipt given to the customer is conditional upon the client submitting a complete connection dossier.

Handling of the request and information collection:

Reception and identification of the connection request:

- The distributor will send the customer a technical information form to be completed and returned, dated and signed.
- The distributor will contact the customer to clarify certain points and ensure the final validation of the request. In this case, the customer is invited to a working meeting to review their technical information form.
- In the event that the customer delays in completing their connection dossier, the distributor will send a reminder.
- The customer will be notified in writing of the cancellation of their request fifteen (15) days after the distributor's second reminder(D/21-13/CD, Décision CREG N° D/21-13/CD, 2013, p. 3).

The connection dossier consists of:

A written connection request.

A duly completed technical information form, dated and signed by the client.

A location plan of the project (1/50000) (A0 format).

A project mass plan (A0 format).

Second section: The connection proposal

Based on the validated connection dossier and study within a period of four (04) months, the distributor sends the client the relevant proposal while informing

them of the possibility of undertaking the implementation of the works independently.

The proposal includes, among other documents:

- Description of the connection works, which are the responsibility of the distributor.
- Description of the works that are the responsibility of the client.
- The amount of the client's participation.
- Invoice for preliminary study fees, which will be deducted from the total amount of the estimate.

If the client decides to carry out the connection works, the distributor will entrust the supervision of the works to the Gas Transmission Network Operator (GRTG). The terms of execution of this supervision mission by the GRTG will be detailed in a specific agreement to be concluded between the distributor and the GRTG(D/21-13/CD, Décision CREG N° D/21-13/CD, 2013, p. 4).

In case the connection is not feasible, the distributor notifies the client of the reasoned refusal of the connection request within a period of thirty (30) days. In this case, the client has the right to appeal to the Electricity and Gas Regulatory Commission.

Estimate and connection diagram:

If the distributor is responsible for the connection, an estimated estimate, prepared in accordance with the approved service rates by the Ministry of Energy and Mines, is sent to the client by hand or by registered mail for approval(D/21-13/CD, Décision CREG N° D/21-13/CD, 2013, p. 5):.

The estimated estimate specifies

- 1- The scope of the works and activities to be carried out.
- 2- The mode and connection diagram.
- 3- The amount of the client's participation in accordance with regulatory texts.
- 4- The possible follow-up right on old facilities in accordance with regulatory texts.
- 5- Payment terms offered by the distributor, namely:
 - 50% of the estimate amount as an advance.

- 50% progressively as the work advances upon presentation by the distributor and certificates of completion.

6- The validity period of the financial estimate (estimate) for the connection.

7- The provisional schedule for the completion of the works, which begins from the date of the client's payment of the lump sum advance.

Validity of the Estimate:

The validity period of the estimated estimate for connection works is two (02) months from the date of its receipt by the client. After this period, the distributor closes the case, and the client is notified in writing with acknowledgment of receipt regarding the closure of their file.

Acceptance of the Estimate:

The client's agreement to the estimated estimate for connection works is formalized by a written commitment from the client. In the case of well-founded reservations expressed by the client regarding the estimate, clarifications will be provided.

Agreement to the estimated estimate commits the distributor to provide the client with:

- A connection contract,
- A supply contract, and a station maintenance contract,
- A supervision agreement in the event that the client undertakes the implementation of the connection works.

Both contracts and/or the aforementioned agreement will be jointly signed by the distributor and the client.

The client has the right to appeal to the Electricity and Gas Regulatory Commission in case of dispute:

- Regarding the choice of the technical solution selected for their connection.
- Regarding the infeasibility of the connection.

second requirement: After Payment of Connection Fees

After receiving the client's approval of the estimate, the distributor sends the client the connection contract, as well as the supply and maintenance contract for the station, for signature. A period of {01} month is granted to the client to return them duly signed(D/21-13/CD, Décision CREG N° D/21-13/CD, 2013, p. 5).

The implementation period is stipulated in the connection contract, and the provisional schedule for the connection works begins from the date of the client's payment of the lump sum advance.

The client is required to make payments for the invoices within 15 days from the date of receipt. Otherwise, any delay in the completion of the connection works will be the client's responsibility.

In the event that the client undertakes the execution of the connection works, the distributor provides them with the supervision agreement for signature.

The processing of a high-pressure connection request after the payment of connection fees goes through the following steps:

First section: The works and preparation for gas commissioning.

The connection works are scheduled after (D/21-13/CD, Décision CREG N° D/21-13/CD, 2013, p. 6):

The customer's signature on the connection and supply contracts.

The customer's payment of their share of the connection works as follows:

- 50% of the amount as an advance,
- 50% progressively as the work advances upon presentation of progress reports by the distributor and certificates of completion.

The distributor obtaining all building permits, servitude orders, and various authorizations.

Second section: Facility Reception and Commissioning

The gas connection for the customer is subject to the following prerequisites:

- Submission by the customer of a technical file in accordance with the execution and invoices for the work, in case the latter is borne by the customer (D/21-13/CD, Décision CREG N° D/21-13/CD, 2013, p. 7).
- Customer's signature on the supply contract, maintenance contract for the station, and the final work connection report.
- Payment by the customer of the advance consumption invoice and connection work fees.
- Issuance of the gas circulation authorization by the competent services of the Energy and Mines Directorate.

Conclusion:

The concession, as a new approach to gas distribution management in Algeria, aims to modernize management methods by establishing contractual relationships between the concessionaire and the granting authority (the State). Multi-year objectives for improving performance and service delivery have been set. As envisaged in the legislation, the concession is based on the principle of competition between concessionaires and promotes the integration of new tools and management methods. This will ensure transparency in the operation of activities and the improvement of service quality provided to customers.

The gas distribution organization is characterized by the decentralized activities and the autonomous management units. The current organization of distribution is based on the execution of directives and guidelines, which has not been sufficient to complete the transition process to the concession regime.

The Ministry of Energy, as the representative of the State, ensures that this process is completed with the implementation and achievement of the objectives assigned in the concessionaire's specifications. To this end, the appointment of a regulator, which is the "CREG", is necessary for monitoring and controlling the implementation of the concession service.

The impact of a successful implementation of the procedures for Gas energy connection and the completion of the transition to the concession regime is reflected in the improvement of the performance level of the company's management parameters.

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