

**TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0704**  
"Revised requirement for Users to ensure non-domestic Supply Meter Installations are  
installed and maintained by accredited Meter Asset Managers"  
Version 1.0

**Date:** 07/07/2004

**Proposed Implementation Date:** 19/07/2004

**Urgency:** Urgent

**Justification**

**.... For urgency**

The proposed date for the implementation of the Review of Gas Metering Arrangements ("RGMA") is 12th July 2004. To meet the concerns described below, Transco raised Modification Proposal 0701 on 8 June 2004. Ofgem subsequently granted urgent procedures on 10 June 2004. Following consideration, on 6 June 2004 Ofgem directed that the Proposal should not be implemented.

Transco has since raised this Modification Proposal which addresses concerns identified by Ofgem within its rejection letter for Modification Proposal 0701.

Transco is of the view that the matter must be resolved as a matter of urgency to ensure that these provisions are effective within the same timeframe that RGMA goes live. On this basis Transco believes that there is a balance between the need for an adequate period for consultation against the requirement to ensure these provisions are in place at the beginning of RGMA and leads Transco to conclude that an implementation date of 15 July 2004 is appropriate.

**.... For the Proposal**

Modification Proposal 0701 identified an issue of significant concern to NGT. This is described as follows:

The effective management of gas meter assets requires the awareness of, and conformance with, a considerable number of regulatory requirements and industry standards including those required by the Gas Act, Gas Installation and Use Regulations ("GSIU"), CORGI, Ofgem and the Institution of Gas Engineers and Managers ("IGEM"). To ensure all of these requirements can be found in one place, the Meter Asset Manager Code of Practice, ("MAMCoP"), has been developed by the industry to provide new and existing Meter Asset Managers, ("MAMs"), with a route-map to conformance with those requirements and industry standards. Its aim is to promote the whole-life management of Supply Meter Installations as its scope, from design through to installation and eventually removal.

In principle, the MAMCoP would apply to all MAMs undertaking works for gas suppliers installing meters on networks and any network downstream of a connection to the National Transmission System. This MAMCoP expands on the requirements laid down in the Codes of Practice ("CoPs") for Ofgem Approved Meter Installers, ("OAMI"), COP/1a, COP/1b and COP/1c, by specifying the requirements for all stages of the meter installation's life.

Unfortunately, the requirement for the use of accredited MAMs, and hence, by implication, the requirement to adopt the MAMCoP principles, has only been placed on suppliers<sup>(1)</sup> undertaking work at domestic Supply Points and, consequently, in order for Transco to mitigate its risk associated with the liberalisation of the meter asset management market, Transco sees the inclusions of these provisions within the Network Code as an essential measure.

Transco reiterates its preference for an over-arching requirement, placed either within the Gas Suppliers Licence or appropriate gas safety legislation, to require all persons commissioning meter related work to use accredited Meter Asset Managers. Transco supports the key conclusion of the IGEN risk assessment, carried out to assess the impact of metering competition on the industry, being the need for compliance with MAMCoP to be mandatory for all parties and for this to be established in law. However, in the absence of such legislation, Transco believes that modification of the Network Code in line with the proposal is the minimum requirement.

In anticipation of the requirement to use accredited MAMs being extended to suppliers undertaking work at both domestic and non-domestic Supply Points and reflected in relevant legislation, Transco has prepared transitional legal drafting with an expiry date of 24 months following implementation of this Modification Proposal. Transco anticipates prompt resolution by the industry of this matter leading to a longer term sustainable solution.

In its rejection letter for Modification Proposal 0701, Ofgem concluded within its response:

"..... that there could be benefit from the introduction of additional controls and procedures that further ensure the continued provision of a safe and secure supply of gas to consumers in an emerging competitive gas metering service market. This view is supported by the independent risk assessment undertaken by IGEN which emphasized the importance of ensuring industry-wide compliance with MAMCOP".

On this basis Transco has decided that it would be appropriate to revise the legal drafting originally contained within Modification Proposal 701 addressing the specific concerns raised by Ofgem in its rejection letter as follows:

"Transco does not intend this Modification Proposal to extend to consumer owned meters and has amended the accompanying legal text accordingly;"

Ideally, Transco would have liked its Modification Proposal to cover consumer meters in addition to those provided by suppliers but contractually Transco's opinion is that this would be impractical through the Network Code. However, consumer owned meters represent a minute proportion of the population of newly installed meters and

consequently Transco remains of the opinion that it would be inappropriate to ignore the vast majority of meters on the basis that it would not be possible to incorporate this tiny group in time for RGMA go-live.

“the accompanying legal text for this modification refers to potential remedial action being prompted not only where Transco becomes aware that a meter has been installed by a party other than an accredited MAM, but where at any time subsequently it is not been maintained by such a MAM. Ofgem considers that this may place undue restriction on the commercial decisions of I&C suppliers, which may prefer to contract with service providers on a job by job basis, possibly carrying out site visits for periodic maintenance in line with the manufacturer’s recommendations, rather than having a standing maintenance contract for each meter;”

Transco has modified its legal text to address this concern and would now only require suppliers to ensure that an organisation is MAMCoP accredited when it is appointed by the supplier to maintain a meter.

“the modification as drafted does not appear to specifically support Transco’s view that compliance with the MAMCOP will help underpin procedures which ensure that appropriate GT authorisations are sought by third parties when setting and sealing the pressure regulator and that MAMs will ensure that installations comply with the MAMCOP.”

Transco has modified its legal text relating to the installation of meters to ensure it fully underpins compliance with appropriate GT authorisations by requiring compliance with section 6 of the MAM CoP. This would now apply to any meter worker installing a supplier owned meter, whether a MAM, OAMI or other competent person.

<sup>(1)</sup> This obligation will be placed on suppliers by way of an inclusion within the Suppliers' Licence.

## **Nature of Proposal**

### **8.4 TRANSITION DOCUMENT II**

Insert the following to read:

“8.4.21 M2.1

Until July 12th, 2006 but not thereafter, for the purposes of Section M:

(a) Where:-

- (i) a Supply Meter Point does not relate to premises at which a supply of gas is taken wholly or mainly for domestic purposes; and
- (ii) any supplier or any User in relation to such Supply Meter Point has provided or requested, or is providing or requesting, another to provide a Supply

Meter Installation (other than where the Supply Meter Installation belongs to a consumer, or is lent or hired to a consumer and is owned otherwise than by a Gas transporter or supplier) for such Supply Meter Point;

then the Registered User in respect of such Supply Meter Point shall secure that:

- (1) where the Supply Meter Installation at such Supply Meter Point is installed after the 12 July 2004, appropriate approval, appraisal and authorisation will be obtained from Transco to the extent required by Section 6 of the MAM CoP; and/or
  - (2) such Supply Meter Installation at such Supply Meter Point is maintained by a Meter Asset Manager appointed by the supplier or the User; and
- (b) where Transco discovers after the 12 July 2004 that in respect of such such Supply Meter Installation paragraphs (a)(1) and /or (2) have not been complied with then Transco shall notify the Registered User accordingly and the Registered User will:
- (i) within fourteen (14) calendar days of receipt of the notice from Transco ensure that such Supply Meter Installation is re-installed and/or maintained by a Meter Asset Manager and notify Transco of the identity of such Meter Asset Manager; or
  - (ii) where it is not practicable to ensure the performance of such re-installation and/or maintenance within such 14 calendar day period, within 7 calendar days of receipt of the notice from Transco notify Transco of the reasons for this and the date by which it will ensure such re-installation and/or maintenance is performed by a Meter Asset Manager and promptly notify Transco when such work has occurred;
- (c) where the Registered User has failed to fully comply with paragraphs (a)(1) or (2) Transco, acting reasonably, shall be entitled to take whatever steps it deems necessary (including the inspection, repair, replacement or disconnection of the Supply Meter Installation) to ensure that Transco complies with any Legal Requirements imposed upon it, and the Registered User shall reimburse Transco in respect of any and all costs, expenses and charges reasonably incurred or expended by or on behalf of Transco in taking such steps;
- (d) Transco's entitlement in paragraph (c) is without prejudice to Transco's entitlement at any time to make safe any Supply Meter Installation (including disconnection) for this purpose;
- (e) for the purposes of paragraph (a) "**Meter Asset Manager**" means:-
- (i) a person approved by the Authority as possessing expertise satisfactorily to provide services in relation to Supply Meter Installations or a class or description of persons so approved; or

- (ii) an undertaking approved by the Authority as having staff possessing the requisite expertise;

and, for the purposes of this definition, **“approved by the Authority”** means approved by it for the purposes of this paragraph generally and **“staff”** includes officers, servants and agents;

- (f) for the purposes of paragraph (a) **“MAM CoP”** means the document entitled Code of Practice for Gas Meter Asset Managers which is published by the Authority from time to time.”

### **Purpose of Proposal**

The purpose of this Modification Proposal is to incentivise Users to ensure that:

- When they arrange for a meter to be installed, that the requirements of the relevant Gas Transporter relating to approval, appraisal or authorisation of the work shall be established and the Gas Transporter’s work management procedures shall be taken into account prior to installation.
- When they arrange for an organisation to maintain their Supply Meter Installation that the person or organisation has the appropriate expertise and operates in accordance with the requirement of the Code of Practice for Gas Meter Asset Managers.

By ensuring such persons are employed in the design and installation of Supply Meter Installations, the User, and hence Transco would be assured that certain standards and design criteria are used, which should in turn ensure that such installations are compatible with the design assumptions adopted by Transco.

The Proposal sets out steps that would be taken by Transco where the design criteria of the transportation system and the metering installation are not compatible which would involve cost for the User and cost and inconvenience for the customer. Implementation could ensure such remedial action is less likely and hence should ensure that Transco is able to conduct its business in a more efficient and effective way than would be the case should these provisions not be included within the Network Code.

### **Consequence of not making this change**

This Modification Proposal is to establish provisions that have a similar effect as the high priority conclusions of the IGEM risk assessment, that the MAMCoP should be mandated in law, thereby decreasing the level of Transco’s risk. The key recommendations of the IGEM risk assessment regarding the need for compliance with the MAMCoP would therefore not be met.

In the event that this Modification Proposal were not implemented, it may also be necessary for Transco to implement inefficient measures concerned with maintaining gas pressure for the operation and reinforcement of its pipeline system and to ensure

that meter installations are designed, installed and operated such that they would not jeopardise the safe operation of a consumers gas appliance.

**Area of Network Code Concerned**

Transition Document II

**Proposer's Representative**

Christopher J Warner (Transco)

**Proposer**

Peter Rayson (Transco)

**Signature**

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