

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0701
"Requirement for Users to ensure non-domestic Supply Meter Installations are
installed and maintained by accredited Meter Asset Managers"
Version 1.0

Date: 08/06/2004

Proposed Implementation Date: 12/07/2004

Urgency: Urgent

Justification

.... for urgency.

The proposed date for the implementation of the Review of Gas Metering Arrangements ("RGMA") is the 12th July 2004. Transco is of the view that the matter must be resolved in conjunction with the "go / no-go" decision, that is prior to 25th June 2004, and hence the requirement for an Ofgem decision is linked to a specific time-related event. Transco believes that it is unacceptable for the matter to remain unresolved post RGMA 'cutover' given the recommendations of the IGEM risk assessment described below.

.... for the proposal

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⁽¹⁾ 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.

Clearly, Transco would have preferred an over-arching requirement, placed within the Gas Suppliers Licence, 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 through legislation. 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 looks forward to prompt resolution by the industry of this matter leading to a longer term sustainable solution.

⁽¹⁾ This obligation has been 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 for such Supply Meter Point;

then the Registered User in respect of such Supply Meter Point shall secure that the Supply Meter Installation at such Supply Meter Point is installed and maintained by a Meter Asset Manager

(b) where Transco discovers that such Supply Meter Installation has been installed:

- (i) after 12th July 2004 and it has not been installed by a Meter Asset Manager; and/or
- (ii) at any time, and subsequently has not been maintained by a Meter Asset Manager, Transco shall notify the Registered User accordingly and the

Registered User will:

- (1) 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
 - (2) 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 (b) (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 paragraphs (b) and (c) "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."

Purpose of Proposal

The purpose of this Modification Proposal is to incentivise Users to only contract with suppliers which use accredited Meter Asset Managers to carry out metering work. 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

The key recommendations of the IGEM risk assessment regarding the need for compliance with the MAMCoP would not be met.

Area of Network Code Concerned

Transition Document II

Proposer's Representative

Christopher J Warner (Transco)

Proposer

Peter Rayson (Transco)

Signature

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