

All gas industry stakeholders

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Dear Colleague,

## **Meter Asset Managers Code of Practice (MAMCoP)**

As you will be aware, in January 2002 Ofgem facilitated the establishment of a Technical Issues sub-group (TISG) to ensure that any technical and safety issues emerging through competition in gas metering were effectively identified and addressed, as necessary.

After review, although TISG did not identify any legal impediment to the operation of the processes and dataflows developed by the Review of Gas Metering Arrangements (RGMA) project, potential gaps were identified in the existing technical and health and safety framework due to the changes of responsibility envisaged by the competitive metering market. Additionally, it was noted that much of the documentation relating to gas metering regulations, standards and guidance was not co-ordinated or available from a single source.

Following this review it was decided that TISG should develop and publish a Meter Asset Managers Code of Practice (MAMCoP). The development of this document would bring together all relevant technical documentation and legal requirements covering the complete life cycle of the meter installation, in order to assist new market entrants and facilitate competition.

It is important to note that the MAMCoP, attached to this note, was developed with the pressure regulator/governor forming an integral part of the meter installation - in line with the current RGMA project and existing industry practice. This implies that the Meter Asset Manager (MAM) owns the pressure regulator/governor and this is included within the whole life management of the meter installation. However, the MAM would still be required, under the Gas Safety (Installation and Use) Regulations 1998, to obtain the authorisation of the relevant gas transporter for the setting, sealing and any subsequent re-setting and sealing of the meter regulator. This would ensure that requirements of the gas transporter's safety case continue to be met. HSE have concerns over this approach and consider that both ownership and control of the pressure regulator should reside with the gas transporter.

In order to address this, and other concerns related to gas meter competition, Ofgem are supporting and facilitating a risk assessment of the processes employed in gas meter asset management. This exercise should determine whether any change in risk is evident and whether additional control measures are required following the move to the competitive environment. HSE want to be assured that any changes to the existing regime will not result in a diminution in safety standards. The work is being undertaken by IGEM, using an expert review panel approach, in parallel with this consultation process. Tight timescales have dictated the order of events.

Ofgem has decided to proceed with the consultation process ahead of the outcome of the risk assessment as this gives industry the opportunity to consider the MAMCoP at an early stage. That stated, it is important to note that this early publication should not be construed as pre-empting the conclusions and recommendations resulting from the risk assessment study. If required, the MAMCoP will be modified to cover any additional control measures or omissions that are subsequently identified and agreed.

In this context, Ofgem requests the views of industry regarding the MAMCoP, the status of the document and the concept of governance. We would appreciate a response to the following questions:

- 1. Is the MAMCoP robust and accurate? If not, please detail your comments.
- 2. TISG recommends that the status of the document should be that of a Code of Practice with appropriate governance Do you agree with this approach or should it be adjusted to an Operating Document or Guide Book where compliance, outside legal requirements, is voluntary?
- 3. If a Code of Practice and governance is required, where should it reside and would some accreditation or registration authority be appropriate?

Please could you respond to these questions by **21 December 2003**.

We intend to review comments and, if appropriate, implement modifications to allow the final version of the document, in whatever form, to be published ahead of RGMA go-live date - scheduled for Q2/2004.

All responses should be directed to me – preferably by email as we intend to publish responses on the Ofgem web-site. Respondents should indicate if any of the information contained in their response should remain confidential and if necessary include this material in appendices to their response.

Yours faithfully,

CIP Rudd.

Adrian Rudd

Chair - Technical Issues Sub Group