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14/09/2004

Dear Sir,

**RE: Consultation Document 215/04 Proposed NGT Network Sale.**

Utility Grid Installations Ltd is an independent gas transporter with a licence to own and operate networks throughout the UK. Should the sale of certain networks by NGT occur, without changes to the current licence conditions, then we believe our business will be adversely affected.

Our key concern lies with the provision of emergency services. We are required as a licenced transporter to provide an emergency service for our networks and consumers connected to it. This service is currently provided by NGT and comprises a call handling contract, whereby they receive the call and dispatch suitable resources, a site service contract, which will make safe and undertake repairs if required, and an emergency meter replacement service which allows for the replacement of meters ensuring minimum disruption to consumers.

All the services offered are on a commercial basis, and operate nationally. We understand that it is the intention of NGT to assign all current emergency contracts to the new owners, thus ensuring a continuity of service levels up to the contract completion date of October 2005. Beyond that date, as things stand, the new owners will have no

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reason to commit to providing the same level of service, or any form of service at all if they choose not to.

Beyond October 2005 the provision of emergency cover is unclear. Our understanding of current proposals is that NGT will continue to operate the emergency call handling service on behalf of itself, the new DN's and the IGT's. But what happens after the call has been received? Under current proposals there will be 4 main district networks Scotland and South of England, Wales and West, North of England, the remainder being retained by NGT. IGT's will have networks in each of these DN's. The question is what level of emergency provision can the IGT expect from each of the newly formed district networks?

It is essential for IGT's to know they can expect quality of cover at least as good as they receive from Transco now. Certainly Utility Grid Installations Ltd., and I suspect all other independent transporters could not operate without the services of a national emergency services and repair contract. Currently and into the medium term, this service can only be provided by NGT(or their successors) because only they have the skills, systems, national coverage, and workforce able to provide it. Upon the sale of the networks the provision of emergency service must be continued by the new DN companies. This service must be maintained until such time as it can be demonstrated that viable commercial and contestable emergency provision is available to the IGT market.

We believe that whilst the market prepares itself for alternative sources of emergency service, the existing provider and its successors must continue to offer cover. This can only be achieved by changing the licence of NGT and its successors such that they are required to provide the same level of emergency cover to IGT's that they currently enjoy. It would be reasonable to time cap this condition to say a review after 5 years, in which time the market provision should be in place.

It is our opinion that if the new DN's have discretion over the type of emergency service they provide, (if any) then GT's will struggle to meet minimum safety commitments and standards of service. Therefore, the NGT and DN licences need to be revised to enshrine continuity in emergency provision for at least 5 years.

Yours faithfully

R.J.McGowan  
Engineering Manager