

GM/PW/080

5 November 2007

Duncan Mills
Regulatory Economist
GB Markets
Ofgem
9 Millbank
London
SW1P 3GE

Gas Post Emergency Metering Services (PEMS) – Proposed Industry Guidelines

Thank you for the opportunity to comment on your draft guidelines regarding best practice for gas PEMS the proposals provide some welcome clarification of the regulator's expected requirements in the provision of this service.

Northern Gas Networks (NGN) agrees that comprehensive and efficient PEMS arrangements are an important part of the overall service that suppliers provide to customers. And that gas distribution network owners (GDNs) are in a position to provide an efficient service given their obligation to provide emergency services on their networks. NGN currently provides a PEMS service to suppliers within its distribution area and is committed to continuing to offer this service on an ongoing basis.

NGN's comments on each of the broad guidelines contained in the document are set out in more detail below.

Service Availability and Geographic Coverage

NGN currently provide a PEMS service to suppliers and independent gas transporters (IGTs) for domestic sized meters within its geographic area. NGN is committed to the continued provision of this service on an ongoing basis.

At present, the PEMS service is not offered for non-domestic sized meters. The wide range of meter types and sizes offered to non-domestic customers means that it is not feasible to physically carry the stock of meters required to provide an efficient PEMS service to these customers without incurring significant additional cost or affecting the ability to provide an efficient emergency service

However, NGN is willing to consider offering a PEMS type service to non-domestic sized meters if appropriate and efficient arrangements can be identified that do not affect the provision of the priority emergency service.

Meter Replacement

NGN provide a PEMS service that replaces meters on a like-for-like basis (i.e. credit meters for credit meters and prepayment meters for prepayment meters). This basis of replacement is proposed to continue.

Pricing and Non-Discrimination

NGN offers its PEMS service on a fully cost-reflective basis. A significant amount of work has been carried out post network sale to accurately identify the costs associated with providing the PEMS service. These are now accurately reflected in the prices offered for the PEMS service.

**24 hour gas escape
number 0800 111 999**

There are currently only very small differences between suppliers and IGTs terms and conditions. NGN is continuing to work on bringing these onto a consistent basis as contracts are renewed and amended and is due to be completed by March 2009.

Transfer and Return of Metering Assets

To date, meters that are replaced under PEMS arrangements have been returned solely to National Grid Metering as the MAM for these meters.

However, NGN has extended the service to include the return of the meter to the party nominated by the supplier.

The guidelines provide a welcome clarification of the regulator's expected requirements in the provision of this service. As highlighted above NGN is already largely operating within these guidelines in its provision of its PEMS service apart from the small differences between IGTs and suppliers current terms and conditions and already working towards full compliance in the near future.

I hope you find these comments useful in taking this issue forward. If you wish to discuss any of the issues further then please do not hesitate in contacting me.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Gareth Mills', with a stylized, flowing script.

Gareth Mills
Regulatory Policy Manager