

Promoting choice and value to customers

Your Ref: Our Ref: Direct Dial: 020 7901 7089 Email: richard.hall@ofgem.gov.uk

11 May 2009

Dear Sir/Madam,

Gas Post-Emergency Metering Services (PEMS): request for information

PEMS are provided following an emergency call-out on a gas distribution network (GDN) and involve maintaining or restoring the flow of gas to the outlet of a meter. The network engineer undertakes any necessary meter work and if a new meter is required this is sold on to the relevant supplier who transfers it to their Meter Asset Manager (MAM). National Gas Grid (NGG) and other GDN owners have put in place commercial PEMS contracts with suppliers and independent gas transporters (IGTs).

We have previously consulted on, and published, industry guidelines on PEMS that set out at a high-level our expectations regarding service availability and prices.¹ Whilst these guidelines do not impose any formal obligations on industry, we are committed to monitoring PEMS arrangements on an ongoing basis, to ensure that PEMS continue to meet the interests of consumers without having adverse impacts on metering competition.

In December 2007 we requested that the GDNs provide us with information regarding PEMS in their regions for the preceding three years.² We now wish the GDNs to provide us with updated information to reflect activity since that date. We will use this information to monitor trends in the level of PEMS activity in the market and to establish whether such services continue to be available to suppliers in all distribution regions with a view to becoming aware of, and ascertaining the circumstances relating to, matters with respect to which our functions are exercisable.

Pursuant to Section 34 of the Gas Act 1986 we now request that GDN owners provide us with the following information regarding PEMS in their regions:

• Total number of PEMS jobs carried out during calendar year 2008, broken down into the following four categories:

¹ Gas Post-Emergency Metering Services - Results of Information Request and Revised Guidelines (82/08), 6 June 2008.

² Gas Post-Emergency Metering Services (PEMS) - Second Open Letter and Information Request (304/07), 21 December 2007.

- Replacement of regulator and/or flexible tubing
- Replacement of credit meter
- Replacement of prepayment meter
- Other PEMS jobs
- An indication of the percentage of emergency call-outs that resulted in PEMS activity in 2008.

We require this information by midday, 21 May 2009. Information should be sent to Richard Hall, GB Markets, Ofgem (<u>richard.hall@ofgem.gov.uk</u>). We also request GDN owners to indicate whether they are willing for this information to be published on Ofgem's website.

Yours sincerely

To Malee

Ian Marlee Director, Trading Arrangements