

To all suppliers and other
interested parties

Email: smartmetering@ofgem.gov.uk

Date: 30 January 2018

Dear stakeholder,

Open letter on emergency metering services for both gas and electricity smart meters

This open letter sets out our expectation that suppliers will put in place emergency metering services arrangements for both gas and electricity smart meters to ensure consumers are appropriately protected during and after the smart meter rollout. It is each supplier's responsibility to provide emergency metering services for their customers.

We expect suppliers to put a plan in place to ensure that they deliver emergency metering services in an efficient manner and, in particular, in a manner that delivers positive customer outcomes. We may ask to review suppliers' plans for delivering emergency metering services for smart meter users, and expect suppliers to put plans in place as the rollout progresses and certainly in advance of the activation of the New and Replacement Obligation (NRO) in the supply licences. We expect all points outlined in this letter to be addressed.

Background

It is important to ensure consumers are appropriately protected in emergency metering situations. For example, where a customer's energy supply is interrupted by a fault with a gas or electricity meter or where gas escapes from the meter.

Currently, gas Post Emergency Metering Services (PEMS) are provided following an emergency call-out on a gas distribution network (GDN) and can, for example, involve the replacement of a meter, flex or regulator, and transferring and returning of meter assets. For traditional gas meters, Gas PEMS is currently an industry led process, and commercial PEMS contracts are in place between GDNs and the majority of suppliers. In 2008, we published best practice guidelines for industry arrangements for gas PEMS¹.

For electricity meters, there are no equivalent arrangements between Distribution Network Operators (DNOs)² and suppliers. There are multiple relationships between players in the electricity metering market (Suppliers, MOPs and MAPs).³

¹ [Gas PEMS Industry Guidelines \(2008\)](#)

² DNOs used to provide Urgent Metering Services (UMeTS) but this arrangement is no longer in place.

³ [Metering Arrangements Review \(ROMA 2010\)](#)

We understand that current arrangements would be likely to see a smart gas or electricity meter replaced by a traditional meter in an emergency metering situation. While this enables supply for the customer to be restored, it is not an efficient solution for the long term when smart metering is the norm.

We are aware that some large suppliers and GDNs have been actively exploring options for gas PEMS in a smart world through the BEIS chaired Smart Metering Operational Group (SMOG). Parties have expressed an interest in Ofgem's views and expectations of smart emergency metering services.

Our expectations of suppliers in emergency metering situations

The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015 set out performance standards that must be met by electricity and gas suppliers. These standards include fixing and replacing faulty meters and prepayment meters.

We expect suppliers to deliver on these standards in a manner that is consistent with the Customer Objective and Standards of Conduct⁴, and consider that this is best facilitated by forward planning.

Our focus is on the outcomes that suppliers deliver for their customers. We currently have no preference for how suppliers achieve these outcomes and consider suppliers to have the flexibility to develop their own smart emergency metering solutions on an individual basis, or to utilise the services of third party providers.

We consider that, as a minimum, supplier's plans should take into account the following factors:

1. All suppliers should have emergency metering services in place for all of their gas and electricity customers using smart meters⁵

2. Suppliers should deliver an emergency metering service appropriate for an essential service to all energy consumers, paying special attention to vulnerable consumers⁶

In line with the Standards of Conduct, key things suppliers should think about when they are developing their plans include:

- How suppliers plan to communicate to energy consumers what their emergency offerings are. For example, providing clear contact details in the event of an out-of-hours emergency
- Detailed plans for vulnerable consumers. Suppliers should put in place appropriate arrangements to meet the needs of vulnerable consumers, for example, whether to provide alternative heating and cooking, and re-establishing supply promptly
- Details of how suppliers will provide emergency metering services and how quickly they will restore the energy supply to consumers in an emergency metering situation. E.g. Key Performance Indicators for fixing the faulty meters
- How suppliers will engage with DNOs/GDNs in emergency metering situations, to ensure that emergency arrangements are delivered in an efficient manner (given that GDN/DNOs are likely to be the party who identifies that it is a meter issue)

⁴ Standard condition 0 of the electricity supply licence, and standard condition 0 of the gas supply licence.

⁵ Includes domestic consumers and small non-domestic consumers using smart meters.

⁶ In Ofgem's [Consumer Vulnerability Strategy](#), our definition of vulnerability is when a consumer's personal circumstances and characteristics combine with aspects of the market to create situations where he or she is: significantly less able than a typical consumer to protect or represent his or her interests in the energy market; and/or significantly more likely than a typical consumer to suffer detriment, or that detriment is likely to be more substantial.

- How suppliers will deal with a more widespread emergency replacement in a large-scale emergency, such as under post-flood recovery scenarios or similar
- How suppliers will provide emergency metering services to customers with traditional meters or advanced meters in a smart world
- Generally, how suppliers can deliver this service in the most effective and efficient way.

If there is an industry wide solution, all suppliers should be offered equal access

We do not have a preference for how emergency metering services are delivered, but we expect suppliers' solutions to be compliant with the existing regulatory framework. If an industry wide solution is developed, we would expect all suppliers to be offered equal access.

It is important that any industry wide solution does not have adverse effects on competition in the energy market. If any parties have concerns about competition in the development of emergency metering services, they should seek legal advice in the first instance⁷.

Suppliers should be developing their plans for emergency metering services now.

We expect suppliers to put plans in place as the rollout progresses and certainly in advance of the NRO being activated in the supply licences. The NRO will require suppliers to take all reasonable steps to install a compliant smart meter where a meter is replaced or where a meter is installed for the first time (e.g. in new buildings)⁸.

Next steps

We aim to work with BEIS and industry to discuss issues and solutions of providing emergency metering services for both gas and electricity smart meter users. In the future, we may issue a Request for Information (RFI) to help us monitor emergency metering services arrangements to ensure consumers are appropriately protected.

Yours sincerely

Jacqui Russell
Head of Smart Metering

⁷ We also published a guidance note in 2016 on competitor cooperation during the smart meter rollout: https://www.ofgem.gov.uk/system/files/docs/2016/05/guidance_note_on_cooperation_-_smart_meter_rollout_corrected_again.pdf

⁸ The Government has indicated that the NRO will be activated no earlier than the end of 2018.