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to customers*

E.S.P. Networks Limited, Shippers  
and other interested parties.

Our Ref: Net/Cod/iGT12  
Direct Dial: 020 7901 7355  
Email: industrycodes@ofgem.gov.uk

27 May 2005

Dear Colleague,

**Modification Proposal ESPN108: 'Clarification of prioritisation of Meter Fix Readings'.**

Ofgem<sup>1</sup> has considered the issues arising from modification proposal ESPN108: 'Clarification of prioritisation of Meter Fix Readings' and has decided to direct E.S.P. Networks Ltd (ESPN) to implement the modification, as we believe that it will better facilitate the achievement of the relevant objectives of ESPN's Network Code, as set out in Standard Condition 9 of its GT licence. Ofgem also considers that this decision is consistent with its wider statutory duties. In this letter we explain the background to the modification proposal and outline the reasons for making our decision.

**Background to the proposal**

The Gas Act 1986 provides that no person shall carry out the connection or disconnection of a gas meter without giving notice to the gas supplier, or where the gas supplier is not known, the gas transporter. This notice shall be in a form prescribed in the Gas Meter (Information on Connection and Disconnection) Regulations 1996 ("C&D notice") and shall contain the meter reading at the time the work is carried out. Particularly on new sites, it is likely that such works will be carried out at the (re)commencement of supply to a premise.

**The Modification Proposal**

Modification proposal ESPN108 seeks to ensure that where an actual read is obtained as part of meter works and submitted as part of a C&D notice, it will be used and recorded as the Opening Meter Read, in preference to other types of opening meter read, which may be less reliably accurate, such as a customer read or even an estimate. The exception to this will be in the event that the site is subject to a Change of Supplier, in which case any read submitted by the incoming supplier shall be taken to be the Opening Meter Read

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<sup>1</sup> Ofgem is the office of the Gas and Electricity Markets Authority. The terms 'Ofgem' and the 'Authority' are used interchangeably in this letter.

## **Respondent's views**

ESPN received two representations to its consultation on modification proposal ESPN108, both of which supported its implementation. One respondent commented that they supported the principle of aligning iGT Network Codes with those of NGT (which now incorporates by reference, the Uniform Network Code). There were no other substantive comments.

## **ESPN's View**

ESPN supports the implementation of this modification proposal. It states that by clarifying that the meter fix read will be taken in preference to other read types, ambiguity and therefore contractual risk is reduced. ESPN considers that this facilitate competition in gas shipping and supply, and contribute to the efficient and economic operation of the pipeline system.

## **Ofgem's View**

Ofgem welcomes the increased clarity around the submission and use of Opening Meter Reads that implementation of this modification should facilitate. Timely and accurate meter reads are an integral part of the relationship between the consumer and their gas supplier. Although the industry has recently adopted more flexible practices with regard to meter reads, allowing the collection of data from a wider range of sources in preference to an estimate, this should not undermine the importance and value of an actual reading, particularly one taken by a competent person, such as a gas engineer. With the increasing number of sources for meter readings, there is potential for numerous and potentially conflicting reads to be obtained, albeit they may all be considered valid for the purposes of Network Code. Implementation of this modification will provide clarity as to which of those reads should be given preference, and facilitate robust data recording.

## **Ofgem's decision**

Having considered the issues arising from this modification proposal Ofgem has decided to direct ESPN to implement modification proposal ESPN108, as it will contribute to the efficient and economic operation of the pipe-line system by increasing the clarity of its existing procedures and facilitating robust data handling. To the extent this data is integral to the commencement of supply of gas to a premise, or subsequent change of supplier, Ofgem also considers that this modification will further facilitate effective competition between gas shippers and suppliers.

If you have any further queries regarding this decision letter please feel free to contact Samantha McEwen on 020 7901 7032.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. N. Simpson', written over a horizontal line.

**Nick Simpson,  
Director, Modifications**