Dear Sirs,

Thank you for you invitation to submit comments on the Smart Metering Implementation Programme. As a Gas Distribution Network Operator, National Grid (Distribution) is responsible for delivering the PEMS service under contract to suppliers, our response focuses on this particular aspect of the consultation.

Q16. Do you think the roll-out of Smart Metering Equipment has any specific implications for the provision of emergency metering services? Please explain your reasoning.

Provision of Post Emergency Metering Services (PEMs) is provided to domestic consumers by Gas Distribution Networks (GDNs) through their respective first call emergency field forces. It is initiated by calls received at the National Gas Emergency telephone service in relation to reports of gas escapes or emergencies which trigger dispatch of an engineer to ensure public safety. If in the course of dealing with the emergency report, the engineer finds that the source of the problem is the meter or associated apparatus, which needs to be replaced in order to maintain the customers supply, the required work will be carried out. Following this work, the replacement meter details will be sent to the relevant supplier, who will be charged for the work in accordance with the contract between the supplier and GDN. It is important to note that this service is not regulated by the Gas Transporter Licence and is therefore a commercial contract which some, but not all gas suppliers have entered into. For customers of those suppliers who have not contracted for this service, the meter installation will be made safe, but not replaced. In these cases, the customer will be without gas, until they have made arrangements for their supplier to carry out the required repair.

In general, this service is regarded by most suppliers as a useful and pragmatic means of ensuring their customers are not inconvenienced by faulty meter installations and Ofgem has reviewed and endorsed this approach in the past and continues to monitor the volume of PEMs jobs carried out by GDNs each year.

The current provision of PEMS services was born out of a gas industry where Transco plc owned and maintained the majority of gas meters in Great Britain and is predicated on the basis that the current U6 meters and associated equipment are fundamentally similar and relatively straightforward to remove and install. Following the introduction of the Review of Gas Metering Arrangements in July 2004, and the alignment of metering obligations on the supplier, it was agreed that there would be circumstances where the replacement of the meter could be best undertaken by the operative on site and we were able to support a service using the existing logistics chain. This will not be the case with smart meters as National Grid would be unable to economically source the variety of meters and associated equipment that suppliers would be required to install as apart of the Smart meter roll-out, nor will it have the trained and qualified resource capability to install fully functional smart gas meters.

During the development of SMIP, it has become clear that installing a fully operational Smart Meter is a complex, specialised job which will require the installer to fit a new meter, communication units and IHD in the home, and instruct the occupier how to use them. This is especially true where the replacement gas meter would be the first "energy" meter to be installed but, equally, meter and communications installation issues arise even when undertaking a Smart-for-Smart replacement. In the context of our network operations, PEMS is neither a high volume nor high value contract, and to up-skill operatives, and have the supporting logistics chain in place, would require significant investment which may be uneconomic and therefore unattractive to suppliers. Additionally, given the complexity of a fully functioning Smart metering installation, we would wish to understand the impact this might have on job times and hence availability of our engineers for their primary role to ensure public safety in relation to gas emergencies, particularly during winter periods when demand is most acute.

However, should suppliers require a PEMS service focused on getting the gas flowing again the there may be scope for tailor PEMS to these revised requirements, and therefore we remain open to discussing innovative proposals from DECC, suppliers or other stakeholders as the smart metering rolls-out. In the event suitable contracting arrangements cannot be agreed, we anticipate an expansion in contractors installing smart meters on behalf of suppliers should be able to secure prompt call-out services thereby ensuring that swift meter replacement and re-commissioning of the smart metering equipment following an emergency visit.