

**To: All holders of a gas supply licence**

**Gas Act 1986  
Section 23(1)(b)**

**Modification of the standard conditions of all gas supply licences**

1. Each of the licensees to whom this document is addressed has a supply licence which has been granted or treated as granted under section 7A(1) of the Gas Act 1986 (the Act).
2. Under section 23(2) of the Act, the Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> gave notice on 22 September 2023 ('the Notice') that we propose to modify standard conditions.

- 38A

The proposed modifications are set out in Schedule 1 to this Notice.

We stated that any representations to the modification proposal must be made on or before 20 October 2023.

3. A copy of the Notice was sent to the Secretary of State in accordance with section 23(4)(b)(ii) of the Act, and we have not received a direction that the change should not be made.
4. We received 7 responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is set out within our decision document.
5. It is necessary to make a few minor alterations to the modifications set out in the Notice. These alterations are shown in yellow highlight in the attached Schedule 1. The reasons for any differences between the modifications set out in the Notice and the modifications reflected in Schedule 1 are to address minor issues raised in consultation responses, minor typographical errors and minor additions considered during the consultation analysis.
6. We are making these licence modifications due to the change implemented by the Department for Energy, Security and Net Zero (DESNZ) to year 3 and 4 of the smart meter Targets Framework, where suppliers will be required to meet minimum installation targets for both domestic and non-domestic premises, for gas and electricity, separately.
7. The effect of these modifications will be to ensure the reporting requirements to Ofgem for years 3 and 4 of the Target Framework remain accurate and align with the new domestic and non-domestic targets.
8. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 23B of the Act, Rule 5.6 of the Energy

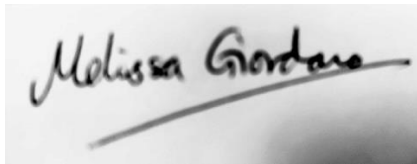
---

<sup>1</sup> The terms "the Authority", "we" and "us" are used interchangeably in this document.

Licence Modification Appeals: Competition and Markets Authority Rules<sup>2</sup> requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. The attached Schedule 2 provides a list of the relevant licence holders in relation to this modification. Section 23(10) of the Act sets out the meaning of 'relevant licence holder'.

Under the Powers set out in section 23(1)(b) of the Act, we hereby modify the standard licence conditions for all gas supply licences in the manner specified in attached Schedule 1. The decision will take effect from 5 January 2024.

This document is notice of the reasons for the decision to modify the gas supply licences as required by section 38A(2) of the Act.



.....  
**Melissa Giordano**  
**Deputy Director Retail Systems and Processes**  
**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

10 November 2023

---

<sup>2</sup> CMA70 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655601/energy-licence-modification-appeals-rules.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf)

## **Schedule 1 – Final modifications to the standard conditions (SLCs) of all gas supply licences**

We have included SLC 38A and the changes we are making. Changes to existing SLCs are shown in ~~strikethrough~~ for deletions and underlining for new text. Changes from Statutory Consultation version of proposed SLCs are as above but also highlighted in **yellow**.

### **SLC modifications**

#### ***Beginning of the year reporting and publication obligation***

38A.2 No later than 2 working days after the licensee submitted the Beginning Of The Year Report to the Authority, for the First and Second Rollout Year, the licensee must publish prominently on its website the Target Number. **No later than 2 working days after the licensee submitted the Beginning Of The Year Report to the Authority,** ~~Ffor~~ for the Third and Fourth Rollout Year, the licensee must publish prominently on its website, the Target Number calculated in accordance with 33A.5 (c) & (d) for the Third Rollout Year, and 33A.5 (e) & (f), for the Fourth Rollout Year including. Relevant Suppliers must also publish prominently on their websites the additional information required to be included in their Beginning Of The Year Report under paragraph 38A.4 and 38A.4A.

38A.3 In the Beginning Of The Year Report, for the First and Second Rollout Year, the licensee must include the following information:

- (a) The Target Number for the Relevant Year;
- (b) Number of Qualifying Relevant Premises without a Qualifying Metering System as of the last day of the Rollout Year ending immediately before the Relevant Year;
- (c) Licensee's total number of gas customers eligible for or with a Qualifying Metering System installed as of the last day of the Rollout Year ending immediately before the Relevant Year; and
- (d) Hyperlink to the Target Number published in accordance with paragraph 38A.2.

38A.3A In the Beginning Of The Year Report, for the Third and Fourth rollout year, the licensee must include:

- (a) The Target Number calculated in accordance with 33A.5 (c) & (d) for the Third Rollout Year, and 33A.5 (e) & (f), for the Fourth Rollout Year;
- (b) Number of Qualifying Relevant Domestic Premises, without a Qualifying Metering System as of the last day of the Rollout Year ending immediately before the Relevant Year;
- (c) Number of Qualifying Relevant Designated Premises, without a Qualifying Metering System as of the last day of the Rollout Year ending immediately before the Relevant Year;

- (d) Licensee's total number of Domestic Premises, in respect of which the licensee is the Relevant Gas Supplier on the date which immediately precedes the start date of the Relevant Year;
- (e) Licensee's total number of Designated Premises, in respect of which the licensee is the Relevant Gas Supplier on the date which immediately precedes the start date of the Relevant Year; and
- (f) Hyperlink to the Target Number published in accordance with paragraph 38A.2.

38A.4 In the Beginning Of The Year Report, for the First and Second Rollout Year, Relevant Suppliers must include the following additional information for the Relevant Year:

- (a) Number of credit meter customers for whom the Relevant Suppliers intend to install for the first time a Qualifying Metering System at Qualifying Relevant Premises;
- (b) Number of pre-payment customers for whom the Relevant Suppliers intend to install for the first time a Qualifying Metering System at Qualifying Relevant Premises;
- (c) Number of Domestic Customers for whom the Relevant Suppliers intend to install for the first time a Qualifying Metering System at Qualifying Relevant Premises;
- (d) Number of Non-Domestic customers for whom the Relevant Suppliers intend to install for the first time a Qualifying Metering System at Qualifying Relevant Premises; and
- (e) any other information as specified in a direction issued by the Authority pursuant to SLC 38A.9 and SLC 38A.10.

38A.4A In the Beginning Of The Year Report, for the Third and Fourth Rollout Year, Relevant Suppliers must include the following additional information for the Relevant Year:

- (a) Number of credit meter customers for whom the Relevant Suppliers intend to install for the first time a Qualifying Metering System at Qualifying Relevant Domestic Premises;
- (b) Number of pre-payment customers for whom the Relevant Suppliers intend to install for the first time a Qualifying Metering System at Qualifying Relevant Domestic Premises;
- (c) any other information as specified in a direction issued by the Authority pursuant to SLC 38A.9 and SLC 38A.10.

### ***End of year performance reporting and publication obligation***

38A.6 At the same time as the licensee submits the End Of Year Performance Report to the Authority, for the First and Second Rollout Year, the licensee must publish the number of Qualifying Metering Systems installed in Qualifying Relevant Premises in the Relevant Previous Year prominently on its website alongside the Target Number for

the Relevant Previous Year. At the same time as the licensee submits the End Of Year Performance Report to the Authority, For the Third and Fourth Rollout Year, the licensee must publish the number of Qualifying Metering Systems installed in Qualifying Relevant Domestic Premises in the Relevant Previous Year, and the number of Qualifying Metering Systems installed in Qualifying Relevant Designated Premises in the Relevant Previous Year, prominently on its website alongside the Target Number for the Relevant Previous Year. The licensee must also publish on their website the information required under paragraph 38A.7A (e) and (f). Relevant Suppliers must also publish prominently on their websites the additional information required to be included in their End Of Year Performance Report under paragraph 38A.8 and 38A.8A.

38A.7 In the End Of Year Performance Report, for the First and Second rollout year, the licensee must include the following information:

- (a) whether it met its Target Number for the Relevant Previous Year;
- (b) Number of Qualifying Metering Systems installed for Qualifying Relevant Premises for the Relevant Previous Year;
- (c) Licensee's total number of gas customers eligible for or with a Qualifying Metering System installed on the last day of the Rollout Year for the Relevant Previous Year;
- (d) Information related to Qualifying Metering Systems installed compared to planned installations in the Beginning Of The Year Report; and
- (e) Hyperlink to the number of Qualifying Metering Systems installed published in accordance with paragraph 38A.6.

38A.7A In the End Of Year Performance Report, for the Third and Fourth rollout year, the licensee must include:

- (a) whether it met its Target Number calculated in accordance with 33A.5 (c) & (d) for the Third Rollout Year;
- (b) whether it met its Target Number calculated in accordance with 33A.5 (e) & (f) for the Fourth Rollout Year;
- (c) Number of Qualifying Metering Systems installed in Qualifying Relevant Domestic Premises, for the Relevant Previous Year;
- (d) Number of Qualifying Metering Systems installed in Qualifying Relevant Designated Premises, for the Relevant Previous Year;
- (e) Number of Qualifying Metering Systems installed in Qualifying Relevant Domestic Premises, that were Gas Only Premises, for the Relevant Previous Year;
- (f) Number of Qualifying Metering Systems installed in Qualifying Relevant Designated Premises, that were Gas Only Premises, for the Relevant Previous Year;
- (g) Licensee's total number of gas Domestic Premises, in respect of which the licensee is the Relevant Gas Supplier as of the last day of the Rollout Year for the Relevant Previous Year;

- (h) Licensee's total number of gas Designated Premises, in respect of which the licensee is the Relevant Gas Supplier as of the last day of the Rollout Year for the Relevant Previous Year;
- (i) Information related to Qualifying Metering Systems installed compared to planned installations in the Beginning Of The Year Report; and
- (j) Hyperlink to the number of Qualifying Metering Systems installed published in accordance with paragraph 38A.6.

38A.8 In the End Of Year Performance Report, for the First and Second Rollout Year, Relevant Suppliers must include the following additional information for the Relevant Previous Year:

- (a) Number of Qualifying Metering Systems installed at Qualifying Relevant Premises for the first time for credit customers;
- (b) Number of Qualifying Metering Systems installed at Qualifying Relevant Premises for the first time for prepayment customers;
- (c) Number of Qualifying Metering Systems installed at Qualifying Relevant Premises for the first time for domestic customers; and
- (d) Number of Qualifying Metering Systems installed at Qualifying Relevant Premises for the first time for non-domestic customers.

38A.8A In the End Of Year Performance Report, for the Third and Fourth Rollout Year, Relevant Suppliers must include the following additional information for the Relevant Previous Year:

- (a) Number of Qualifying Metering Systems installed at Qualifying Relevant Domestic Premises for the first time for credit customers;
- (b) Number of Qualifying Metering Systems installed at Qualifying Relevant Domestic Premises for the first time for prepayment customers.

### **Direction**

38A.10 A direction issued by the Authority may, in particular, specify:

- (a) the format of the Beginning Of The Year Report and the End Of Year Performance Report;
- (b) the form and manner in which the information required under paragraph 38A.3 & 38A.3A and, where applicable, 38A.4 & 38A.4A in the Beginning Of The Year Report;
- (c) the form and manner in which the information required under paragraph 38A.7 & 38A.7A and, where applicable, paragraph 38A.8 & 38A.8A must be included in the End Of Year Performance Report;

- (d) requirements in relation to the submission of the Beginning Of The Year Report and the End Of Year Performance Report in addition to the requirements under paragraphs 38A.1 and 38A.5;
- (e) the manner and method by which any specified information in the Beginning Of The Year Report or the End Of Year Performance Report must be published by the licensee in addition to the requirements to publish under paragraph 38A.2 and 38A.6; and
- (f) the information the licensee must include in the End Of Year Performance Report, which may, where the licensee is required to provide a rollout report to the Secretary of State under SLC 37 (Rollout Reporting and Provision of Information to the Secretary of State), include such parts of the rollout report as are specified in the direction.

## **Schedule 2 – List of the relevant licence holders in relation to this modification**

Gas Supply licence holders are listed at: [List of all gas licensees including suppliers](#)