

Decision

The future of traditional gas metering obligations

Publication date:	10 December 2025
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This decision document addresses the consultation launched on 3 November 2025 concerning the future of traditional gas metering obligations beyond 31 December 2025. The consultation asked for stakeholder views on proposed changes to the regulatory framework governing Gas Distribution Networks (GDNs) and National Gas Transmission traditional gas metering provisions, as the current licence conditions approach their sunset date. The proposals aim to ensure a smooth transition from regulated obligations to a voluntary market arrangement, while safeguarding consumer interests and maintaining service standards.

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1. Introduction

1.1 Traditional gas metering obligations have historically been embedded within the Gas Transporter Licence, requiring GDNs and NGT to provide metering services under regulated conditions. These obligations were introduced to ensure continuity and consumer protection during the national smart meter rollout. With 70%¹ of all meters now smart or advanced meters in homes and small businesses across Great Britain and the current licence traditional gas metering conditions due to expire on 31 December 2025, we consulted on the most appropriate framework for the future of these metering services beyond this date.

1.2 Why Change Is Needed

- **Expiry of Current Obligations:** The sunset clause in the licence means regulated obligations will end on 31 December 2025.
- **Residual Market Demand:** A small proportion of consumers and certain network scenarios will continue to require traditional metering solutions after 2025.
- **Need for Consumer Safeguards:** Any new arrangements must maintain service standards and protect consumers from unreasonable costs or delays.

Proposed Voluntary Agreement

1.3 Our preferred approach is to transition from regulated obligations to a voluntary agreement from January 2026. The key elements of this proposal include:

- **Service standards:** Clear SLAs for meter provision/attendance, return/removal, fault response, and stock management. In addition, it should include a non-discrimination in service provision, prioritisation where there is vulnerability or a safety risk.
- **Pricing principles:** Prices are transparent and anchored in efficient costs alongside the ability for bilateral negotiation.
- **Vulnerability safeguards:** alignment with the Priority Services Register and enhanced communication/access standards, ensuring there is no detriment owing to vulnerability status.

1.4 This approach aims to balance flexibility for industry participants with robust consumer protection, supporting innovation and efficiency in metering services while avoiding unnecessary regulatory burden.

¹ [Department of Energy Security and Net Zero Q3 2025 statistics](#)

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Respondents Views

- 1.5 We received six responses to our consultation regarding the future of traditional gas metering. Five came from licence holders affected by these obligations and one from an energy supplier. Respondents supported moving towards voluntary arrangements, noting that the metering market is now both mature and diverse, featuring several providers and asset managers. Further comments indicated that current commercial agreements maintain clear service standards, prioritise support for vulnerable consumers, and ensure transparent pricing.
- 1.6 Both National Gas Transmission (NGT) and SGN stated they would continue offering traditional metering under the voluntary framework proposed in our consultation, with SGN clarifying this commitment depends on the continued availability of legacy meters. In contrast, Cadent, Northern Gas Networks (NGN), and Wales and West Utilities (WWU) confirmed they neither provide traditional metering through the Meter Provider of Last Resort (MPOLR) function nor intend to participate in the voluntary arrangement. We agree with their position, and following the end of traditional metering obligations, our goal is to enable efficient and flexible operations for GDNs. As such, beginning 1 January 2026, neither MPOLR licence conditions nor the replacement voluntary agreement will be applicable to Cadent, NGN, or WWU. These parties will also not be required to forward requests to NGT in its role as Backstop Meter Provider of Last Resort (BMPOLR). Given the limited uptake of this service, as highlighted by some respondents, we anticipate insufficient future demand to justify its continuation.
- 1.7 The supplier respondent emphasised the need for explicit commitments from all GDNs and NGT to maintain cost stability and competitiveness, cautioning that any increased costs could ultimately affect consumers. While we recognise these concerns, our assessment is that the gas metering market has developed substantially, characterised by strong competition. Tariff caps for these obligations have been in place since 2002, and the similar obligations for Distribution Network Operators (DNOs) ended in 2007.² Our 2007 decision regarding the electricity sector concluded that competitive commercial incentives best protect consumers, a view we maintain today, whether through negotiated cost reductions compared to previous regulated rates or the adoption of smart meters.
- 1.8 Moreover, the supplier raised the point that Ofgem should retain oversight and be able to rapidly reintroduce these licence conditions if significant consumer detriment occurs. The purpose of the voluntary arrangement is to avoid such outcomes, providing an alternative to immediate cessation of obligations without transitional measures. While the risk remains, Ofgem is dedicated to continual market monitoring and intervening where necessary. It should also be

² [Ofgem's Decision on the Future of the Gas and Electricity Metering Price Controls](#)

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acknowledged that, as the smart meter rollout progresses, economies of scale for traditional metering may decrease. Given the array of alternatives in the market, suppliers are well placed to contract with other providers as needed. We do not believe that reintroduction of the traditional meter obligations is likely to be necessary and if implemented is not likely to be rapid. Any reintroduction would require consultation with the licence holders to understand the costs and impact to their business. Reintroduction of the existing obligations risks NGT and SGN being unable to appropriately manage their costs and metering stocks and effectively plan for the future. While we do not completely discount this scenario occurring, we believe that should there be a risk of detriment to consumers, engagement or intervention from Ofgem may be necessary and the level required would need to be assessed at that time. Following the 2007 removal of price controls for electricity metering and the decision on the Review of Metering Arrangements³ in 2011, we found that the arrangements in the electricity metering market were fit for purpose after removal of price controls. We are confident that the same outcome can be achieved today with the expiry of the traditional gas metering obligations and our voluntary agreement.

2. Future of regulated traditional gas metering

Questions posed at consultation:

Q1a. Do you agree the proposed voluntary commitments set out in paragraph 2.2?

Q1b. Do you agree that this agreement will provide consistency over the 12 months it is in place until 31 December 2025

- 2.1 All respondents agreed with the commitments set out in our original consultation and set out in paragraph 1.3 of this document. GDNs who do not currently provide metering services wish it made clear that they are under no obligation to provide metering under this agreement. As we have set out above there will be no requirements for GDNs who do not offer metering following 1 January 2026.
- 2.2 One respondent agreed on the principle that any pricing was transparent. The voluntary agreements aim is to ensure that transparent pricing is maintained and is economic and efficient. However, as this will no longer be a regulated pricing model it will be open to each party to determine if the costs are economic and efficient for them.
- 2.3 All respondents agreed for this agreement to remain in place for a 12-month period from the expiry of the licence conditions on 1 January 2026.

³ [Review of Metering Arrangements - Decision and consultation on transition to smart meters | Ofgem](#)

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Q2. Do you agree with and propose to uphold the principles of the voluntary agreement set out above in paragraph 2.2 while continuing to offer traditional metering services from 1 January 2026 until 31 December 2026?

Q3. Do you agree with our proposal to remove the additional licence conditions set out below from NGT's Gas Transporter Licence Standard Special Conditions Section B?

2.4 In response to Q2 both National Gas Transmission and SGN who continue to offer traditional metering have committed to the voluntary agreement for a period of 12 months from 1 January 2026. Cadent, NGN and WWU have not entered into the agreement given they do not offer traditional metering, and it is not applicable to them. We are satisfied the agreement from NGT and SGN will ensure a smooth transition over the next 12 months following the sunset of the obligations on 1 January 2026.

2.5 Three respondents expressed a view in support of the removal of the licence conditions for NGT. These views were support of the proposal to remove standard special licence conditions B6, B9, B10, B11 and B12 alongside the expiry of B7 and B8. Once the sunset conditions expire, the remaining licence conditions which form part of that full BMPOLR obligation will no longer be required. As these licence conditions do not automatically expire these will be removed in full. This will be achieved as part of the RIIO-3 licence drafting. Without licence conditions B7 and B8 the remaining conditions above will not relate to any activity carried out by NGT and will therefore be redundant.

3. Conclusion

3.1 We have reached the decision that from 1 January 2026 to 31 December 2026, the provision of traditional metering services by NGT and GDNs will operate under the voluntary arrangements so long as traditional meters are available to GDNs. GDNs with no metering shall have no obligation to provide metering services. This means the following licence conditions will expire on 31 December 2025 and will no longer be in effect.

3.2 For National Gas Transmission.

- Standard Special Condition B7. Provision of Meters
- Standard Special Condition B8. Provision of Terms
- Special 9.16 Restriction of prices in respect of Tariff Capped Metering Activities

3.3 For all other GDNs.

- Standard Special Condition D17. Provision and Return of Meters

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- Standard Special Condition D18. Provision of Metering and Meter Reading Services
- Special Condition 9.10 Restriction of prices in respect of Tariff Capped Metering Activities

3.4 Ofgem will continue to monitor the market to ensure that consumers are protected and that the voluntary agreement works for them and if necessary, intervene if needed.

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Decision-making stages

Stage 1 Consultation open: 3 November 2025

Stage 2 Consultation closes (awaiting decision). Deadline for responses: 3 December 2025

Stage 3 Responses reviewed and published: 10 December 2025

Stage 4 Consultation outcome 10 December 2025

Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this decision. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.