

**COMPETITION IN ELECTRICITY METERING
SERVICES**

INDUSTRY GUIDANCE – V2.2

March 2004

Summary

Some participants in the electricity industries have requested that Ofgem provide clarification on a number of aspects of the regulatory framework regarding 'commercial arrangements' in relation to electricity metering. Ofgem considers that reducing potential regulatory uncertainty by providing such guidance is in the interests of consumers and consequently has produced this document.

This guidance is a technical document and is intended primarily for industry participants. More general information about Ofgem's metering policies can be found on Ofgem's website (www.ofgem.gov.uk). If you have any further queries please email metering@ofgem.gov.uk

Alongside this guidance Ofgem has also published copies of its response to comments Ofgem received on the previous version of this guidance¹. These responses have been published to further assist participants in the electricity industries in understanding the likely approach that Ofgem will take when assessing compliance with licence conditions relating to commercial arrangements concerning electricity metering

Ofgem intends that this is a working document and, after publication, will update it from time to time. The most recent version of this document can be obtained from Ofgem's website.

¹ Copies of these responses can be found on Ofgem's website.

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1. Rationale

- 1.1. Ofgem must carry out its functions in a manner best calculated to meet its principal statutory objective² to protect the interests of consumers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the electricity industry. Ofgem considers that competition in electricity metering will promote choice, innovation, new investment and has the potential to reduce costs in the provision of electricity metering services. Ofgem's metering strategy³ has outlined how Ofgem consider the benefits of electricity metering competition will be achieved.
- 1.2. In Ofgem's view, the existing regulatory framework, provided for under the Electricity Act 1989 (the Act) (as amended by the Utilities Act 2000), statutory instruments and licences granted under this Act, as well as competition and consumer law more generally, is sufficiently robust to support metering competition. Legislation provides for suppliers and consumers making their own metering arrangements. Ofgem's metering strategy is aimed at facilitating their exercise of those rights.
- 1.3. However, some participants in the industry have requested that Ofgem provide clarification on aspects of the regulatory framework regarding 'commercial arrangements' in relation to electricity metering. Ofgem considers that reducing regulatory uncertainty by providing such guidance is in the interests of consumers and consequently has produced this document.
- 1.4. This document deals with the provision of metering at end-customers premises and does not discuss metering arrangements for small and distributed generation.⁴

² In relation to electricity, Ofgem's principal objective and general duties are set out in section 3A of the Electricity Act 1989 (as amended).

³ Ofgem's original metering strategy document can be found at www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2105_28_metering.pdf and the latest update can be found at www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/1994_40metering_strategy.pdf

⁴ Information about metering arrangements for small and distributed generation this can be found on Ofgem's website at

2. Timetable

- 2.1. Ofgem intends that this is a working document and, after publication, will update it from time to time. Consequently Ofgem would welcome views at any time which should be emailed (metering@ofgem.gov.uk) or faxed (020 7901 7196) to the metering team. The most recent version of this document can be obtained from Ofgem's website.⁵
- 2.2. Ofgem will generally publish these views by placing them on its website. Respondents should therefore clearly mark as confidential any parts of a response they do not wish to have published.
- 2.3. If you want to discuss anything contained in this document, please contact either David Howdon (020 7901 7420) or Hannah Cook (020 7901 7444).

3. Provisions relating to electricity metering competition

- 3.1. This section sets out the background of the legal framework in which it is intended that electricity metering competition will develop and provides a summary of some relevant legislation. These discussions are not a substitute for understanding relevant provisions of the Electricity Act 1989 as amended by the Utilities Act 2000, competition⁶ or consumer law.
- 3.2. This document provides guidance on the issues to which Ofgem would be likely to have regard to when considering whether any particular conduct was in breach of an obligation. This guidance should be regarded as neither definitive nor comprehensive and Ofgem may take other issues into account, or consider a different treatment of the issues raised here, as circumstances dictate.
- 3.3. Throughout this section the term ‘incoming supplier’ refers to a supplier who is taking over supply to a customer’s premises. The term ‘outgoing supplier’ refers to a supplier that is losing the contract to supply a customer’s premises.

The Electricity Act (1989)

Schedule 7, paragraph 1

- 3.4. Schedule 7, paragraph 1 of the Electricity Act 1989 provides that the supplier is, where no other arrangements have been made, responsible for making metering arrangements on behalf of a customer. However it also provides for the customer to make their own metering arrangements subject to the consent (which may not be unreasonably withheld) of the supplier. Schedule 7 applies to ‘authorised’ suppliers, that is, those authorised by licence or by exemption. Under section 23 of the Electricity Act 1989 Ofgem determines any dispute arising under Schedule 7 paragraph 1 between an ‘electricity supplier’

⁶ Guidance on the application of the Competition Act 1998 can be found in “The application in the Energy Sector” which is available on the OFT’s website www.ofg.gov.uk or can be requested from the OFT.
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(authorised by licence) and a customer. In determining any disputes under schedule 7 paragraph 1, Ofgem would likely consider the reasonableness of any withholding of consent on a case-by-case basis. In relation to the determination of disputes by Ofgem it should be noted that section 3D of the Electricity Act 1989 provides that Ofgem's principal objective and general duties in carrying out its functions does not apply in relation to the determination of disputes. Therefore, Ofgem would act as an arbiter and have regard to the requirements given in paragraph 3.5 below.

- 3.5. Ofgem would not anticipate that there should be reasonable grounds for a customer being refused permission to make their own metering arrangements if the customer's arrangements for meter provision and associated meter maintenance comply with any required standards. The meter must satisfy certain criteria. First, its pattern or construction and manner of installation must be approved by Ofgem⁷ or an EC equivalent approval body. Secondly, where the meter is a domestic meter, then it must also be certified by Ofgem. The supplier as the registrant of the metering system may, in order to meet their obligations under the Balancing and Settlement Code (BSC)⁸ in England and Wales and the Settlement Agreement for Scotland (SAS) in Scotland, require the customer to appoint a meter operator accredited by the relevant agents established under the BSC⁹ (in England and Wales) or the SAS¹⁰ (in Scotland) to install or perform maintenance on the meter.

Schedule 7, paragraph 10(1) and (2)

- 3.6. Schedule 7, paragraphs 10(1) and (2) set out the obligations relating to keeping a meter in proper order for correctly registering the quantity of electricity supplied. These obligations fall on either the customer (if that customer provides, or has made arrangements for the provision of, the meter) or on the authorised supplier

⁷ A copy of the list of Ofgem approved meter types is available on the Ofgem website.

⁸ The Balancing and Settlement Code is a document required by Condition C3 of the standard conditions of the Electricity Transmission Licence which details the terms of the balancing and settlement arrangements.

⁹ Elexon is the Balancing and Settlement Code Company which manages the BSC. Their website is www.elexon.co.uk, which contains a list of accredited meter operators and the BSC. The sections of the BSC which are of particular relevance are sections J,K and L.

¹⁰ Scottish Electricity Settlements Limited is the company which manages the SAS. Their website is <http://www.sesl.org.uk/>, where a copy of the SAS is available.

(those authorised by licence or exemption) if the supplier has provided the meter. Ofgem determines any disputes arising under paragraph 10 between an 'electricity supplier' (authorised by licence) and a customer. In determining any disputes Ofgem would have regard to whether actions had been taken to ensure that the meter continued to register accurately the energy used, through, for example, the certification process, whether any work was carried out by an accredited meter operator, as defined under the BSC or SAS, and whether the work was carried out in accordance with any required standards.

The Electricity Supply Licence (General Conditions)

Standard Licence Condition 1

- 3.7. This condition explains that the word "owned" "in relation to an electricity meter includes leased and cognate expressions shall be construed accordingly". This definition is relevant to standard licence condition (SLC) 7 because it means that SLC 7 applies to the supplier even when the supplier is providing the meter through a third party. i.e. the legal title to a meter can be held by a party other than the supplier.
- 3.8. A licensee's decision to procure services from a third party rather than provide services itself does not in any way reduce its responsibility to meet its licence obligations. That is, the fact that these services have been sourced from a third party cannot be relied upon as a mitigating circumstance in the event of any licence breach.

Standard Licence Condition 3

- 3.9. SLC 3 obliges the licensee to comply with the requirements of section D (Supply Services Obligations) in its Supply Services Area. Section D takes effect in the licence of each ex-PES supplier pursuant to a provision by the Secretary of State in a scheme made under the Utilities Act 2000. This means that the SLCs discussed in paragraphs 3.21 - 3.24 relating to the provision of prepayment meter services apply to each ex-PES supplier.

Standard Licence Condition 7

- 3.10. SLC 7 places obligations on suppliers that own¹¹ a meter at any supply point. SLC 7 provides that upon application made by any person, the supplier shall offer to enter into an agreement for the provision of such relevant metering equipment. Where a supplier contracts with a third party for the supply of metering equipment, that supplier may choose to discharge this obligation through that third party. However, this does not in any way reduce that supplier's responsibility to meet its licence obligations. That is, the fact that these services have been sourced from a third party cannot be relied upon as a mitigating circumstance in the event of any licence breach.
- 3.11. The supplier is obliged to make any offer "as soon as practicable after the receipt by the licensee of an application containing all such information" as the supplier may reasonably require to formulate the terms of the offer. Ofgem is likely to consider that, if a supplier has any relevant metering equipment, such supplier would be unlikely to be able to comply with this condition unless it had in place, or was able to provide within a reasonable time following the request, a published set of terms on which it would base an agreement. Ofgem is likely to consider that the greater the number of meters a supplier has the more quickly they should be able to provide a set of terms for the provision of metering equipment. Where the supplier had contracted with a third party, Ofgem would consider that the supplier should take all reasonable steps to ensure that any third party had in place a published set of terms on which it would also base an agreement¹². As noted above, a licensee's decision to procure services from a third party rather than provide services itself does not in any way reduce its responsibility to meet its licence obligations.
- 3.12. The condition also prohibits the licensee from entering into any agreement in respect of the provision of metering equipment which is intended or is likely to restrict, distort or prevent competition in the supply of electricity. Ofgem would therefore expect that any agreements for the provision of metering equipment

¹¹ Bearing in mind the definition of owned given in paragraph 3.7.

¹² At the discretion of the licensee this agreement may involve the licensee ceasing to have any involvement with the meter when the new supplier takes over providing it.

between a supplier and the third party provider of the metering equipment would be such that the supplier does not breach this requirement.

- 3.13. In considering whether a licensee had complied with this condition, Ofgem's prime consideration would be that metering arrangements should not make the process of transferring a customer more costly, burdensome or slower to any significant degree – to either the end customer or a potential competitive supplier.
- 3.14. Ofgem would therefore consider whether the supplier had taken actions that significantly raised the costs of supply for other licensees. An example of such action would be if the outgoing supplier or any third party enters into unduly expensive contracts with incoming suppliers for metering provision. In considering whether any charges for the meter are such that they do not restrict, distort or prevent competition Ofgem would have regard to, among other things, compensating customer benefits provided by the metering equipment, the technical specification of the metering equipment and whether there is bulk provision, which may give rise to economies of scale. Within the technical specification of the meter, it may also be relevant to consider the charge in relation to the age and condition of the metering equipment. Ofgem would also have regard to the approach in calculating the regulatory charge and any regulated prices which have been determined by Ofgem. In addition, Ofgem would expect that all charges should be transparent and should not bundle meter asset provision with other metering activities if the incoming supplier requires only meter asset provision from the licensee.
- 3.15. Ofgem would also expect that processes for transferring ownership of the meter (or for dealing with any leasing of the meter) should not require the incoming supplier to make significant changes to its systems. For the avoidance of doubt, this does not preclude suppliers from choosing to make changes to their systems in order to take advantage of the facilities available from smart metering.
- 3.16. In addition, contracts for the provision of metering equipment must not unduly lock in the incoming supplier. If the incoming supplier subsequently wishes to de-appoint the licensee as provider of their metering equipment then any

penalties for doing so should not be unreasonable, having regard to the value of the metering equipment.

The Electricity Supply Licence (Domestic Supply Obligations)

- 3.17. Conditions in section C of the Electricity Supply Licence currently apply only to those suppliers who by virtue of a scheme made by the Secretary of State under the Utilities Act, or a domestic supply direction issued by Ofgem, may supply domestic customers.

Standard Licence Condition 47

- 3.18. The definition given of “owned” in SLC 1, and explained at paragraphs 3.7 and 3.8 of this document, is relevant in respect of SLC 47.
- 3.19. SLC 47 prevents an outgoing supplier from recovering a meter that it owns. This applies where the incoming supplier has undertaken to give the outgoing supplier appropriate compensation, having regard to the value of the meter. In considering the level of appropriate compensation Ofgem would be likely to have regards to the same considerations as set out in paragraph 3.14. These matters include, among other things, compensating customer benefits provided by the metering equipment, the technical specification of the meter, whether there is bulk provision, which may give rise to economies of scale, the age and condition of the metering equipment, the approach in calculating the regulatory charge and any regulated prices which have been determined by Ofgem.
- 3.20. This condition also requires that when a customer changes supplier and the customer requires a new meter, the outgoing supplier will remove the meter from the customer’s premises as soon as reasonably practicable following a written request from the incoming supplier.

The Electricity Supply Licence (Supply Services Area Conditions)

3.21. Conditions in section D of the Electricity Supply Licence have effect in the licences of ex-PES supply licensees. Ex-PES supply companies have Supply Services Area obligations in relation to their former PES regions. Currently only those licences specify a Supply Services Area within which the licensee is obliged to comply with conditions in section D.¹³

Standard Licence Conditions 53-53C

3.22. SLC 53B obliges the 'in area' ex-PES supply company to offer to enter into an agreement for the provision of prepayment meter services with any electricity supplier who makes an application for such services. A prepayment meter service is expected to include those elements stated in SLC 53B(3) (a) – (d) of the electricity supply licence, namely:

- ◆ the purchase by electricity suppliers and/or encoding with data of tokens, cards or keys;
- ◆ the use by domestic customers of local outlets for the purchase of tokens and crediting with value of cards or keys;
- ◆ the making of payments to electricity suppliers in respect of sums received by the licensee on behalf of domestic customers; and,
- ◆ where relevant, the transfer of domestic customer data to electricity suppliers.

The 'in area' company is obliged to provide a statement of charges for these services to any person who requests such a statement.

¹³ With the consent of the licensee Ofgem can switch on section D of the Electricity Supply Licence in a particular company's licence. In these circumstances Ofgem would specify a Supply Services Area within which the licensee would be obliged to comply with conditions in section D.
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3.23. In the event that the 'in area' supplier is unable to reach an agreement with any person for the provision of a prepayment meter infrastructure service either party can refer the matter to Ofgem for determination. In determining the dispute Ofgem may settle any terms of the agreement in dispute in such manner as appears to the Authority to be reasonable having (in so far as relevant) regard to those considerations listed under SLC 53C 1(a)(iii), (b) and (c). That is that:

- ◆ the person should pay to the licensee the whole or the appropriate proportion of such sum as is determined in accordance with paragraph 9 of standard condition 53, which relates to the requirement not to restrict, distort or prevent competition;
- ◆ the performance by the licensee of its obligations under the agreement should not cause it to be in breach of those provisions referred to at sub-paragraph 6(a) of standard condition 53B; and,
- ◆ the terms and conditions of the agreement so settled by the Authority and of any other agreements entered into by the licensee pursuant to a request under standard condition 53B should be, so far as circumstances allow, in as similar a form as is practicable.

3.24. If either party to such agreement proposes to vary the terms of any agreement for prepayment meter services, the Authority may, at the request of that party, settle any dispute relating to such variation in such manner as appears to the Authority to be reasonable. Ofgem is likely to consider it reasonable (in so far as is relevant) to have regard to those considerations listed in paragraph 3.23 and given in SLC 53C 1(a)(iii), (b) and (c). This is in order to maintain consistency between a settlement of dispute relating to a variation of any agreement for prepayment meter services and a settlement of dispute relating to entering into an agreement for prepayment meter services.

The Electricity Distribution Licence (General Conditions)

Standard Licence Condition 2

- 3.25. SLC 2 obliges the distribution licensee to comply with the requirements of section C (Distribution Services Obligations) in its Distribution Services Area. Section C has effect in the licence of each ex-PES distributor (distribution services provider) pursuant to a provision by the Secretary of State in a scheme made under the Utilities Act 2000. This means that the standard licence conditions discussed in paragraphs 3.28 to 3.31 apply to each ex-PES distributor operating 'in area'. With the consent of the licensee Ofgem can switch on all or part of section C of the Electricity Distribution Licence in a particular company's licence. In these circumstances Ofgem would be required to specify a Distribution Services Area within which conditions in section C of the licence would apply.

Standard Licence Condition 8

- 3.26. SLC 8 requires the licensee, on application made by any person, to offer to enter into an agreement authorising that person to connect metering equipment to the licensee's distribution system. The licensee is required to set out, among other things, the procedures to be adopted by the applicant when making connections. This licence condition obliges the licensee to offer terms for an agreement within 28 days of receipt of the application. If the licensee fails to enter into an agreement with any person they can refer the matter to the Authority for settlement of the terms of the agreement in dispute.

The Electricity Distribution Licence (Distribution Services Area Conditions)

- 3.27. Conditions in section C only apply in a company's Distribution Services Area. Currently only the ex-PES distribution businesses operating 'in area' have these obligations. Ofgem is currently consulting on whether, and how, these

obligations should be adjusted following the potential entry of new DNOs to the electricity industry¹⁴.

Standard Licence Conditions 36-36C

- 3.28. SLC 36 – 36C oblige the ‘in area’ distribution companies to offer to enter into an agreement to provide, amongst other things, metering equipment (MAP), the installation, commissioning, testing, etc. of metering equipment (MOp)¹⁵; or both of these services to any person who requests those services. The charges for the services should, unless manifestly inappropriate¹⁶, be presented in a way as to be referable to those statements published in a form approved by Ofgem¹⁷ and to be in conformity with the requirements of standard condition 36. Ofgem welcomes the agreement of all but one ex-PES distribution company to continue to provide an “urgent metering service” on a commercial basis to suppliers who have chosen to contract with an alternative provider for MOp. However, Ofgem currently considers that standard licence condition 36B does not oblige an ‘in area’ distributor to offer to enter into an agreement to provide the separate elements of the MOp service listed in paragraph 1(b) of standard condition 36B on an ad-hoc basis.
- 3.29. Should the arrangements with regard to “urgent metering services” fail to be adopted or not be sufficient, Ofgem will review the electricity regulatory regime with a view to consulting on any necessary licence modifications.
- 3.30. An ‘in area’ distributor should offer to enter into a contract for MAP services, MOp services, or both services, with any person. If the distributor and any party are unable to reach an agreement in relation to these services they can refer the matter to the Authority for settlement of the terms of the agreement.

¹⁴ “The provision of metering services by new electricity distribution network operators – Initial thoughts”, Ofgem, December 2003

¹⁵ The term MAP (Meter Asset Provision) refers to the services in Standard condition 36B 1(a) and the term MOp (Meter Operation) relates to the services in standard condition 36B 1(b).

¹⁶ In deciding whether it is inappropriate for the charges to be referable to the statements Ofgem would consider whether the service is required at a meter type not provided by the distributor and whether the distributor could have reasonably anticipated the demand for the particular MoP services.

¹⁷ Guidance to companies on the form of these statements was published on 18 December 2001.

3.31. In deciding whether, and how, to settle the terms of an agreement Ofgem would have regard to the efforts already made by the parties to seek agreement. In addition to considering whether the licensee has complied with the conditions specified above, Ofgem would have regard to the effect of any settlement of terms on competition in metering, meter reading, supply, generation and distribution of electricity and the current conditions in those markets.

Appendix 1 Change Log

1.1 This appendix provides a log of changes to the guidance from the previous version.

Table 1 - Changes made between versions 2.1 and 2.2

Sect. / para. In V2.1	Pg in V 2.1	Change
Summary		Paragraph 1: Inserted "a number of". Inserted "potential".
Summary		Inserted new paragraph 2 indicating the technical nature of this document and directing general queries to the Ofgem website
Summary		Paragraph 2: Changed "Alongside this guidance Ofgem has published copies of its replies to the respondents to the previous version of this guidance in order to make public its responseto the comments in those letters" to "Alongside this guidance Ofgem has also published copies of its response to comments Ofgem received on the previous version of this guidance. These responses have been published to further assist participants in the electricity industries in understanding the likely approach that Ofgem will take when assessing compliance with licence conditions relating to commercial arrangements concerning electricity metering
1.4 (footnote 3)	1	Inserted "metering arrangements for small and distributed generation"
2.1	2	Changed "we" to "Ofgem"
2.2	2	Changed "our" to "its"
2.3	2	Replaced Claire Tyler with Hannah Cook as contact.
3.1	3	Insertion of "it is intended that"
3.2	3	Rewording of first sentence
3.3	3	Replaced "'outgoing' supplier" with "'outgoing supplier'"
3.4	3	Replaced "This paragraph" with "Schedule 7, paragraph 1 of the Electricity Act 1989".
3.4	4	Added "likely", added "any", added "of". Added "In relation to the determination of disputes by Ofgem it should be noted that", deleted "This is in line with", replaced "which states" with "provides", replaced "do" with "does". Added "in the determination of disputes under Schedule 7, paragraph 1,"
3.5	4	Replaced "Firstly" with "First"
3.5	4	Inserted footnote explaining what the BSC is.

3.6 (Heading)	4	Replaced "&" with "and"
3.6	4	Inserted "Schedule 7, paragraphs 10(1) and (2) set out the", inserted a full stop, inserted "these obligations". Replaced "actions" with "action".
3.6 (footnote)	4	Inserted "sections"
3.7	5	Inserted "Standard Licence Condition (SLC) 1 provides", deleted "This condition explains". Changed ""in relation" to "in relation". Added "a", added "electricity meter", added "that similar", deleted "cognate", replaced "shall" with "will", changed "accordingly"" to "accordingly". Replaced "standard licence condition (SLC) 7" with "SLC 7".
3.8	5	Changed "Neither can it be held up in mitigation in the event of a licence breach" to "That is the fact that these services have been sourced from a third party cannot be relied upon as a mitigating circumstance in the event of any licence breach"
3.9	5	Replaced "This condition" with "SLC 3". Replaced "standard licence conditions" with "SLCs".
3.10	6	Replaced "This condition" with "SLC 7", removed "an", replaced "obligation" with "obligations", removed "a", replaced "supplier" with "suppliers", replaced "owns" with "own". Inserted "SLC 7 provides that". Removed ""Where the terms offered are acceptable to the person making the application, [the supplier shall] sell, hire or loan the relevant metering equipment in accordance with the terms offered."" Inserted "for the supply of metering equipment". Replaced "its" with "that supplier's". Changed "Neither can it be held up in mitigation in the event of a licence breach" to "That is the fact that these services have been sourced from a third party cannot be relied upon as a mitigating circumstance in the event of any licence breach"
3.11	6	Added "any relevant", replaced "meter" with "metering equipment", replaced "it" with "such supplier", removed "able to", replaced "comply" with "compliant", replaced "reasonable" with "short".
3.12	6	Replaced "we" with "Ofgem", inserted "between a supplier and the third party provider of the metering equipment".
3.13	7	"– to either the end customer or a potential competitive supplier".
3.14	7	Replaced "we" with "Ofgem", replaced "is" with "would be".
3.18	8	Replaced "standard licence condition 1" with "SLC 1", replaced "standard licence condition 47" with "SLC 47".
3.19	8	Replaced "This licence condition" with "SLC 47", replaced "issues" with "considerations", replaced "issues" with "matters".
3.22	9	removed term PPMIP as it is not used elsewhere in the document
3.22	9	Replaced "Standard licence condition 53 B" with "SLC 53 B", removed "(a)", "(b)", "(c)" and "(d)".
3.23	9	Replaced ""settle" with "settle", removed "...", removed "in particular", replaced "to"" with "to". Replaced "The" with "the"
3.25	10	Replaced "This condition" with "SLC 2", replaced "section" with "Section"
3.26	11	Replaced "This condition" with "SLC 8"
3.27	11	Added reference to the new DNOs consultation on metering obligations

3.28	11	Replaced "These conditions" with "SLC 36 - 36C", replaced "to be set in conformity" with "to be in conformity".
3.30	12	Replaced "or both services" with ",or both services,"
Appendix 1.1	13	Inserted this table and changed paragraph 1.1 to reflect the contents of the Appendix.

Table 2 - Changes made between versions 1.1 and 2.1

Sect. / para. In V1.1	Pg In V1.1	Change
Summary		Removed reference to gas
Summary		Added explanation of replies to responses and update process
1.3.	1	Added new paragraph "1.4. This document deals with the provision of metering at end-customers premises and does not discuss metering arrangements for small and distributed generation" and footnote 3 "Information about this can be found on Ofgem's website at http://www.ofgem.gov.uk/ofgem/microsites/microtemplate1.jsp?toplevel=smallergenerators&assortment=meteringsystems ."
2.1.	2	Added "The most recent version of this document can be obtained from Ofgem's website" and footnote 4.
2.2.	2	Removed specific consultation timetable
2.3.	2	Changed "Edmunds" to "Tyler"
2.4.	2	Moved to new paragraph after 2.1
3.4.	4	Amended 'principal duty does not apply in relation to the determination of disputes' to 'principal objective and general duties in carrying out its functions do not apply in relation to the determination of disputes.'
3.5.	4	Added "any required standards". Deleted "industry standards"
3.5.	4	Deleted "These provide that any person can own the meter, but that the meter must be fit for the purpose it was intended and will be used for."
3.5.	4	Replaced "Firstly, it must be of a pattern or construction approved by Ofgem. Secondly, it must be installed in a manner approved by Ofgem" with "Firstly, its pattern or construction and manner of installation must be approved by Ofgem or an EC equivalent approval body."
3.5.	4	Amended "to install or perform maintenance on the meter, the person must be accredited by Elexon" to "The supplier as the registrant of the metering system may, in order to meet their obligations under the Balancing and Settlement Code (BSC) in England and Wales and the Settlement Agreement for Scotland (SAS) in Scotland, require the customer to appoint a meter operator accredited by the relevant agents established under the BSC (in England and Wales) or the SAS (in Scotland) to install or perform maintenance on the meter." Also, amended footnote 6 and added footnote 7 to refer to Scottish Electricity Settlements Limited.
3.6.	4	Changed reference to "maintenance of a meter" to "keeping a meter in proper order for correctly registering the quantity of electricity supplied"

3.6.	4	Added definition of authorised supplier "(those authorised by licence or exemption)" and definition of electricity supplier "(authorised by licence)".
3.6.	4	Changed references to "maintenance" to "work".
3.6.	4	Amended "Elexon accredited person" to "accredited meter operator, as defined under the BSC or SAS."
3.7.	5	Added "i.e. the legal title to a meter can be held by a party other than the supplier."
3.9.	5	Replaced 'infrastructure' with 'meter'
3.10.	5	Where a supplier contracts with a third party, that supplier may choose to discharge this obligation through that third party. However, this does not in any way reduce its responsibility to meet its licence obligations. Neither can it be held up in mitigation in the event of a licence breach.
3.11.	6	Redrafted to remove sentence ending preposition.
3.11.	6	Added footnote 10 "At the discretion of the licensee this agreement may involve the licensee ceasing to have any involvement with the meter when the new supplier takes over providing it."
3.13.	6	Added 'burdensome'.
3.15.	7	Inserted sentence "For the avoidance of doubt, this does not preclude suppliers from choosing to make changes to their systems in order to take advantage of the facilities available from smart metering. "
3.19.	7	Replaced 'licensee' with 'outgoing supplier'.
3.21.	8	Amended 'Conditions in Section D of the Electricity Supply Licence only apply in specified "Supply Services Areas". Currently only the ex-PES supply companies have Supply Services Area obligations in relation to their former PES regions" to "Conditions in Section D of the Electricity Supply Licence have effect in the licences of ex-PES supply licensees. Ex-PES supply companies have Supply Services Area obligations in relation to their former PES regions. Currently only those licences specify a Supply Services Area within which the licensee is obliged to comply with Conditions in Section D."
Footnote 6	8	Added 'in these circumstances Ofgem would specify a Supply Services Area within which the licensee would be obliged to comply with Conditions in Section D'.
3.22.	8	Added "A PPMIP service is expected to include those elements stated in SLC 53B(3) (a) – (d) of the electricity supply licence, namely: <ul style="list-style-type: none"> • (a) the purchase by electricity suppliers and/or encoding with data of tokens, cards or keys; • (b) the use by domestic customers of local outlets for the purchase of tokens and crediting with value of cards or keys; • (c) the making of payments to electricity suppliers in respect of sums received by the licensee on behalf of domestic customers; and, • (d) where relevant, the transfer of domestic customer data to electricity suppliers."
3.22.	8	Amended 'anyone ', to 'any electricity supplier'.
3.22.	8	Deleted 'This condition obliges the 'in area' ex-PES supply company to make available a prepayment meter infrastructure (PPMIP) service to any electricity supplier who requests it.' Added 'Standard licence condition 53B obliges the 'in area' ex-PES supply company to offer to enter into an agreement for the provision of prepayment meter services (PPMIP) with any electricity supplier who makes an application for such services.
3.22.	8	Replaced 'have' with 'provide'. Replaced 'and to accept offers to enter into contacts in accordance with it' with 'to any person who requests such a statement'.

3.23.	9	Added new paragraph 3.24 'If either party to such agreement proposes to vary the terms of any agreement for prepayment meter services, the Authority may, at the request of that party, settle any dispute relating to such variation in such manner as appears to the Authority to be reasonable. Ofgem is likely to consider it reasonable (in so far as is relevant) to have regard to those considerations listed in paragraph 3.23 and given in SLC 53C 1(a)(iii), (b) and (c). This is in order to maintain consistency between a settlement of dispute relating to a variation to any agreement for prepayment meter services and a settlement of dispute relating to entering into an agreement for prepayment meter services.'
3.24.	9	Replaced 'licensee' with 'distribution licensee' in first sentence.
3.24.	9	Amended 'takes' to 'has'.
3.24.	9	Added 'this means that the standard licence conditions discussed in paragraphs 3.28 to 3.31 apply to each ex-PES distributor operating 'in area'.'
3.24.	9	Added 'all or part of'.
3.24.	9	Added 'in these circumstances Ofgem would be required to specify a Distribution Services Area within which Conditions in Section C of the licence would apply'.
3.24.	9	Added new section on standard licence condition 8 of the distribution licence "This condition requires the licensee, on application made by any person, to offer to enter into an agreement authorising that person to connect metering equipment to the licensee's distribution system. The licensee is required to set out, among other things, the procedures to be adopted by the applicant when making connections. This licence condition obliges the licensee to offer terms for an agreement within 28 days of receipt of the application. If the licensee fails to enter into an agreement with any person they can refer the matter to the Authority for settlement of the terms of the agreement in dispute."
3.26.	10	Replaced 'meter asset provision' with 'metering equipment' and replaced 'meter operation' with 'installation, commissioning, testing, etc. of metering equipment'
3.26.	10	Added footnote 12 clarifying that MAP and MOp are Ofgem terms
3.26.	10	Inserted phrase "unless manifestly inappropriate" and footnote 13.
3.26.	10	Added "and to be set in conformity with the requirements of standard condition 36."
3.27.	10	Put the emphasis for UMetS more generally on "electricity regulatory regime" rather than DNOs
End	11	Added this change log as an Appendix