

To: The holders of a Gas Transporters Licence

MODIFICATION OF STANDARD CONDITION 8 AND STANDARD SPECIAL CONDITION A10 OF THE GAS TRANSPORTERS LICENCE UNDER SECTION 23(1) OF THE GAS ACT 1986

Whereas:

1. In accordance with section 23(2) of the Gas Act 1986 ("the Act") the Gas and Electricity Markets Authority ("the Authority") gave notice on 29 March 2012 ("the Notice")¹ that it proposed to modify Standard Condition 8 (Provision and Return of Meters) and Standard Special Condition A10 (Provision and Return of Meters) of the Gas Transporters Licence ("the Licence") in the manner set out in the schedule to the Notice.
2. As stated in the Notice, the effect of the proposed modification(s) is that the role of approving gas meter asset managers (MAMs) moves from Ofgem and is instead made under the terms of the SPAA. It will facilitate the ongoing operation of the approval scheme and the development of suitable governance arrangements. This will enable the MAM approval arrangements to be amended if appropriate, to address areas of change industry has already identified, and future changes for the transition to the smart meters.
3. The Authority received eight responses to the Notice². Six respondents supported the licence changes, one offered no opinion and another agreed that the proposed changes give effect to the transfer of the role, but questioned why Ofgem was proposing to do this at the current time. The Authority has considered the responses made in relation to the proposed licence modifications.
4. In accordance with section 23(4)(b)(ii) of the Act, the Authority sent a copy of the Notice to the Secretary of State. The Authority has not received a direction not to make the modifications from the Secretary of State.
5. The Authority has decided to make the proposed licence modifications. The Authority's reasons for modifying Standard Condition 8 and Standard Special Condition A10 are as set out in our decision letter of 29 March 2012 and the letter published alongside this notice³. The Authority considers that the modifications will facilitate the ongoing operation of the approval scheme and the development of suitable governance arrangements. This will enable the MAM approval arrangements to be amended if appropriate, to address areas of change industry has already identified, and future changes for the transition to smart meters. We consider that transferring the role is in the interest of consumers and is consistent with our broader duties and the principles of better regulation.
6. We made minor changes to the licence drafting consulted on and these are highlighted in the schedule to this Modification.
7. Documents referred to in this Modification are available free of charge from the Ofgem Research and Information Centre, 9 Millbank, Westminster, SW1P 3GE (020 7901 7003 or library@ofgem.gov.uk) or from the Ofgem website (www.ofgem.gov.uk). The non confidential responses received are also available from the Ofgem Research and Information Centre or on the Ofgem website.⁴

¹ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=137&refer=Markets/sm/metering/crf>

² See link at footnote 1.

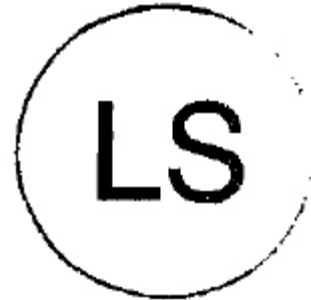
³ <http://www.ofgem.gov.uk/Markets/SM/Metering/CRF/Pages/crf.aspx>

⁴ <http://www.ofgem.gov.uk/CustomPages/Pages/Publications.aspx>

Therefore:

8. In accordance with the powers contained in section 23(1) of the Act, the Authority hereby issues its decision to modify Standard Condition 8 and Standard Special Condition A10 of the Licence granted under section 7(2) of the Act in the manner set out in the schedule to this Modification, with effect from 28 August 2012. This document constitutes notice of the reasons for the decision to modify the standard conditions of the gas transporters licence as required by section 38A of the Act.

The official seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of:



**Colin Sausman, Partner, Smarter Markets
Duly authorised on behalf of the Gas and Electricity Markets Authority**

28 June 2012

Schedule

Standard Condition 8 and Standard Special Condition A10 of the Gas Transporters Licence will be modified in the manner set out in this schedule. The proposed insertions are shown change marked below. Changes highlighted in light blue are minor modifications to improve the drafting of the text set out in our March consultation.

Condition 8: Provision and return of meter

[Amend 8.1A]

1A. For the purpose of paragraph 1, "Meter Asset Manager" means:

a) a person approved ~~by the Authority~~ in accordance with the Supply Point Administration Agreement as possessing expertise satisfactorily to provide Meter-Related Services or a class or description of persons so approved ("relevant expertise"); or

b) an undertaking approved ~~by the Authority~~ in accordance with the Supply Point Administration Agreement as having staff possessing the relevant expertise

and for the purposes of this definition,

(i) "approved in accordance with the Supply Point Administration Agreement" means approved ~~by it~~ in accordance with it for the purposes of this condition generally and "staff" includes officers, servants and agents; and

(ii) "Meter-Related Services" means the provision, installation, commissioning, inspection, repairing, alteration, repositioning, removal, renewal and maintenance of the whole or part of the Supply Meter Installation as defined in Section M, paragraph 1.2 of the Network Code of Transco plc as at the date this paragraph 1A has effect.

Condition A10: Provision and Return of Meters

[Amend A10.1A]

1A For the purposes of paragraph 1, "**meter asset manager**" means:

(a) a person approved ~~by the Authority~~ in accordance with the Supply Point Administration Agreement as possessing expertise satisfactorily to provide meter-related services or a class or description of persons so approved (the "**relevant expertise**"); or

(b) an undertaking approved ~~by the Authority~~ in accordance with the Supply Point Administration Agreement as having staff possessing the relevant expertise and for the purposes of this definition,

(i) "**approved** in accordance with the Supply Point Administration Agreement ~~by the Authority~~" means approved ~~by it~~ in accordance with it for the purposes of this condition generally and "**staff**" includes officers, servants and agents; and

(ii) "**meter-related services**" means the provision, installation, commissioning, inspection, repairing, alteration, repositioning, removal, renewal and maintenance of the whole or part of the Supply Meter Installation as defined in Section M, paragraph 1.2 of the Network Code of Transco plc, as at 12 July 2004, as defined within Amended Standard Condition 9 (Network Code) of Transco plc's gas transporter licence on that date.