

**Consent given by the Gas and Electricity Markets Authority to British Gas Trading Limited, pursuant to standard condition 12.14 of the Electricity Supply Licence (as issued under section 6(1)(d) of the Electricity Act 1989) granting British Gas Trading Limited a derogation from the requirement to carry out physical meter inspections every two years.**

**Whereas:**

1. British Gas Trading Limited (the "Licensee") is the holder of a Electricity Supply Licence (the "Licence") granted under section 6(1)(d) of the Electricity Act 1989 (the "Act") on 25 May 1996.
2. On 6 August 2009 the Licensee requested that the Gas and Electricity Markets Authority (the "Authority") grant a consent, to the Licensee, pursuant to standard condition 12.14, which derogates the Licensee from the requirement to inspect at least once every two years, any Non-Half Hourly Meter, in respect of premises at which it has at all times during that period been the Relevant Electricity Supplier.
3. The Authority considers that a consent should be granted to the Licensee, because the Authority is satisfied that, having considered a range of factors, including safety, theft of energy, billing, competition and impact on networks, that the consent would be in the interests of consumers. Further, the Authority is satisfied that the conditions being placed on the Licensee will protect consumers whilst also promoting quality and value for consumers. The Licensee will be required to monitor and report to the Authority against a set of key performance indicators, which will further safeguard consumers.

**The Authority hereby consents as follows:**

4. In accordance with standard condition 12.14 of the Licence, the Authority hereby grants the Licensee, by way of consent, a derogation from the requirement to carry out meter inspections every two years as required under the terms of this condition.
5. The consent is granted with the following conditions:-

That the Licensee shall,

- a) take all reasonable steps to ensure that it inspects any Relevant Meter, in respect of premises at which it is the Relevant Electricity Supplier as frequently as appropriate, based on the risk profile of the meter;

- b) assess the risk profile for the purposes of sub-paragraph a), and in particular assess; the type of meter, age of the meter, location of the meter, and the likelihood of theft from that meter;
- c) without prejudice to paragraph a), take all reasonable steps to ensure that it inspects any Relevant Meter, at least once every two years, in respect of premises where the Domestic Customer is a Vulnerable Customer and where it has at all times during that period been the Relevant Electricity Supplier;
- d) without prejudice to paragraph a), take all reasonable steps to ensure that it inspects any Relevant Meter in respect of premises where it is the Relevant Electricity Supplier for a Domestic Customer who is not a Vulnerable Customer,
  - i. within 2 years of becoming the Relevant Electricity Supplier for such premises;
  - ii. where subparagraph i. applies thereafter at least once every five years, where it has at all times during that period been the Relevant Electricity Supplier; and
  - iii. where subparagraph i. does not apply at least once every five years, where it has at all times during that period been the Relevant Electricity Supplier;
- e) take all reasonable steps to ensure that it inspects any Electricity Meter that is not a Relevant Meter, at least once every two years, in respect of premises where it has at all times during that period been the Relevant Electricity Supplier;
- f) ensure that any inspection carried under sub-paragraphs a), c), d), and e) is carried out by a person possessing appropriate skill and experience;
- g) ensure that any inspection carried out under sub-paragraphs a), c), d) and e) includes;
  - i. the taking of a meter reading; and
  - ii. a visual inspection of the Relevant Metering Equipment, for the purposes of assessing whether;
    - a. there has been damage to the Relevant Metering Equipment or to any electrical plant or electric line;

- b. there has been interference with the Electricity Meter to alter or prevent it from duly registering the quantity of electricity supplied; and
    - c. the Electricity Meter has deteriorated in any way that might affect its safety or proper functioning;
  - h) take all reasonable steps to obtain a meter reading from any Relevant Meter, at least once every two years, in respect of premises at which it has at all times during that period been the Relevant Electricity Supplier, by visiting the premises, direct from the Domestic Customer or the Relevant Meter itself;
  - i) meet minimum levels of theft detection as set out in the Annex A to this document, in respect of premises with a Relevant Meter and where it is the Relevant Electricity Supplier;
  - j) continue to take all reasonable steps to ensure that it inspects, at each available opportunity, where appropriate and reasonably practicable, any Electricity Meter, in respect of premises at which it is the Relevant Electricity Supplier;
  - k) maintain documentary records of the systems and processes used, and activities undertaken, to give effect to sub-paragraphs a) and b).
  - l) provide a written report to the Authority, on a quarterly basis, detailing compliance with the terms of this consent and in particular provide information in respect of the indicators set out in the Annex B.
6. For the purposes of the conditions set out in paragraph 5 and the definitions set out in paragraph 7, any term used in paragraph 5 or 7, which is defined in the Licence shall have the same meaning as provided in the Licence.
7. For the purposes of the conditions set out in paragraph 5;

“Relevant Meter” means

- i) a Traditional Meter;
- ii) an Electricity Meter that is an advanced meter as defined in Condition 12 of the Licence, which is installed in accordance with the obligations in that condition; or

- iii) an Electricity Meter that has the functional capability specified in the Licensee's Smart Meter Specification and complies with the requirements of the Smart Meter Specification.

"Relevant Metering Equipment" means an Electricity Meter and any associated equipment which materially affects the operation of that meter;

"Smart Meter Specification" means the document headed PR\_smart\_Part1\_GenReq Final V4.0 2010 03 29.

"Traditional Meter" means a Non-Half Hourly Electricity Meter that cannot provide the Licensee, either on its own or with any ancillary device that has been installed, remote access to measured electricity consumption data for multiple periods.

"Vulnerable Customer" means a Domestic Customer who is listed on the Licensee's Priority Services Register established under condition 26 of the Licence.

8. The consent has effect from 1<sup>st</sup> April 2013 and shall remain in force until 31<sup>st</sup> March 2016 (the "Expiry Date"), unless;
  - i. it is revoked or amended by the Authority; or
  - ii. the Expiry Date is extended by the Authority following a review carried out by the Authority immediately following the second anniversary of the date this consent commenced; or
  - iii. the Licensee gives notice to the Authority that the consent is no longer required by the Licensee, in which case the consent shall cease to be of effect.
9. In the event that the Authority determines that the Licensee has breached this consent or any of its terms, this consent shall be revocable immediately without notice, at the sole discretion of the Authority.
10. This consent constitutes notice for the purposes of section 49A of the Act.

Dated: 14/12/2012

Signed: 

**Colin Sausman**

**Partner, Markets**

**Signed on behalf of the Gas and Electricity Markets Authority**

## ANNEX A

**Minimum levels of theft detection required for the purposes of paragraph 5i) of the consent.**

<b>Fuel / minimum annual targets</b>	<b>Theft (individual cases)</b>
Electricity	4890 per annum

## ANNEX B

Indicators of information required for the purposes of paragraph 5i) of this consent.

Narrative	Measurement Level
Number of Occurances - Theft NHH(Electricity)	Number
Number of Occurances - Theft HH (Electricity)	Number
Quantity of Theft Detected - NHH (Electricity)	kWh
Quantity of Theft Detected - HH (Electricity)	kWh
Number of Meter Reads - (Electricity)	
- Estimated Reads	Number
- Site Visist (Firm)	Number
- Customer Reads (Firm)	Number
- Remote reads	Number
Vulnerable Customers - (Electricity)	
- On Register	Number
- Meters Inspected	Number
Meter Points Gained - Churn (Electricity)	
- Meters aquired via churn	Number
- Meters Inspected	Number
Inspection frequency status (Elec)	Number
- Size of portfollio	Number
- 5 year inspection cycle	Number
- 4 year inspection cycle	Number
- 3 year inspection cycle	Number
- 2 year inspection cycle	Number
- 1 year inspection cycle	Number

MEMORANDUM FOR THE RECORD

DATE	DESCRIPTION	AMOUNT	CHECK NO.	ACCOUNT
10/10/78	...	...	...	...
10/11/78	...	...	...	...
10/12/78	...	...	...	...
10/13/78	...	...	...	...
10/14/78	...	...	...	...
10/15/78	...	...	...	...
10/16/78	...	...	...	...
10/17/78	...	...	...	...
10/18/78	...	...	...	...
10/19/78	...	...	...	...
10/20/78	...	...	...	...
10/21/78	...	...	...	...
10/22/78	...	...	...	...
10/23/78	...	...	...	...
10/24/78	...	...	...	...
10/25/78	...	...	...	...
10/26/78	...	...	...	...
10/27/78	...	...	...	...
10/28/78	...	...	...	...
10/29/78	...	...	...	...
10/30/78	...	...	...	...
10/31/78	...	...	...	...