

To: All holders of an electricity supply licence who are relevant licence holders for the purpose of section 11A(10) of the Electricity Act 1989

NOTICE OF STATUTORY CONSULTATION ON A PROPOSED MODIFICATION PURSUANT TO SECTION 11A OF THE ELECTRICITY ACT 1989 OF THE STANDARD CONDITIONS OF THE ELECTRICITY SUPPLY LICENCES GRANTED OR TREATED AS GRANTED UNDER SECTION 6(1)(d) OF THE ELECTRICITY ACT 1989

WHEREAS:

1. Each of the companies to whom this notice is addressed holds an electricity supply licence granted, or treated as granted, pursuant to section 6(1)(d) of the Electricity Act 1989 (the "Act").
2. In accordance with section 11A (2), (3) and (4) of the Act, the Gas and Electricity Markets Authority (the "Authority") gives notice ("Notice") that it proposes to modify the standard conditions of the electricity supply licence by removing standard conditions 12.14 to 12.16 ("Inspection of Electricity Meters")
3. The reasons why the Authority proposes to make this licence modification have been published by the Authority in the following documents:
 - (a) Reforming suppliers' meter inspection obligations – final proposals; and
 - (b) Reforming suppliers' meter inspection obligations¹.

In summary, we are proposing this modification because:

- (i) We consider that the objectives of the requirement to inspect meters in conditions 12.14 to 12.16, to protect consumers against metering safety risks, electricity theft, and billing inaccuracy, are more effectively and efficiently achieved through other conditions of the electricity supply licence, and legislation. Matters of safety are covered in health and safety legislation, such as the Electricity at Work Regulations 1989 and the Health and Safety at Work etc Act 1974. Electricity theft is targeted through condition 12A ("Matters relating to Theft of Electricity") of the electricity supply licence. Billing accuracy is dealt with by condition 21B ("Billing based on meter readings") of the electricity supply licence, but this may only require a supplier to take a meter reading rather than carry out a meter inspection.
 - (ii) The removal of conditions 12.14 to 12.16 does not affect other legal obligations which may require a supplier to inspect a meter. For example, a supplier may need to inspect a meter for the purposes of detecting or investigating potential theft as part of their requirements in condition 12A ("Matters relating to Theft of Electricity") of the electricity supply licence.
4. The effects of this proposed modification are described in the documents referred to in paragraph 3 of this Notice. In summary, this modification removes the requirement for licensees to inspect their non-half hourly meters at least once every two years. We consider that the objectives of conditions 12.14 to 12.16 are provided for in condition 21B ("Billing based on meter readings"), condition 12A ("Matters relating to Theft of Electricity"), and existing health and safety legislation, including those listed in paragraph 3(i).
 5. A copy of the proposed modification and other documents referred to in this Notice have been published on our website (www.ofgem.gov.uk). Alternatively they are

¹https://www.ofgem.gov.uk/sites/default/files/docs/2015/07/reforming_suppliers_meter_inspection_obligations_final_0.pdf

available from our Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003).

6. Any representations with respect to the proposed licence modification must be made on or before 15 December 2015 to: Tom Handysides, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to Tom.Handysides@ofgem.gov.uk.
7. All responses will normally be published on Ofgem's website. However, if respondents do not wish their response to be made public then they should clearly mark their response as not for publication. Ofgem prefers to receive responses in an electronic form so they can be placed on the Ofgem website more easily.
8. The envisaged text for the proposed modifications is set out in the schedule to this Notice.
9. Subject to responses to the statutory consultation, in the event that the Authority decides to proceed with the proposed modification, it is intended that the modification will take effect on a date which is at least 56 days after the date on which the Authority's decision is published.

**Rob Salter – Church, Partner
Duly authorised on behalf of the
Gas and Electricity Markets Authority**

16 November 2015

Schedule

The text below which is highlighted by track changes constitutes the envisaged modifications to standard condition 12 (deletions are shown by strikethrough text).

Condition 12. Matters relating to Electricity Meters

Inspection of Electricity Meters

~~12.14 Unless the Authority otherwise consents, the licensee must take all reasonable steps to ensure that it inspects, 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.~~

~~12.15 An inspection under paragraph 12.14 must be carried out by a person possessing appropriate skill and experience.~~

~~12.16 An inspection under paragraph 12.14 must include:~~

~~(a) taking a meter reading; and~~

~~(b) a visual inspection of any Metering Equipment for the purpose of assessing whether:~~

~~(i) there has been damage to the Metering Equipment or to any electrical plant or electric line;~~

~~(ii) there has been interference with the Non Half Hourly Meter to alter its register or prevent it from duly registering the quantity of electricity supplied; or~~

~~(iii) the Non Half Hourly Meter has deteriorated in any way that might affect its safety or proper functioning.~~