

Gas suppliers, gas transporters,
Meter Asset Managers, Ofgem
Approved Meter Installers,
interested parties

Date: 31 January 2017

Dear Colleague

Transfer of role in approving Meter Installers: Decision under section 23(1) of the Gas Act 1986 to make a modification to the gas supply licence and decision to direct the implementation of SPAA change proposal 16-349

Further to our statutory consultation published 20 December 2016¹, this letter sets out our decision to modify the standard conditions of the gas supply licence. The effect of these modifications is to transfer the role in approving Meter Installers for the purpose of standard licence condition 12 of the gas supply licence from the Authority, to instead be a function of the Supply Point Administration Agreement (SPAA). We have also decided to direct the implementation of SPAA Change Proposal 16/349: '*Introduction of "OAMI" into SPAA vires*' (CP16/349).

The modifications to the gas supply licence are published alongside this letter, which constitute notice of the reasons to modify the licences under section 38A of the Gas Act 1986. The licence modifications will come into effect on **29 March 2017**.

Respondents' views

We received three responses to our consultation on the proposed modifications to the gas supply licence and our intention to approve CP16/349. All three responses supported the proposals and agree that co-locating the governance of the Meter Installer scheme alongside the Meter Asset Managers' Code of Practice (MAMCoP) scheme would facilitate administrative efficiencies. There were no comments on the drafting of the proposed licence modification.

Our view

Given the current degree of overlap between the MAMCoP and the *Ofgem Approved Meter Installer (OAMI) Code of Practice* and between those schemes more generally, we consider that there would be scope for efficiency gains if they were both administered under the same industry governance. This would not only allow the Code of Practice documents themselves to be streamlined, but may realise better value for money if the future procurement of auditors could cover the requirements of both schemes. Perhaps more significantly, this should also reduce the regulatory burden on market participants if they are able to demonstrate competency for both roles, which are closely related, through a single audit. This would also mitigate any risk of contradictory requirements being placed upon market participants. We therefore remain of the view that the implementation of CP16/349 would better facilitate SPAA objective c) - *Promotion of efficiency in the implementation and administration of the supply point administration arrangements*.

¹ See: https://www.ofgem.gov.uk/system/files/docs/2016/12/20161220_mta16-349_statcon.pdf

For these reasons and those given in our statutory consultation published 20 December 2016, we consider that consenting to CP16/349 and directing that the complementary modifications are made to the gas supply licence is consistent with our principal objective and statutory duties.²

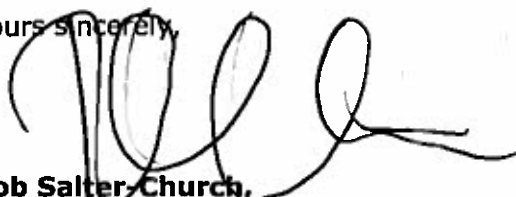
Effect of licence modifications

The effect of the modifications is that the role of approving gas Meter Installers for the purposes of standard licence condition 12 of the gas supply licence moves from Ofgem and is instead made under the terms of the SPAA. This will facilitate the ongoing operation of the approval scheme and the development of suitable governance arrangements. In particular, this should allow for the realisation of synergies and efficiencies from operating the Meter Installer scheme alongside the MAMCoP scheme already operated by the SPAA.

Decision notice

In accordance with standard licence condition 30 of the gas supply licence, the Authority hereby approves modification proposal SPAA CP16/349: *'Introduction of "OAMI" into SPAA vires'*.

Yours sincerely,



**Rob Salter-Church,
Partner, Consumers and Competition**

Signed on behalf of the Authority and authorised for that purpose

² The Authority's statutory duties are wider than matters which the Change Board must take into consideration and are detailed mainly in the Gas Act 1986.

To: All holders of a gas supply licence

MODIFICATION OF STANDARD CONDITION 1, 12 AND 30 OF THE GAS SUPPLY LICENCE UNDER SECTION 23(1) OF THE GAS ACT 1986

WHEREAS

1. Each of the companies to whom this decision is addressed holds a gas supply licence ("the Licence") granted, or treated as granted, pursuant to section 7A(1) of the Gas Act 1986 ("the Act")
2. In accordance with section 23(2) of the Act) the Gas and Electricity Markets Authority ("the Authority") gave notice on 20 December 2016 ("the Notice") that it proposed to modify the following conditions of the Licence in the manner set out in schedule to the Notice:
 - Standard licence condition (SLC) 1 (Definitions for standard conditions)
 - SLC 12 (Matters relating to Gas Meters)
 - SLC 30 (Supply Point Administration Agreement)
3. In accordance with section 23(4)(b) of the Act, the Authority gave notice of its intention to make the modifications to the Secretary of State and has not received a direction not to make the modification
4. The Authority received three responses to the Notice, all of which supported the proposed modifications. None of the responses made any comment on the text of the proposed modifications. These responses have been published on the Ofgem website.
 - a. The reason for the modifications is that it is in customer interests that appropriate arrangements are in place in relation to the role of approving gas Meter Installers, including transparent governance to consider changes to the arrangements. The Meter Installer approval role is largely technical in nature, and is not a core function for an economic regulator. 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. Further detail has been published by the Authority in the following documents: Ofgem. (January 2017) "Transfer of role in approving Meter Installers: Decision under section 23(1) of the Gas Act 1986 to make a modification to the gas supply licence and decision to direct the implementation of SPAA change proposal 16-349"
 - b. Ofgem. (December 2016) "Transfer of role in approving Meter Installers: statutory consultation on modifications to the gas supply licence"

These documents are available on the Ofgem website: www.ofgem.gov.uk

5. The effect of the modification is to ensure that the role of approving gas Meter Installers resides with an appropriate industry body. It will facilitate the ongoing operation of the approval scheme and the development of suitable governance arrangements. This will enable the Meter Installer approval arrangements to be amended if appropriate.
6. Where an application for permission to appeal the Authority's decision is made to the Competition and Markets Authority (CMA) under section 23B of the Act, Rule 5.7 of the CMA's Energy Licence Modification Appeal Rules requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-confidential notice setting out the matters required in Rule 5.2. The attached Schedule 2 provides a list of the relevant licence holders in relation to this

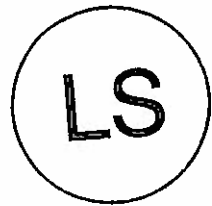
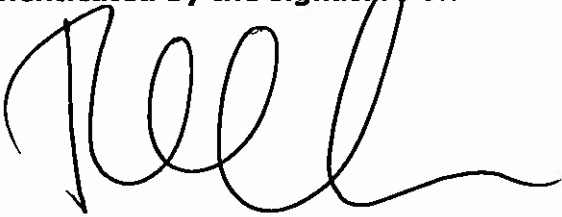
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modification. The meaning of "relevant licence holder" is set out in section 23(10) of the Act.

Therefore:

7. In accordance with the powers contained in section 23(1) of the Act, the Authority hereby issues its decision to modify SLC 1, SLC 12 and SLC 30 of the Licence granted under section 7A(2) of the Act in the manner set out in Schedule 1 to this modification direction, with effect from 29 March 2017. This document constitutes notice of the reasons for the decision to modify the standard conditions of the 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:



.....
Rob Salter-Church,
Partner, Competition and Consumers
Duly authorised on behalf of the Gas and Electricity Markets Authority

31 January 2017

SCHEDULE 1

MODIFICATION OF THE STANDARD CONDITIONS OF GAS SUPPLY LICENCES

Standard Conditions 1, 12 and 30 of the gas supply licence are modified as follows:

Condition 1: Definitions for standard conditions

Delete:

"Meter Installer in relation to any Gas Meter, means:

- (a) a person a class or description of persons possessing the expertise to connect that meter satisfactorily so that the gas supplied through it is duly registered; or
- (b) a person whose staff have such expertise;"

Replace with:

"Meter Installer in relation to any Gas Meter, means a person a class or description of persons:

- (a) possessing the expertise to connect that meter satisfactorily so that the gas supplied through it is duly registered, or a person whose staff have such expertise; and
- (b) approved in accordance with the Supply Point Administration Agreement."

Condition 12: Matter relating to Gas Meters

Delete:

"Approval by Authority

12.19 In this condition, a reference to an approved Meter Installer is to a Meter Installer approved by the Authority for the purposes of this condition."

Replace with:

"Use of an approved Meter Installer

12.19 In this condition, a reference to an approved Meter Installer is to a Meter Installer approved in accordance with the Supply Point Administration Agreement."

Condition 30: Supply Point Administration Agreement

Delete:

"30.6 (e) the establishment, maintenance and operation of the Meter Asset Manager arrangements; and"

Replace with:

"30.6 (e) the establishment, maintenance and operation of the Meter Asset Manager arrangements and/or the approved Meter Installer arrangements; and

SCHEDULE 2- Relevant Licence Holders

1 North Utilities Ltd
1st Direct Utilities Plc
Addito Supply Limited
Adrian Francis Associates Limited
Affect Energy Ltd
AMRECS LLC
AvantiGas On Limited
Avro Energy Limited
Axis Telecom Limited
Axpo UK Limited
Barbican Power Limited
Barrow Shipping Limited
Better Business Energy Limited
Better Energy Supply Limited
Bluebell Energy Supply Limited
Bor Energy Limited
BP Gas Marketing Limited
Breeze Energy Supply Limited
Brilliant Energy Limited
Brilliant Energy Supply Limited
Bristol Energy & Technology Services (Supply) Limited
Britannia Gas Limited
British Gas Trading Limited
Brook Green Trading Limited
Bruntwood Energy Services Limited
Bryt Energy Limited
Bulb Energy Ltd
Business Energy Solutions Limited
Business Power and Gas Limited
Cardiff Energy Supply Limited
Celesto Enterprises Limited
Ceres Energy Limited
Chevron Products UK Limited
Cofathec Heatsave Limited
Contract Natural Gas Limited
Co-Operative Energy Limited
Corona Energy Retail 1 Limited
Corona Energy Retail 2 Limited
Corona Energy Retail 3 Limited
Corona Energy Retail 4 Limited
Coulomb Energy Supply Limited
Cowpow Limited
Crown Gas and Power Limited
Crown Oil Limited
Daffodil Energy Supply Limited
Daisy Energy Supply Limited
Daligas Limited
Data Energy Management Services Limited
Dirac Energy Supply Limited
Dong Energy Sales (UK) Limited
Dong Energy Salg & Service A/S
Donnington Energy Limited
Dual Energy Direct Limited
E (Gas and Electricity) Limited
E.ON Energy Gas (Eastern) Limited
E.ON Energy Gas (North West) Limited
E.ON Energy Solutions Limited
E.ON UK Plc
Eclipse Energy Supply Limited
Eco Green Management Limited
Economy Energy Supply Ltd
Economy Energy Trading Limited
Economy Gas Limited
Economy Power Limited
Eddington Energy Supply Limited
EDF Energy Customers Plc
EDF Trading Limited
Effortless Energy Ltd.
ENGIE Gas Limited
ENGIE Gas Shipper Limited
ENGIE Power Limited
ENGIE Supply Holding UK Limited
ENI Gas & Power SA
ENI Trading & Shipping S.P.A
Eni UK Limited
Enstroga Ltd
Enterprise Gas Limited
Entice Energy Supply Limited
Euston Energy Limited
Eversmart Energy Ltd
Extra Energy Supply Limited
Fairline Gas Ltd
Faraday Energy Supply Limited
Fidelity Energy Limited
First Utility Limited
Flogas Britain Limited
Flow Energy Limited
Foxglove Energy Supply Limited
Future Energy (Supply) Limited
Fyde Utilities UK Limited
Gas Plus Supply Limited
Gazprom Marketing & Trading Retail Limited
GEN4U Ltd
GnERGY Limited
Golding Energy Limited
Good Energy Gas Limited
Great Western Energy Ltd
Green Energy (UK) plc
Green Network Energy Ltd
Greengen Direct Limited
Hartree Partners Power & Gas Company (UK) Limited
Hartree Partners Supply (UK) Limited
Hawking Energy Supply Limited
Holborn Energy Limited

Home Counties Energy Plc
 Hudson Energy Supply UK Limited
 Hyde Park Energy Limited
 I Supply Energy Limited
 I.A.Z.F.S. Limited
 ICD Gas Limited
 Igloo Energy Supply Limited
 International Power Fuel Company Limited
 International Power Ltd.
 Iresa Limited
 Jacob Developments Limited
 JP Morgan Securities Plc
 K O Brokers Limited
 Kensington Power Limited
 Labrador Ltd
 Lavender Energy Supply Limited
 Loco2 Energy Supply Ltd.
 Lourdes Associates Limited
 Lovely Energy Limited
 Macquarie Bank Limited
 Macquarie Commodities Finance (UK) Limited
 Macquarie Factoring (UK) Limited
 Marble Power Limited
 Mercuria Energy Europe Trading Limited
 Mercuria Energy Trading SA
 Mint Energy Supply Limited
 Mongoose Energy Supply Limited
 Monument Energy Limited
 MyLife Home Energy Limited
 Nabuh Energy Ltd
 Nationwide Electricity Limited
 Nationwide Gas Limited
 Newport Energy Limited
 North Sea Gas Limited
 Npower Commercial Gas Limited
 Npower Direct Limited
 Npower Gas Limited
 Npower Northern Limited
 Npower Yorkshire Limited
 Octopus Energy Limited
 Oneselect Limited
 Opal Energy Limited
 Opal Gas Limited
 Opus Energy Limited
 Opus Gas Supply Limited
 Our Power Energy Supply Limited
 Ovo Gas Limited
 Palladium Energy Supply Limited
 Pan-Utility Limited
 Places for People Energy Limited
 Planet 9 Energy Limited
 Pozitive Energy Ltd
 Putney Energy Limited
 Queensbury Energy Limited
 Rayleigh Energy Supply Limited
 Regent Gas Limited
 Retford Gas Limited
 Robin Hood Energy Limited
 Rose Energy Supply Limited
 RWE Generation UK Plc
 RWE Supply and Trading GmbH
 S. C. Isramart SRL
 Saphir Energy Limited
 Satus Energy Limited
 Scottish Power Energy Retail Limited
 Shale Gas UK Limited
 Simple Energy Scotland Limited
 Sinq Power Limited
 Smarter Eco Energy Limited
 SmartestEnergy Limited
 Snowdrop Energy Supply Limited
 So Energy Trading Limited
 Société Valmy Défense 17
 Southern Electric Gas Limited
 Spalt Energy Limited
 Spark Energy Supply Limited
 Squeaky Clean Energy Limited
 SSE Energy Supply Limited
 Statoil (UK) Limited
 Statoil Gas Trading Limited
 Sunflower Energy Supply Limited
 Swift Administration Limited
 Switch Business Gas and Power Ltd
 Symbio Energy Solutions LLP
 Telecom Plus PLC
 Temple Energy Limited
 The Energy Support Bureau Limited
 The Nuclear Decommissioning Authority
 The Renewable Energy Company Limited
 The Royal Bank of Scotland Public Limited
 Company
 Thistle Energy Supply Limited
 Together Energy Supply Limited
 Tonik Energy Limited
 Total Energy Gas Supplies Limited
 Total Gas & Power Limited
 Toto Energy Ltd.
 Tulip Energy Supply Limited
 UK Healthcare Corporation Limited
 UK National Gas Ltd
 Unigas Limited
 United Gas & Power Ltd
 Utilita Energy Limited
 Utilita Gas Limited
 Uttily plc
 Valero Energy UK Ltd
 Vavu Power Limited
 Vayu Limited
 WINGAS GmbH
 Wingas UK Limited

Xcel Power Limited
XLN Energy Limited
Zog Energy Limited

