

Avro Energy Limited

Electricity Act 1989 and Gas Act 1986 Final Order of the Gas and Electricity Markets Authority (“the Authority”) made under section 25(1) of the Electricity Act 1989 (“EA89”) and 28(1) of the Gas Act 1986 (“GA86”)

To:

Avro Energy Limited (company number 09174794) whose registered office is situated at Unit 8 The Courtyard Goldsmith Way, Eliot Business Park, Nuneaton, Warwickshire, CV10 7RJ holder of an Electricity Supply licence and Gas Supply licence issued by the Authority on 27 July 2015 under section 6(1)(d) of the EA89 and section 7A (1) of the GA86 respectively.

WHEREAS:

A. Avro Energy Limited (“Avro”) is a licensed supplier of gas and electricity to Domestic Premises or Designated Premises in Great Britain subject to the requirement to become a DCC User by 25 November 2017 of standard licence condition (“SLC”) 48.8 and 42.8 of the electricity and gas supply licences respectively except in the circumstances specified in SLC 48.9 and 42.9 of the electricity and gas supply licences apply.

B. Specifically, all domestic energy suppliers were required to become a member of the Smart Energy Code (“SEC”) under standard licence condition (SLC) 48.1 of the electricity and SLC 42.1 of the electricity and gas supply licences respectively. This is one of the preconditions to the requirement under SLC 48.8 of the electricity supply licence and SLC 42.8 of the gas supply licence (collectively referred to hereinafter as the relevant condition) to become a DCC User (as defined in SLC 48.11 and 42.11 of the electricity and gas supply licences respectively) by 25 November 2017 as directed by BEIS on 25 November 2016 pursuant to SLC 48.8(b) and 42.8(a) of the electricity and gas supply licences respectively.

C. Avro became a member of the SEC on 12 May 2017 but at the date of this notice Avro had still not completed the DCC User Entry process. This process must be completed by all suppliers before they can use the DCC system and provides for protection for consumers by confirming the supplier meets core security, operational and financial requirements. The DCC User Entry process is set out in Section H of the SEC. Completion of the DCC User Entry process is a precondition to becoming a DCC User in accordance with the relevant condition.

D. Avro’s failure to become a DCC User may result in the loss of smart functionality for customers who switch to Avro with a first generation smart meter (“SMETS1”) or a second generation smart meter (“SMETS 2”) resulting in the risk of receiving inaccurate bills, confusion as the In-Home Display unit would display the tariff of the previous supplier and the risk of loss of confidence in the smart meter programme and the switching process.

E. The Authority is satisfied;

a) that Avro has contravened and is continuing to contravene SLC 48.8 of the electricity supply licence and SLC 42.8 of the gas supply licence by not being a DCC User at the date specified by the Secretary of State in a direction issued pursuant to SLC 48.8(b) and SLC 42.8(a) of the electricity and gas supply licences. The direction was issued by the Secretary of

State on 25 November 2016 requiring the relevant licensees to be DCC Users by 25 November 2017; and

b) that the inclusion of the obligations set out below upon Avro within a Final Order, made under section 25(1) of the EA89 and section 28(1) of the GA86, would be requisite for the purpose of securing Avro's compliance with the relevant conditions.

NOW THEREFORE:

The Authority, pursuant to section 25(1) of the EA89 and section 28(1) of the GA86 makes a Final Order requiring Avro:

- 1) to become a DCC User by no later than 25 July 2019;
- 2) to notify the Authority within 24 hours of completion of each milestone, including completion of the final milestone, as set out in the Avro Implementation Plan; and
- 3) for the purposes of securing compliance with (1) not to acquire any new customers or add any customers accounts by upgrading to dual fuel from 26 May 2019 until Avro has satisfied the Authority that it has become a DCC User.

Dated: 03 April 2019

Amelia Fletcher - Chair
Megan Forbes
Trevor Jones

Enforcement Decision Panel
Duly authorised on behalf of the Gas and Electricity Markets Authority