

**To: All holders of a Gas
Supply Licence**

Gas Act 1986

Section 23(2)

**Notice of statutory consultation on a proposal to modify the standard conditions
of all Gas Supply Licences**

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the standard conditions of all Gas Supply Licences granted or treated as granted under section 7A(1) of the Gas Act 1986 by amending Standard Licence Conditions under section 23(1) (b) and introducing Standard Licence Condition 38A (Post-2020 Roll-out and Installation of smart meters – Licensees reporting and publication requirements to the Authority) to the gas licence set out in Appendix 1 to this notice.
2. This notice of statutory consultation is published alongside a consultation setting out our proposed modifications to the Gas Supply Licence and explains our reasons for proposing the modifications.
3. We are proposing these modifications, inserting standard licence condition 38A into the Gas Supply Licence, in order to reflect developments in the Government's Smart Metering Implementation Programme and their proposed post 2020 smart meter roll out framework.
4. We are proposing that the new standard licence condition takes effect from 1st January 2021 when the new smart meter roll out obligation is proposed to commence.

¹ The terms "the Authority", "we" and "us" are used interchangeably in this document.

5. The proposed licence condition sets out licensees' reporting requirements from 1st January 2021 in respect of their roll out of smart meters, the timing for reporting to the Authority and licensees publication requirements. In particular, the proposed obligations:
 - a. set out the annual smart meter reporting requirements for licensees with additional reporting requirements for licensees with 150,000 customers or more;
 - b. set out the timing for submission of beginning of the year reports from 2021 to 2024 and end of the year reports from 2022 to 2025;
 - c. make provisions for licensees' publication requirements;
 - d. make provision requiring the submission of a narrative to be provided by licensees to the Authority regarding their annual smart meter installation performance;
 - e. confer power to issue directions to the Authority;
6. The proposed modification is set out in Appendix 1. Alongside this notice we have published a consultation setting out the background to the proposed amendments. A copy of the proposed standard licence condition[s] and other documents referred to in this Notice together with this Notice have been published on our website (www.ofgem.gov.uk). Alternatively, they are available from foi@ofgem.gov.uk.
7. Any representations with respect to the proposed licence modifications must be made on or before 26 November 2019 to: Cecilie Ingversen, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to smartmetering@ofgem.gov.uk.
8. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
9. If we decide to proceed with the proposed modifications, they will take effect not less than 56 days after the decision is published.

Jacqui Russell
Head of Metering & Market Operations
Duly authorised on behalf of the
Gas and Electricity Markets Authority

01 October 2019

Appendix 1: Proposed Modifications to the Gas Supply Licence Related to Smart Meter Rollout Reporting to the Authority

Condition 38A: Post-2020 Roll-out and Installation of smart meters – Licensees reporting and publication requirements to the Authority

New condition: Gas Supply Licence Condition

Beginning of the year reporting and publication obligation

- 38A.1 By no later than 31 January in each of the four calendar years commencing on 1 January 2021 the licensee must submit a Beginning Of The Year Report to the Authority.
- 38A.2 No later than 2 working days after the licensee submitted the Beginning Of The Year Report to the Authority, the licensee must publish prominently on its website the Annual Energy Supplier Milestone number. Relevant Suppliers must also publish prominently on their websites the additional information required to be included in their Beginning Of The Year Report under paragraph 38A.4.
- 38A.3 In the Beginning Of The Year Report the licensee must include the following information:
- (a) The Annual Energy Supplier Milestone number for the Relevant Year;
 - (b) Number of Qualifying Relevant Premises without a Qualifying Metering System as of 31 December in the calendar year ending immediately before the Relevant Year;
 - (c) Licensee's total number of gas customers eligible for or with a Qualifying Metering System installed as of 31 December in the calendar year ending immediately before the Relevant Year; and
 - (d) Hyperlink to the Annual Energy Supplier Milestone number published in accordance with paragraph 38A.2.
- 38A.4 In the Beginning Of The Year Report, Relevant Suppliers must include the following additional information for the Relevant Year:
- (a) Number of credit meter customers for whom the Relevant Suppliers intend to install for the first time a Qualifying Metering System at Qualifying Relevant Premises;

- (b) Number of pre-payment customers for whom the Relevant Suppliers intend to install for the first time a Qualifying Metering System at Qualifying Relevant Premises;
- (c) Number of Domestic Customers for whom the Relevant Suppliers intend to install for the first time a Qualifying Metering System at Qualifying Relevant Premises;
- (d) Number of Non-Domestic customers for whom the Relevant Suppliers intend to install for the first time a Qualifying Metering System at Qualifying Relevant Premises; and
- (e) any other information as specified in a direction issued by the Authority pursuant to SLC 38A.9 and SLC 38A.10.

End of year performance reporting and publication obligation

- 38A.5 By no later than 31 January in each of the four calendar years commencing on 1 January 2022 the licensee must submit an End Of Year Performance Report to the Authority.
- 38A.6 At the same time as the licensee submits the End Of Year Performance Report to the Authority the licensee must publish the number of Qualifying Metering Systems installed in Qualifying Relevant Premises in the Relevant Previous Year prominently on its website alongside the Annual Energy Supplier Milestone number for the Relevant Previous Year. Relevant Suppliers must also publish prominently on their websites the additional information required to be included in their End Of Year Performance Report under paragraph 38A.8.
- 38A.7 In the End Of Year Performance Report the licensee must include the following information:
- (a) whether it met its Annual Energy Supplier Milestone number for the Relevant Previous Year;
 - (b) Number of Qualifying Metering Systems installed for Qualifying Relevant Premises for the Relevant Previous Year;
 - (c) Licensee's total number of gas customers eligible for or with a Qualifying Metering System installed as of 31 December for the Relevant Previous Year;

- (d) Information related to Qualifying Metering Systems installed compared to planned installations in the Beginning Of The Year Report; and
- (e) Hyperlink to the number of Qualifying Metering Systems installed published in accordance with paragraph 38A.6.

38A.8 In the End Of Year Performance Report, Relevant Suppliers must include the following additional information for the Relevant Previous Year:

- (a) Number of Qualifying Metering Systems installed at Qualifying Relevant Premises for the first time for credit customers;
- (b) Number of Qualifying Metering Systems installed at Qualifying Relevant Premises for the first time for prepayment customers;
- (c) Number of Qualifying Metering Systems installed at Qualifying Relevant Premises for the first time for domestic customers; and
- (d) Number of Qualifying Metering Systems installed at Qualifying Relevant Premises for the first time for non-domestic customers.

Direction

38A.9 The licensee must comply with any directions the Authority may issue for the purposes of this condition and which are addressed to it or to a category of Gas Suppliers of which it is a member.

38A.10 A direction issued by the Authority may, in particular, specify:

- (a) the format of the Beginning Of The Year Report and the End Of Year Performance Report;
- (b) the form and manner in which the information required under paragraph 38A.3 and, where applicable, 38A.4 must be included in the Beginning Of The Year Report;
- (c) the form and manner in which the information required under paragraph 38A.7 and, where applicable, paragraph 38A.8 must be included in the End Of Year Performance Report;

- (d) requirements in relation to the submission of the Beginning Of The Year Report and the End Of Year Performance Report in addition to the requirements under paragraphs 38A.1 and 38A.5;
- (e) the manner and method by which any specified information in the Beginning Of The Year Report or the End Of Year Performance Report must be published by the licensee in addition to the requirements to publish under paragraph 38A.2 and 38A.6; and
- (f) the information the licensee must include in the End Of Year Performance Report, which may, where the licensee is required to provide a rollout report to the Secretary of State under SLC 37 (Rollout Reporting and Provision of Information to the Secretary of State), include such parts of the rollout report as are specified in the direction.

Definitions

38A.11 For the purposes of this condition:

Annual Energy Supplier Milestone number	means the energy supplier milestone number determined in accordance with SLC 33A. for the Relevant Year.
Beginning Of The Year Report	means the report containing the information set out in paragraph 38A.3 and, where applicable, paragraph 38A.4 required to be submitted to the Authority in accordance with paragraph 38A.1.
End Of Year Performance Report	means the report containing the information set out in paragraph 38A.7 and, where applicable, paragraph 38A.8 required to be submitted to the Authority in accordance with paragraph 38A.5.
Energy Customer	has the meaning as defined in SLC 39.46.
Qualifying Metering Systems	As defined in standard condition 33A.2.
Qualifying Relevant Premises	Means premises meeting the requirements set out in standard condition 33A.3.
Relevant Previous Year	means the calendar year ending immediately before the year in which the End Of Year Report is required to be submitted in accordance with SLC 38A.5.

Relevant Supplier

means a gas or electricity supplier which:

(a) is authorised by its licence to supply gas or electricity to an Energy Customer; and

(b) supplies either gas or electricity (or both) to 150,000, or more, Energy Customers.

Relevant Year

means the calendar year in which the Beginning Of The Year Report is required to be submitted in accordance with SLC 38A.1.