

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

**ELECTRICITY ACT 1989
SECTION 11A**

MODIFICATIONS PURSUANT TO SECTION 11A OF THE ELECTRICITY ACT 1989 OF THE STANDARD CONDITIONS OF THE ELECTRICITY SUPPLY LICENCE GRANTED OR TREATED AS GRANTED UNDER SECTION 6(1)(d) OF THE ELECTRICITY ACT 1989.

NOTICE OF REASONS FOR THE DECISION TO MODIFY THE STANDARD CONDITIONS OF THE ELECTRICITY SUPPLY LICENCE UNDER SECTION 49A OF THE ELECTRICITY ACT 1989.

WHEREAS:

1. Each of the companies to whom this Notice is addressed has an electricity supply licence which has been granted or treated as granted under section 6(1)(d) of the Electricity Act 1989 ("the Act").
2. In accordance with section 11A(2) of the Act the Gas and Electricity Markets Authority ('the Authority')¹ gave Notice on 16th November 2015 ('the Notice')² that we propose to modify standard condition 12 by removing standard conditions 12.14 to 12.16. The Notice required any representations with respect to the proposed modifications to be made on or before 15th December 2015.
3. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b) of the Act, and we have not received a direction that these modifications should not be made.
4. We received 14 responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. A copy of the non-confidential representations received by Ofgem are available free of charge from the Ofgem Knowledge Management Team, 9 Millbank, London, SW1P 3GE.
5. The Authority has carefully considered the representations made and, subject to the minor changes set out in Schedule 1 to this Notice, has decided to proceed with all the modifications proposed in the Notice.
6. Minor changes were made to the licence drafting consulted on to reflect that the numbering of condition 12 will remain the same despite conditions 12.14 to 12.16 no longer being in use. These changes were made to ensure clarity for those subject to the conditions of this licence.
7. In accordance with section 49A of the Act, the reasons for making the licence modifications is to implement the policy stated in the following documents:
 - (a) Reforming suppliers' meter inspection obligations – final proposals
 - (b) Reforming suppliers' meter inspection obligations

In summary, we are making these modifications 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

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

²

https://www.ofgem.gov.uk/sites/default/files/docs/2015/11/notice_of_proposed_licence_modifications_to_the_standard_conditions_of_the_elec_supply.pdf

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.
- 8. The effect of the licence modifications are described in the documents referred to in paragraph 7 of this Notice. In summary, these modifications remove 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 21.B ("Billing based on meter readings"), condition 12.A ("Matters relating to Theft of Electricity"), and existing health and safety legislation, including those listed in paragraph 7(i).
- 9. Where an application for permission to appeal the Authority's decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.7 of the CMA's Energy Licence Modification Appeals Rules³ requires that the appellant send a non-confidential notice to any relevant licence holders who are not parties to the appeal, setting out the matters required in Rule 5.2. Schedule 2 to this Notice provides a list of the relevant licence holders in relation to these modifications. Section 11A(10) of the Act sets out the meaning of "relevant licence holder".

Now therefore

In accordance with the powers contained in section 11A(1)(b) of the Act, the Authority hereby modifies the standard conditions for all electricity supply licences in the manner specified in attached Schedule 1. These modifications will take effect on and from 1 April 2016, a date which is at least 56 days from the publication of this Notice.

The Official Seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of



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

2 February 2016

³ The rules were published by the Competition Commission in September 2012. On 1 April 2014, the Competition Commission was abolished and its functions transferred to the CMA.

SCHEDULE 1

MODIFICATIONS PURSUANT TO SECTION 11A OF THE ELECTRICITY ACT 1989 OF THE STANDARD CONDITIONS OF THE ELECTRICITY SUPPLY LICENCE GRANTED OR TREATED AS GRANTED UNDER SECTION 6(1)(d) OF THE ELECTRICITY ACT 1989.

The text below which is highlighted by track changes constitutes the modifications to standard condition 12. Deletions are shown by strikethrough text, and insertions by double-underlined text. Changes made since the Notice are in red 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.~~ **Not Used**

~~12.15 An inspection under paragraph 12.14 must be carried out by a person possessing appropriate skill and experience.~~ **Not Used**

~~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.~~

Not Used

Schedule 2: Relevant Licence Holders⁴

1st Direct Utilities Limited	Npower Northern Limited
Addito Supply Limited	Npower Northern Supply Limited
Affect Energy Ltd	Npower Yorkshire Limited
Arto.Energy Limited	Npower Yorkshire Supply Limited
Avro Energy Limited	Octopus Energy Limited
Axis Telecom Limited	Open4Energy Limited
AXPO UK Limited	Opus Energy (Corporate) Limited
Barbican Power Limited	Opus Energy Limited
Better Energy Supply Limited	Opus Energy Renewables Limited
BizzEnergy Limited (in receivership)	Our Power Energy Supply Limited
Bluebell Energy Supply Limited	OVO Electricity Limited
Breeze Energy Supply Limited	Paddington Power Limited
Bristol Energy & Technology Services (Supply)Limited	Palladium Energy Supply Limited
British Gas Trading Limited	Pan-Utility Limited
Bulb Energy Ltd	Pilot Energy Limited
Business Power and Gas Limited	Pioneer Energy Limited
Cardiff Energy Supply Limited	Places for People Energy Supplies Limited
Comet Energy Limited	Powerq Limited
Co-Operative Energy Limited	R Electrics Limited
Cornflower Energy Supply Limited	Robin Hood Energy Limited
Corona Energy Retail 5 Limited	Rose Energy Supply Limited
Coulomb Energy Supply Limited	Santiam Energy Limited
Covent Energy Limited	Scottish Power Energy Retail Limited
Crown Oil Limited	SEEBOARD Energy Limited
Daffodil Energy Supply Limited	Silver Energy Supply Limited
Daisy Energy Supply Limited	Simply Electricity Limited
Dong Energy Power Sales UK Limited	Sinq Power Limited
Donnington Energy Limited	Smart Electricity Limited
Earl Power Supply Limited	Smarter Eco Energy Ltd
Easy Energy Supply Limited	Snowdrop Energy Supply Limited
Electraphase Ltd	So Energy Trading Limited
Energyq Limited	South Wales Electricity Limited

⁴ Electricity licence holders are listed at: <https://www.ofgem.gov.uk/publications-and-updates/all-electricity-licensees-registered-addresses>

Economy Energy Supply Limited	Spark Energy Supply Limited
Economy Energy Trading Limited	SSE Energy Supply Limited
EDF Energy Customers Plc	Sunflower Energy Supply Limited
Edgware Energy Limited	Supply Energy Limited
Effortless Energy Ltd.	Switch Business Gas and Power Ltd
E (Gas and Electricity) Limited	Symbio Energy Solutions LLP
Electricity Plus Supply Limited	Tailwind Energy Supply Limited
Emexconsult Limited	Tempus Energy Supply Ltd
Eneco Energy Trade BV	The Renewable Energy Company Limited
Energy COOP Limited	Tornado Energy Supply Limited
Energy Supply Solutions Limited	Tulip Energy Supply Limited
Envy Energy Limited	UK Healthcare Corporation Limited
E.ON Energy Solutions Limited	Utilita Energy Limited
Extra Energy Supply Limited	Utility Zone Limited
Farmoor Energy Limited	Vavu Power Limited
Farringdon Energy Limited	Amber Energy Management Ltd
First Utility Limited	AMRECS LLC
Flow Energy Limited	BES Commercial Electricity Limited
Foxglove Energy Supply Limited	Better Business Energy Limited
Future Energy Utilities Ltd	Blizzard Utilities Limited
GB Energy Supply Ltd	BP Energy Europe Limited
Girl Power Supply Limited	Brilliant Energy Limited
GNERGY Limited	British Energy Direct Limited
Good Energy Limited	Danske Commodities A/S
Green Energy (UK) plc	DONG Energy Sales (UK) Limited
Greengen Direct Limited	Dual Energy Direct Limited
Green Network Energy Ltd	Eco Green Management Limited
Green Network Power and Gas Limited	Electricity Direct (UK) Limited
Halogen Power Limited	Energy Data Company Limited
Haven Power Limited	ENGIE Power Limited
Highclare Trading Limited	ENSCO Energy Services Company (UK) Ltd
Holborn Energy Limited	E.ON UK Plc
Home Counties Energy Plc	EPG Energy Limited
Hudson Energy Supply UK Limited	ETUL Limited
Iresa Limited	F & S Energy Limited

I Supply Electricity 2 Limited	Gazprom Marketing & Trading Retail Limited
I Supply Electricity Limited	I.A.Z.F.S. Limited
I Supply Energy Limited	IPM Energy Retail Limited
ICS Energy Limited	Lourdes Associates Limited
KAL-Energy Limited	MA Energy Limited
Kensington Power Limited	Morgan Stanley Capital Group Inc
KG Insulation Ltd	New Stream Renewables Limited
Labrador Ltd	Power4All Limited
Lavender Energy Supply Limited	RMA Dorex UK Ltd
Limejump Energy Limited	S. C. Isramart SRL
Loco2 Energy Supply Ltd.	Smartest Energy Limited
Marble Power Limited	Statkraft Markets GmbH
Marigold Energy Supply Limited	The Nuclear Decommissioning Authority
Mint Energy Supply Limited	Total Gas & Power Limited
Mistral Energy Supply Limited	Tradelink Solutions Limited
Mongoose Energy Supply Limited	UK Power Reserve Limited
MVV Environment Services Limited	United Gas & Power Ltd
MyLife Home Energy Limited	Universal Bioenergy Limited
Nationwide Electricity Limited	Uttily plc
Neas Energy Limited	Vattenfall Energy Trading GmbH
Nickel Energy Supply Limited	Verastar Limited
Nilo Energy Limited	Wilton Energy Limited
Npower Direct Limited	XLN Energy Limited
Npower Limited	