Condition 1

Amendment to definition of HAN

**HAN** means, in relation to a Smart Metering System, the home area network operating within one or more harmonised frequency bands, which:

(a) is created by virtue of the HAN Interfaces of that Smart Metering System; and

(b) constitutes a means by which information can be exchanged between that Smart Metering System and any other device or system.

Addition of a New Definition

**Specified Frequency Band** means the 2400 - 2483.5 MHz harmonised frequency band.
Condition 2. Interpretation of standard conditions

General rules of interpretation

2.1 Unless the context otherwise requires, any word or expression defined in the Act, the Utilities Act 2000 or the Energy Act 2004 has the same meaning when used in the standard conditions of this licence.

2.2 Unless the context otherwise requires, any reference in the standard conditions of this licence to an industry code, an agreement or a statement is a reference to that code, agreement or statement as modified, supplemented, transferred, novated or replaced from time to time and any reference to a statute or subordinate legislation is a reference to that statute or subordinate legislation as amended or re-enacted from time to time.

2.3 The heading or title of any section, standard condition, schedule, paragraph or subparagraph in the standard conditions of this licence is for convenience only and does not affect the interpretation of the text to which it relates.

2.4 Unless the context otherwise requires:

(a) any reference in the standard conditions of this licence to a section, standard condition, schedule, paragraph or sub-paragraph is a reference to it in the standard conditions of this licence;

(b) any reference in a standard condition of this licence to a paragraph or sub-paragraph is a reference to it in that standard condition; and

(c) any reference in the standard conditions of this licence to any natural or legal person includes that person’s successors.

2.5 Any reference in the conditions of this licence to any of the following:

(a) a provision of the conditions of this licence;

(b) a provision of the conditions of the Distribution Licence;

(c) a provision of the conditions of the Generation Licence;

(d) a provision of the conditions of the Transmission Licence; or

(e) a provision of the conditions of the Interconnector Licence,

is to be read, if the conditions of this licence or of any of the other licences are subsequently modified, as a reference (so far as the context permits) to the corresponding provision of the relevant conditions.

2.5A Unless the context or a standard condition otherwise requires,

(a) words and expressions referencing the masculine gender include the feminine;

(b) words and expressions referencing the feminine gender include the masculine;

(c) words and expressions in the singular include the plural and words and expressions in the plural include the singular.

Performance of obligations

2.6 Where any obligation in this licence is required to be performed by a specified date or time or within a specified period and the licensee has failed to do so, the obligation will continue to be
Specific application of powers

2.7 Unless a contrary intention appears, any power of the Authority under any provision of this licence:

(a) to give a direction, consent, derogation, approval or designation is a power:

(i) to give it to such extent, for such period of time and subject to such conditions as the Authority thinks reasonable in all the circumstances of the case; and

(ii) to revoke or amend it (after consulting with the licensee or, for the purpose of a Domestic Supply Direction given under standard condition 3 (Application of Section B of standard conditions), with the consent of the licensee) or give it again under that power; and

(b) to make a determination or a decision is a power:

(i) to make it subject to such conditions as the Authority thinks reasonable in all the circumstances of the case; and

(ii) to make it again under that power.

2.8 Any direction, consent, derogation, determination, approval, designation, decision or other instrument given or made by the Authority under this licence will be in Writing.

Date to be specified

2.9 In each case in which the Authority may specify a date under the standard conditions of this licence, it may specify:

(a) that date; or

(b) the means by which that date is to be determined.

Continuing effect

2.10 Anything done under or because of a standard condition of this licence, which is in effect immediately before that standard condition is modified, has continuing effect for so long as it is permitted or required by or under the modified standard condition.

2.11 Without prejudice to the generality of paragraph 2.10, every direction, consent, determination, designation, approval, decision or other instrument given or made by the Authority or by a licensing scheme made under Schedule 7 to the Utilities Act 2000 in relation to a standard condition of this licence, which is in effect immediately before that standard condition is modified, has continuing effect for so long as it is permitted or required by or under the modified standard condition.

Specific Application of Powers – Secretary of State

2.12 Unless a contrary intention appears, any power of the Secretary of State under standard condition 1, 12, 39, 40, 45, 46, 49, 53 or 55 of this licence to give a direction, and any power of the Secretary of State under standard condition 47 or 55 of this licence to give an approval, is a power:
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(a) to give it to such extent, for such period of time and subject to such conditions as the Secretary of State thinks reasonable in all the circumstances of the case; and

(b) to revoke or amend it (after consulting with the licensee) or give it again under that power.

2.13 Any direction given by the Secretary of State under standard condition 1, 12, 39, 40, 45, 46, 49, 53 or 49 55 of this licence, and any approval given by the Secretary of State under standard condition 47 or 55 of this licence, will be in Writing.

2.14 In each case in which the Secretary of State may specify a date under standard condition 12, 39, 40, 45, 46, 49, or 49 55 of this licence, he may specify:

(a) that date; or

(b) the means by which that date is to be determined.

2.15 Without prejudice to the generality of paragraph 2.10, every direction given by the Secretary of State in relation to standard condition 1, 12, 39, 40, 45, 46, 49, 53 or 49 55 of this licence, and every approval given by the Secretary of State under standard condition 47 or 55 of this licence, which is in effect immediately before that standard condition is modified, has continuing effect for so long as it is permitted or required by or under the modified standard condition.
Condition 40: Provision of an In-Home Display

The general duty

40.1 The licensee must, where it installs or arranges for the installation of a Smart Metering System at any Domestic Premises on or after the Smart Metering Designated Date, ensure that it:

(a) provides to the Domestic Customer at the premises complete and accurate information, which does not mislead the Domestic Customer, concerning the availability and benefits of an In-Home Display;

(b) communicates that information in plain and intelligible language;

(c) offers the Domestic Customer the opportunity to have an In-Home Display provided at the Domestic Premises from no later than the date the Smart Metering System is installed; and

(d) where the Domestic Customer accepts the offer, provides at the premises from no later than that date an In-Home Display which operates, together with the Smart Metering System at the premises, so as to permit the intended use of the functional capability of that In-Home Display; and

(e) where it provides an In-Home Display pursuant to sub-paragraph (d), provides an In-Home Display that is of a type that is capable of being connected, through the HAN to the Smart Metering System at the premises, at the Specified Frequency Band, unless it would be technically impracticable for an In-Home Display provided at the premises to be so connected (and for the purposes of this sub-paragraph (e) it shall be considered to be technically impracticable for an In-Home Display provided at the premises to be so connected where any such connection cannot be made without the installation of additional equipment or the relocation of any part of the Smart Metering System at the premises).

40.2 The requirement in paragraph 40.1 is subject to paragraphs 40.5 and 40.9(a).

Duty in relation to the Offer of an In-Home Display

40.3 This paragraph has effect from 1 July 2016 and applies where:

(a) pursuant to its obligation in paragraph 40.1, the licensee offers the Domestic Customer the opportunity to have an In-Home Display provided at the Domestic Premises; and
(b) prior to the Domestic Customer accepting or rejecting the opportunity to have an In-Home Display provided, the licensee also offers the Domestic Customer the opportunity to have provided to him an alternative to an In-Home Display.

40.4 Where paragraph 40.3 applies the licensee must:

(a) not make it a condition of the offer referred to in paragraph 40.3(b) that in order to accept it the Domestic Customer must reject, or may not accept, the Licensee's offer, made pursuant to paragraph 40.1(c); and

(b) ensure that the licensee's offer to provide an alternative to an In-Home Display does not in any way detract from, or otherwise undermine, the licensee's offer, made in accordance with and pursuant to paragraph 40.1(c).

Exception to the general duty – Existing In-Home Display

40.5 The licensee is not required to comply with paragraph 40.1 if a device has been provided by any person at the Domestic Premises which, on the date on which the Smart Metering System is installed at the Domestic Premises:

(a) constitutes an In-Home Display; and

(b) operates, together with the Smart Metering System at the premises, so as to permit the intended use of the functional capability of that In-Home Display.

The duty on request of Domestic Customers

40.6 Where paragraph 40.7 applies, the licensee must:

(a) take all reasonable steps to provide, at Domestic Premises in respect of which it is the Relevant Electricity Supplier, an In-Home Display, which operates, together with the Smart Metering System at the premises, so as to permit the intended use of the functional capability of that In-Home Display; and

(b) where it provides an In-Home Display pursuant to sub-paragraph (a), ensure that the In-Home Display it provides is of a type that is capable of being connected, through the HAN to the Smart Metering System at the premises, at the Specified Frequency Band, unless it would be technically impracticable for an In-Home Display provided at the premises to be so connected (and for the purposes of this sub-paragraph (b) it shall be considered to be technically impracticable for an In-Home Display provided at the premises to be so connected where any such connection cannot be made without the installation of additional equipment or the relocation of any part of the Smart Metering System at the premises).
40.7 This paragraph applies where:

(a) the Domestic Customer at premises in respect of which the licensee is the Relevant Electricity Supplier makes a request for the licensee to provide an In-Home Display within the Relevant Period; and

(b) prior to that request an In-Home Display has not been provided at the premises.

40.8 The requirement in paragraph 40.6 is subject to paragraphs 40.9(a) and 40.17.

**Exception to the general duty and the duty on request – Derogation from the Secretary of State**

40.9 Where the Secretary of State gives a direction to the licensee under paragraph 40.10, the licensee:

(a) is not required to comply with paragraphs 40.1 and 40.6 to such extent and subject to such conditions as specified in the direction; and

(b) must submit to the Secretary of State the evidence specified in the direction by the Relevant Date.

40.10 The Secretary of State may give a direction to the licensee under this paragraph where the licensee submits, on or before 30 September 2016, an application to the Secretary of State for a derogation from the requirements in paragraphs 40.1 and 40.6.

40.11 Paragraph 40.12 applies where:

(a) the licensee is notified of a Proposed Supplier Transfer in respect of the premises of a Domestic Customer for which it is the Relevant Electricity Supplier; and

(b) the licensee has provided to that Domestic Customer an alternative to an In-Home Display pursuant to and in accordance with a direction given by the Secretary of State under paragraph 40.10.

40.12 Where this paragraph applies, the licensee must ensure that it offers, as soon as reasonably practicable after receiving the notification referred to in paragraph 40.11(a), the Domestic Customer the opportunity to have an In-Home Display provided at the Domestic Premises.

**The duty during the Relevant Period on and after provision of an IHD**

40.13 The licensee must take all reasonable steps to ensure that, at each Domestic Premises in respect of which it is the Relevant Electricity Supplier and at which an In-Home Display has
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been provided, the In-Home Display continues during the Relevant Period to satisfy the requirements of the IHD Technical Specification applicable (in accordance with paragraph 53.12 of standard condition 53 (Technical Specifications)) at the date on which it was provided.

40.14 The requirement in paragraph 40.13 is subject to paragraph 40.17.

The duty to deal with IHD faults

40.15 Where:

(a) the licensee is notified that there is a fault in an In-Home Display provided at a Domestic Premises in respect of which it is the Relevant Electricity Supplier;

(b) the consequence of the fault is that the In-Home Display no longer satisfies the minimum requirements of the IHD Technical Specification applicable at the date on which the In-Home Display was provided;

(c) the Smart Metering System at the Domestic Premises was installed:

   (i) on or after the Smart Metering Designated Date; and
   
   (ii) no more than 12 months prior to the date on which the licensee is notified of the fault; and

(d) the licensee is in its reasonable opinion satisfied that the fault in the In-Home Display is not due to a failure by the Domestic Customer to take all reasonable steps to keep the In-Home Display in good working order,

the licensee must take all reasonable steps to repair or replace the faulty In-Home Display.

40.16 The requirement in paragraph 40.15 is subject to paragraph 40.17.

Exceptions

40.17 Paragraphs 40.6, 40.13 and 40.15 apply:

(a) in all cases in respect of any Domestic Premises at which the licensee installed or arranged for the installation of the Smart Metering System; and

(b) in any other case, only from such date and to such extent as specified in a direction issued by the Secretary of State under this sub-paragraph.

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40.18 For the purposes of this condition:

**Relevant Date**

means the date specified, in the direction given to the licensee by the Secretary of State under paragraph 40.9, as the date by which the licensee must submit to the Secretary of State the evidence specified in the direction.

**Relevant Period**

means, in respect of a Smart Metering System installed on or after the Smart Metering Designated Date, the period which commences on the date on which the Smart Metering System is installed at the Domestic Premises and ends 12 months after that date.
Condition 49. Smart Metering Systems and In-Home Displays — Operational Requirements

Application of Part A

49.1 Part A of this Condition applies to the licensee in respect of any Domestic Premises and any Designated Premises of Micro Business Consumers at which:

(a) it is the Relevant Electricity Supplier; and

(b) there is installed a Smart Metering System,

(a relevant premises).

49.2 Part A of this Condition applies from:

(a) the Effective Date in respect of any relevant premises where:

(i) the Installation Date of the Smart Metering System is a date after the Effective Date; or

(ii) the Installation Date of the Smart Metering System is a date on or prior to the Effective Date and the Smart Metering System is enrolled in accordance with the Enrolment Service; and

(b) the date specified in paragraph 39.1 of standard condition 39 (Smart Metering System — Roll-out, Installation and Maintenance) in respect of any relevant premises which are Domestic Premises and where:

(i) the Installation Date of the Smart Metering System is a date on or prior to the Effective Date; and

(ii) the Smart Metering System is not enrolled in accordance with the Enrolment Service.

Application of Part B

49.3 Part B of this Condition applies to the licensee from the Effective Date in respect of any Domestic Premises at which:

(a) it is the Relevant Electricity Supplier;

(b) there is installed a Smart Metering System; and

(c) the Installation Date of the Smart Metering System is a date on or after the Effective Date,
PART A: SMART METERING SYSTEMS

Smart Metering System — Operational Requirement

49.4 In respect of each relevant premises, the licensee must take all reasonable steps to ensure that:

(a) a connection is established that enables the exchange of information between the Smart Metering System at those premises and the licensee's Communications System (either directly to the licensee's Communications System or indirectly through the DCC's Communications System or another Communications System);

(b) where the connection established in accordance with paragraph (a):

(i) is not through the DCC's Communications System, it maintains that connection;

(ii) is through the DCC's Communications System, it does not act in a manner that compromises the maintenance of that connection;

(c) the Smart Metering System is configured, and where necessary, the Alt HAN Services (or any other services of equivalent purpose and effect which have been acquired by the licensee) are utilised, so that:

(i) the HAN extends into at least one part of the relevant premises which:

(A) if the relevant premises is a Domestic Premises, is a part located within the main dwelling area of the premises;

(B) if the relevant premises is a Designated Premises of a Micro Business Consumer, is a part located within the main business area of the premises; and

(ii) where a connection is established in accordance with paragraph (d), the Smart Metering System, together with the Alt HAN Equipment (or other equipment of equivalent purpose and effect) which is being used by the licensee in respect of the relevant premises, enables the Customer Information referred to in paragraph (e) to be sent to the Relevant Consumer Device for the purposes referred to in paragraph (e);

(d) on request of the Customer at the relevant premises, it both establishes and thereafter maintains a connection through the HAN Interfaces between the Smart
Metering System and each Relevant Consumer Device that is located within a part of the premises to which the HAN extends and is the subject of the request; and

(e) the connection established in accordance with paragraph (d) enables that Customer to access (at any time and, in the case of a Domestic Customer, free of charge) by means of each Relevant Consumer Device, the Customer Information that:

(i) is capable of being stored in or held by the Smart Metering System (or any part of it); and

(ii) the Smart Metering System (or any part of it) is capable of sending to the Relevant Consumer Device.

49.5 Where, in respect of any premises, the licensee uses Alt HAN Equipment or any other equipment of equivalent purpose and effect for the purposes of paragraph 49.4(c), it shall ensure that it does not seek to recover costs from a Domestic Customer in relation to the provision, installation, operation, maintenance, modification, decommissioning or replacement of that equipment except to the extent that they are borne by the licensee’s Domestic Customers generally as an increment of charges for electricity or gas supplied to them.

49.6 Where, in respect of any relevant premises, the licensee does not use Alt HAN Equipment but uses other equipment of equivalent purpose and effect for the purposes of paragraph 49.4(c), it shall ensure that:

(a) the equipment that is being used by it does not interfere with the location, operation or maintenance of any Alt HAN Equipment which has previously been installed in respect of those premises;

(b) neither that equipment nor any arrangements under which it is provided, installed, operated or maintained interfere with effective competition between Gas Suppliers and Electricity Suppliers or between persons engaged in commercial activities that are connected with the supply of gas or electricity; and

(c) where it (or any Representative) is installing that equipment for the first time, it takes all reasonable steps to communicate to the Customer at those premises in plain and intelligible language a statement to the effect that if that Customer changes their Electricity Supplier they may not be able to receive the same services in respect of the functionality of the Smart Metering System installed at those premises without the installation of additional equipment.

49.7 The obligations in paragraph 49.4 are subject to paragraphs 49.6 and 49.79.
**Exception to SMS Operational Requirement — Premises of Micro Business Consumers**

49.6

The obligations in paragraph 49.4 do not apply in respect of a Designated Premises of a Micro Business Consumer where the Smart Metering System at the premises is not enrolled in accordance with the Enrolment Service.

**Exception to SMS Operational Requirement — Domestic Premises**

49.7

Subject to paragraph 49.8, the obligations in paragraph 49.4 do not apply in respect of a Domestic Premises where:

(a) the Smart Metering System at the premises was not installed or arranged to be installed by the licensee; or

(b) the licensee replaces any apparatus forming part of the Smart Metering System pursuant to paragraph 50.9 of standard condition 50 (Smart Metering – Continuation of Arrangements on Change of Supplier).

49.8

The exceptions in paragraph 49.7 apply only until the earlier of:

(a) the date that the Smart Metering System installed at the premises is enrolled in accordance with the Enrolment Service; or

(b) the date specified in paragraph 39.1 of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).

**Customer Information**

49.9

In this Condition, ‘Customer information’ is information which provides details of or relates to:

(a) the quantity of electricity measured by the Electricity Meter as having been supplied by the licensee to the customer at the relevant premises;

(b) where applicable, the quantity of electricity measured by the Export Meter as having been Exported from the relevant premises or an installation at the relevant premises onto a distribution system or transmission system;

(c) Charges for the Supply of Electricity (including the standing charge (where applicable) and the unit rate (expressed where applicable in pence per kWh); and

(d) where the Electricity Meter forming part of the Smart Metering System is a Prepayment Meter:
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(i) the amount of credit (by reference to sums of money) that at any given time remains available for use by the customer;

(ii) the amount of Outstanding Charges (if any and by reference to sums of money being recovered through calibration of the Prepayment Meter), the level of such Outstanding Charges, and the period within which such Outstanding Charges are to be recovered.

PART B: IN-HOME DISPLAYS

In-Home Display — Operational Requirement

The licensee must:

(a) ensure that any In-Home Display provided by it, pursuant to its obligations in standard condition 40 (Provision of an In-Home Display), to a Domestic Customer at any relevant IHD premises is during the Relevant Period configured to operate in such a manner as to comply with the requirement of paragraph 49.12;

(b) take all reasonable steps to ensure that it both establishes and thereafter maintains a connection through the HAN between the Smart Metering System and any In-Home Display provided by it to the Domestic Customer at the relevant IHD premises that is located within a part of the premises to which the HAN extends; and

(c) where the In-Home Display is of a type that is capable of being connected through the HAN to the Smart Metering System at the premises at the Specified Frequency Band, ensure that the connection is established and thereafter maintained at the Specified Frequency Band.

The obligation in paragraph 49.12 is subject to paragraph 49.13.

Subject to paragraph 49.13, the requirement of this paragraph is that the Domestic Customer can, at any time during the Relevant Period and free of charge, access by means of the In-Home Display all information:

(a) which is communicated to it from the Smart Metering System across the HAN; and

(b) which the In-Home Display is required to be capable of displaying in accordance with the requirements of the version of the IHD Technical Specification with which the In-Home Display was compliant at the date on which that In-Home Display was provided to the Domestic Customer.
49.13 Except where the Electricity Meter forming part of the Smart Metering System is a Prepayment Meter, the In-Home Display need not be configured to operate so as to enable the Domestic Customer to access information which provides details of or relates to:

(a) the amount of credit (by reference to a sum of money) that may be, or is, available to the Domestic Customer; or

(b) Outstanding Charges.

Exception to IHD Operational Requirement

49.14 Where the Smart Metering System at the relevant IHD premises was not installed or arranged to be installed by the licensee, the obligation in paragraph 49.15 applies only from such date as is specified in a direction issued by the Secretary of State under this paragraph.

PART C: DEFINITIONS
Definitions and Interpretation

49.15 In this Condition:

Alt HAN Equipment means any equipment which:

(a) satisfies the definition of ‘Alt HAN Equipment’ in standard condition 55 (Smart Metering – The Alt HAN Arrangements); and

(b) is installed and maintained at premises under and in accordance with the arrangements set out at Section Z of the Smart Energy Code.

Alt HAN Services means any services which:

(a) satisfy the definition of ‘Alt HAN Services’ in standard condition 55 (Smart Metering – The Alt HAN Arrangements); and

(b) are provided to the licensee under and in accordance with the arrangements set out at Section Z of the Smart Energy Code.
Consumer Device means either:

(a) an In-Home Display located at the relevant premises; or
(b) any other device located at those premises which:
    (i) is capable of providing the Customer with access (whether directly or indirectly) to Customer Information; and
    (ii) is capable of connecting through the HAN to a device forming part of the Smart Metering System, and that capability has been so enabled.

Consumer Customer Information has the meaning given in paragraph 49.911.

Communications System means a system (or part of it) that can generate, send, receive, store, or otherwise process electronic communications from and to the Smart Metering System.

Effective Date means 14 July 2013.

Enrolment Service means the service operated by the DCC pursuant to the requirements of paragraphs 17.14 and 17.15 of Part D of Condition 17 of the DCC Licence for the purposes of enrolling a Smart Metering System in accordance with the provisions of the Smart Energy Code.

Micro Business Consumer has the meaning given to it in standard condition 7A (Supply to Micro Business Consumers).

Relevant Consumer Device means a Consumer Device to which devices forming part of the Smart Metering System are capable of being connected by virtue of the technical capability and functionality of those devices.

Relevant Period means the period which commences on the date on
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which the Smart Metering System is installed at the relevant IHD premises and ends 12 months after that date.
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**Condition 54. [Not Used]**
Condition 55. Smart Metering – The Alt HAN Arrangements

Introduction

55.1 This condition provides for specified holders of electricity and gas supply licences (acting collectively) to ensure the availability of services to facilitate the installation and operation of equipment that will enable the extension of the HAN at relevant premises such that it:

(a) extends into a relevant part of the premises; and

(b) enables communications to be made between the parts of one or more Smart Metering Systems at those premises,

where one or both of those things cannot otherwise be achieved, after taking reasonable steps to do so, by means of equipment provided by the DCC in accordance with the Smart Energy Code.

Principal Obligations

55.2 Where the licensee is a Relevant Supplier it must, in conjunction and co-operation with all other Relevant Suppliers, ensure that:

(a) the Alt HAN Activities are carried out; and

(b) the Alt HAN Services are made available to all Relevant Suppliers and are provided on reasonable terms to any Relevant Supplier which has elected to acquire them.

55.3 For the purposes of paragraph 55.2(a), the Alt HAN Activities may be carried out by means of one of the following (or a combination of both of them):

(a) those activities being undertaken by or on behalf of all Relevant Suppliers; and/or

(b) the acquisition, by or on behalf of all Relevant Suppliers, of services which comprise or form a part of those activities.

55.4 For the purposes of paragraph 55.2(b), the Alt HAN Services may be made available and provided to a Relevant Supplier by means of one of the following (or a combination of them):

(a) the acquisition of the capability to provide those services, and their provision to that Relevant Supplier, by or on behalf of all Relevant Suppliers; and/or

(b) the procurement, by or on behalf of all Relevant Suppliers, of the availability of those services from a third party, and their subsequent provision by that third party to the Relevant Supplier; and/or
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(c) the entering into, by or on behalf of all Relevant Suppliers, of such arrangements for the financing of the costs of the services as are reasonably required for the purposes of ensuring the availability and provision of those services.

55.5 Where the licensee is a Relevant Supplier it must:

(a) take all reasonable steps to ensure that the Alt HAN Activities are carried out and the Alt HAN Services provided:

(i) by means of its participation in the arrangements set out at Section Z of the Smart Energy Code; and

(ii) in a manner that is both economic and efficient; and

(b) ensure that the costs of the Alt HAN Activities and Alt HAN Services (by whatever means they are carried out, made available and provided) are recovered by means of the provisions for their recovery set out at Section Z of the Smart Energy Code.

Alt HAN Activities

55.6 For the purposes of this condition, the Alt HAN Activities means activities which:

(a) are designed to determine which premises or groups of premises may benefit from the installation of Alt HAN Equipment;

(b) involve the establishment and maintenance of a database of such premises;

(c) are designed to establish which types of Alt HAN Equipment are likely to be the most cost-effective;

(d) comprise the development, design, design assurance, prototype production, testing and configuration of Shared Solution Alt HAN Equipment;

(e) comprise:

(i) the development, design and design assurance of Point-to-Point Alt HAN Equipment; and

(ii) to the extent to which it is economic and efficient to do so, the prototype production, testing and configuration of Point-to-Point Alt HAN Equipment;

(f) may, for the purposes of paragraphs (a) to (e), involve the undertaking of pilot projects in relation to Alt HAN Equipment at premises;
(g) involve the establishment and maintenance of a database which includes data in respect of:

(i) Alt HAN Equipment which has been installed at premises in accordance with the arrangements set out at Section Z of the Smart Energy Code, and of the MPANs and MPRNs associated with Smart Metering Systems (whether already installed or to be installed) which are capable of using such equipment;

(ii) all other Alt HAN Equipment which has been installed at premises, and of the MPANs and MPRNs associated with Smart Metering Systems (whether already installed or to be installed) which are capable of using such equipment; and

(iii) where Alt HAN Equipment of the type referred to in sub-paragraph (ii) has been installed at premises, whether, at any given time, an Energy Supplier has elected to use that equipment;

(h) include such arrangements for the financing of the costs of any of the activities referred to in paragraphs (a) to (g) as are reasonably required for the purposes of ensuring the undertaking of, or acquiring of services which comprise or form part of, those activities; and

(i) include the obtaining of such legal, managerial, technical, financial, risk management or other professional services as are reasonably required for the purpose of:

(i) undertaking, or acquiring services which comprise, any of the activities referred to in paragraphs (a) to (h); and

(ii) making available and providing the Alt HAN Services (including in particular the obtaining of services for the purpose of putting in place financing arrangements of the type referred to in paragraph 55.4(c)).

**The Alt HAN Services**

55.7 For the purposes of this condition, the Alt HAN Services means:

(a) the manufacture, provision, installation, operation, maintenance, modification and decommissioning of Shared Solution Alt HAN Equipment;

(b) to the extent to which it is economic and efficient to do so, the manufacture, provision, installation, operation, maintenance, modification and decommissioning of Point-to-Point Alt HAN Equipment;

(c) the provision of information and support in relation to each of the services referred to in paragraphs (a) to (b).
The Alt HAN Equipment

55.8 For the purposes of this condition, the Alt HAN Equipment means such equipment and apparatus as would be required by a Relevant Supplier in order to ensure that, in relation to any Smart Metering System at a Relevant Premises, the HAN:

(a) extends into at least one part of that Relevant Premises as described in standard condition 49.4(c)(i) (Smart Metering System – Operational Requirement); and

(b) permits communications to be made between the parts of one or more Smart Metering Systems at that Relevant Premises,

where the Relevant Supplier would otherwise be unable, having taken all reasonable steps, to achieve either or both of those things by means of the equipment provided by the DCC in accordance with the Smart Energy Code.

Relevant Premises

55.9 For the purposes of this condition, Relevant Premises means, in respect of a Relevant Supplier, any premises:

(a) at which it is the Relevant Electricity Supplier or Relevant Gas Supplier (as the case may be);

(b) at which there is, or is to be, installed a Smart Metering System; and

(c) which is not Exempt Premises.

Exempt Premises

55.10 For the purposes of this condition, Exempt Premises means any premises specified in, or falling within a description of premises specified in, the Exempt Premises List.

55.11 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, establish and maintain the Exempt Premises List in accordance with this condition.

Exempt Premises List

55.12 For the purposes of this condition, the Exempt Premises List means a list which specifies premises or descriptions of premises in respect of which, for one of the reasons specified in paragraph 55.13, the HAN need not either:

(a) extend into at least one part of the premises as described in standard condition 49.4(c)(i) (Smart Metering System – Operational Requirement); or
(b) permit communications to be made between the parts of a Smart Metering System, or between part of a Smart Metering System and another Smart Metering System at the premises.

55.13 The reasons specified in this paragraph are that the HAN need not have the specified capabilities because:

(a) it would be technically impracticable for it to do so; or

(b) though technically practicable, it could only be achieved at disproportionate cost, in either case in consequence of the physical or other characteristics of, or any other relevant consideration with respect to, the specified premises.

55.14 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, and prior to making available or providing any Alt HAN Services:

(a) provide a draft of the Exempt Premises List to the Secretary of State;

(b) together with that draft, provide to the Secretary of State information as to:

(i) the different service levels capable of being achieved by Alt HAN Equipment of different types or qualities;

(ii) the respective costs of manufacturing, providing, installing, operating, maintaining, modifying and decommissioning such different types or qualities of Alt HAN Equipment;

(c) provide to the Secretary of State all such further information related to the Alt HAN Activities or Alt HAN Services as she may request;

(d) make such changes to the draft Exempt Premises List as the Secretary of State may (following consultation with such persons as she considers appropriate) direct; and

(e) obtain the approval of the Secretary of State to the Exempt Premises List.

55.15 The Exempt Premises List shall be treated as established for the purposes of this condition only when it has been approved by the Secretary of State.

55.16 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, by means of participation in the arrangements set out at Section Z of the Smart Energy Code:

(a) review the Exempt Premises List at least once in each year following the Secretary of State's approval; and
55.17 The Secretary of State may, whether after receiving proposed revisions from the Relevant Suppliers or at any other time, and following consultation with all Relevant Suppliers and such other persons as she considers appropriate, revise the Exempt Premises List in such manner, with effect from such time, and to such extent as she may specify.

55.18 The Secretary of State may, by means of a direction in accordance with this paragraph issued to the Authority and all Relevant Suppliers, provide that:

(a) any duty of the licensee under paragraph 55.14 or 55.16 expressed to be by reference to the Secretary of State and identified in the direction; or

(b) any function of the Secretary of State under paragraph 55.14, 55.16 or 55.17 identified in the direction,

shall, from such date as she may specify, be treated as a duty expressed by reference to, or a function exercisable by, the Authority in substitution for the Secretary of State.

55.19 The licensee must provide a copy of the Exempt Premises List to any person who requests it.

55.20 For the purposes of the approval of the Exempt Premises List or any subsequent revision of it by the Secretary of State or Authority in accordance with this condition, any question arising under paragraph 55.13 as to whether the HAN could have the specified capabilities only at disproportionate cost shall be determined by the Secretary of State or Authority (as the case may be) in such manner and by reference to such factors as she or it considers appropriate.

Definitions

55.21 In this condition:

Alt HAN Activities has the meaning given to it in paragraph 55.6

Alt HAN Equipment has the meaning given to it in paragraph 55.8.

Alt HAN Services has the meaning given to it in paragraph 55.7.

Energy Supplier means a person Authorised by an Electricity Supply Licence to supply electricity or a Gas Supply Licence to supply gas.

Exempt Premises has the meaning given to it in paragraph 55.10.
<table>
<thead>
<tr>
<th><strong>Exempt Premises List</strong></th>
<th>has the meaning given to it in paragraph 55.12.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Point-to-Point Alt HAN</strong></td>
<td>means equipment which fulfils the function of Alt HAN Equipment in respect of only one Relevant Premises.</td>
</tr>
<tr>
<td><strong>Relevant Premises</strong></td>
<td>has the meaning given to it in paragraph 55.9.</td>
</tr>
<tr>
<td><strong>Relevant Supplier</strong></td>
<td>means an Energy Supplier which is required in accordance with standard condition 39 of an Electricity Supply Licence or standard condition 33 of a Gas Supply Licence to install a Smart Metering System at any premises.</td>
</tr>
<tr>
<td><strong>Shared Solution Alt HAN Equipment</strong></td>
<td>means equipment which fulfils the function of Alt HAN Equipment in respect of more than one Relevant Premises.</td>
</tr>
</tbody>
</table>