

Annex Two: Proposed amendments smart metering supply licence conditions – Gas

Condition 39: Smart Metering Consumer Engagement

Introduction

39.1 This condition provides for holders of electricity and gas supply licences to be required to establish, support and monitor the work of a body which will carry out the role of consumer engagement in relation to Smart Metering Systems.

Application

39.2 This condition shall:

- (a) apply to the licensee only to the extent specified in paragraph 39.3; and
- (b) cease to apply with effect on and from 30 June 2021, or any such later date up to (but not later than) 31 December 2021 that as is may be specified in a direction issued by the Secretary of State, save that any such direction may be issued only where:-
 - (i) at the same time the Secretary of State also issues a direction under paragraph 39A.2(a) of Condition 39A (Smart Metering Consumer Engagement); and
 - (ii) the date specified in each such direction is the same.

39.3 Where the licensee is:

- (a) a Relevant Supplier, it is required to comply with Part A;
- (b) a Small Domestic Supplier, it is required to comply with Part B;
- (c) a Large Non-Domestic Supplier, it is required to comply with Part C;
- (d) a Small Non-Domestic Supplier, it is required to comply with Part D.

PART A. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A RELEVANT SUPPLIER

Duty to establish the Central Delivery Body

39.4 The licensee, together with all other Relevant Suppliers, must take such steps and do such things as are within its power:

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- (a) to establish, by no later than 30 June 2013, a body corporate to carry out the role of consumer engagement in relation to Smart Metering Systems (referred to in this condition as the Central Delivery Body);
- (b) to provide that the Central Delivery Body is constituted and governed so as to ensure that it:
 - (i) has the characteristics set out at Part A1;
 - (ii) has the objectives set out at Part A2;
 - (iii) procures the advice of experts as set out at Part A3; and
 - (iv) fulfils the functions set out at Part A4;
- (c) to provide for the costs of the Central Delivery Body to be met as set out at Part A5, Part C and Part D.

Part A1. Characteristics of the Central Delivery Body

Constitution

39.5 The articles of association of the Central Delivery Body must as a minimum provide that:

- (a) it is a not-for-profit body;
- (b) its board of directors (the Board) is at all times constituted so as to reflect the provisions of paragraph 39.6;
- (c) the Secretary of State has a right of veto in respect of the appointment of any person as the Chairman of the Board;
- (d) any person nominated by and representing either;
 - (i) the Secretary of State; or
 - (ii) all Network Operators,is entitled to attend, but not vote at, a meeting of the Board;
- (e) the Board will exercise independent judgment and reach its decisions in accordance with the requirements of paragraph 39.8;
- (f) its business shall be (and shall be limited to):

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- (i) achieving the objectives set out at Part A2;
- (g) achieving those objectives by taking such steps as are reasonably necessary and appropriate for carrying out the activities set out at Parts A3 and A4.

Composition of the Board

39.6 The Board shall comprise:

- (a) a Chairman appointed by the Relevant Suppliers;
- (b) six directors nominated by and representing Relevant Suppliers;
- (c) two directors nominated by and representing Small Domestic Suppliers;
- (d) one director nominated by and representing Non-Domestic Suppliers;
- (e) one director nominated by and representing Non-Domestic-Only Suppliers;
- (f) two directors nominated by Citizens Advice or Citizens Advice Scotland; and
- (g) two directors representing the interests of Energy Consumers.

39.7 The Chairman of the Board must be independent of any person or body that is represented by a director appointed in accordance with the provisions of paragraphs 39.6(b)-(g).

Decision-Making

39.8 A decision made by the Board must be made in accordance with a voting procedure which provides for:

- (a) each director, other than the Chairman, to exercise a single vote on each decision to be taken;
- (b) decisions to be made by a simple majority; and
- (c) the Chairman to be able to exercise a casting vote but only where the number of votes for and against a decision are equal.

Part A2. Objectives of the Central Delivery Body

Objectives

39.9 The objectives of the Central Delivery Body set out in [paragraph 39.10](#) are to apply in respect of Energy Consumers at Domestic Energy Premises and Relevant Designated Premises.

39.10 The objectives of the Central Delivery Body are to:

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- (a) build consumer confidence in the installation of Smart Metering Systems by gas and electricity suppliers;
- (b) build consumer awareness and understanding of the use of Smart Metering Systems (and the information obtained through them);
- (c) increase the willingness of Energy Consumers to use Smart Metering Systems to change their behaviour so as to enable them to reduce their consumption of energy; and
- (d) in respect of Energy Consumers at Domestic Energy Premises only, assist those consumers with low incomes or prepayment meters, or those consumers who may encounter additional barriers in being able to realise the benefits of Smart Metering Systems due to their particular circumstances or characteristics, to realise the benefits of Smart Metering Systems while continuing to maintain an adequate level of warmth and to meet their other energy needs.

Part A3. Arrangements for Obtaining Expert Advice

39.11 The Central Delivery Body shall establish arrangements for the purpose of ensuring that it is regularly provided with all appropriate advice that is:

- (a) concerned with the means by which it can most efficiently and effectively achieve its objectives; and
- (b) procured from such persons, as selected by it, who have widely recognised expertise in matters that are relevant to, and will assist in, the efficient and effective achievement of its objectives.

Part A4. Functions of the Central Delivery Body

39.12 The functions of the Central Delivery Body shall be to:

- (a) produce and maintain a plan for achieving its objectives (the Consumer Engagement Plan) which meets the requirements of paragraphs 39.13 to 39.16;
- (b) implement the Consumer Engagement Plan in accordance with paragraph 39.17;
- (c) develop and produce an annual budget for the delivery of the Consumer Engagement Plan which meets the requirements of paragraphs 39.18 and 39.19 (the Annual Budget);
- (d) produce a report on at least an annual basis (the Annual Report) which meets the requirements of paragraphs 39.20 and 39.21; and

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- (e) publish the Consumer Engagement Plan, the Annual Budget and the Annual Report in accordance with paragraphs 39.22 and 39.23.

The Consumer Engagement Plan

39.13 The Consumer Engagement Plan must be in writing and must:

- (a) constitute a plan which is designed to ensure that the Central Delivery Body takes all appropriate steps to achieve its objectives;
- (b) describe the activities that the Central Delivery Body proposes to carry out for that purpose;
- (c) describe how the Central Delivery Body has taken into account the need to:
 - (i) co-ordinate its consumer engagement activities with consumer engagement activities undertaken by other parties in relation to Smart Metering Systems;
 - (ii) undertake a co-ordinated delivery of consumer engagement activities that reflects and takes into account the need to adopt different activities for the purpose of meeting the consumer engagement requirements of any class or classes of Energy Consumer, including Energy Consumers:
 - (A) paying by different payment methods;
 - (B) residing in different geographical areas;
 - (C) occupying different types of Domestic Energy Premises and Relevant Designated Premises; and
 - (D) carrying on commercial activities at Relevant Designated Premises in respect of different sectors of the economy;
 - (iii) provide additional assistance and consumer engagement activities that may be required by particular categories of Energy Consumers, including in particular Energy Consumers with low incomes or who may encounter additional barriers in being able to access the benefits of Smart Metering Systems due to their particular circumstances or characteristics; and
- (d) be designed to ensure that in carrying out its activities the Central Delivery Body does not restrict, distort or prevent competition in the supply of gas or electricity or in any commercial activities connected with Smart Metering Systems.

39.14 The Consumer Engagement Plan must be produced by no later than 31 December 2013.

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- 39.15 The Central Delivery Body must keep the Consumer Engagement Plan under review, and must:
- (a) make appropriate amendments to it from time to time so that it continues to be accurate, up to date, and fit for purpose; and
 - (b) in particular produce an amended version of the Consumer Engagement Plan which satisfies the requirements of sub-paragraph (a) within the period that commences on 4th July 2019 and ends on the date which is three months later.
- 39.16 In producing, and Prior to making any subsequent amendment to, the Consumer Engagement Plan, the Central Delivery Body:
- (a) must seek the advice of, and have due regard to the advice given by, the persons with whom it has made arrangements in accordance with the provisions of paragraph 39.11; and
 - (b) may consult with, and have regard to the representations of, any other interested parties.
- 39.17 The Central Delivery Body must take such steps and do such things as are within its power:
- (a) to implement the Consumer Engagement Plan in accordance with its terms (as amended from time to time); and
 - (b) to do so in an efficient and cost-effective manner that achieves value for money in the performance of its activities.

Annual Budget

- 39.18 The Central Delivery Body must:
- (a) by 31 December 2013, develop and produce the first Annual Budget in respect of the calendar year commencing on 1 January 2014; and
 - (b) thereafter by 31 December in each subsequent year, develop and produce an Annual Budget in respect of the calendar year which commences immediately following that date.
- 39.19 Each Annual Budget must comprise a detailed statement of the best estimate of the Central Delivery Body, made in good faith, of all costs that it expects to incur for the purpose of undertaking its activities during the calendar year to which that Annual Budget relates.

Annual Report

- 39.20 The Central Delivery Body must:

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- (a) by 31 March 2014, produce the first Annual Report in respect of the calendar year that commenced on 1 January 2013; and
- (b) thereafter by 31 March in each subsequent year, produce an Annual Report in respect of the calendar year that commenced on 1 January in the previous year.

39.21 Each Annual Report must in particular:

- (a) report on:
 - (i) the Central Delivery Body's performance; and
 - (ii) the extent to which, in the opinion of the Board, the steps taken by the Central Delivery Body to implement the Consumer Engagement Plan (as applicable during the period to which the Annual Report relates) have contributed to the achievement of its objectives during the period to which the Annual Report relates; and
- (b) set out the expenditure of the Central Delivery Body during that period and report on the extent to which, in the opinion of the Board, such expenditure represents value for money.

Publication

39.22 The Central Delivery Body must ensure that up to date copies of:

- (a) the Consumer Engagement Plan;
- (b) the Annual Budget; and
- (c) the Annual Report,

are at all times made available by it in a form that is readily accessible to most Energy Consumers.

39.23 In complying with paragraph 39.22 the Central Delivery Body:

- (a) must exclude from each document, so far as practicable, any information which would or might seriously prejudice the interests of any individual or body to which it relates; and
- (b) may exclude from each document any information that would, or would be likely to, prejudice the commercial interests of any person (including the Central Delivery Body itself).

Part A5. Costs of the Central Delivery Body

39.24 The licensee must:

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- (a) together with all other Relevant Suppliers, take such steps and do such things as are within its power to meet:
 - (i) the capital costs of establishing the Central Delivery Body; and
 - (ii) all costs, excluding Domestic Fixed Operating Costs, that are reasonably incurred by the Central Delivery Body in undertaking its activities in respect of Energy Consumers at Domestic Energy Premises and operating in an efficient and cost-effective manner that achieves value for money; and
- (b) together with all other Relevant Suppliers and Small Domestic Suppliers, take such steps and do such things as are within its power to meet all Domestic Fixed Operating Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money.

39.25 For the purpose of meeting the requirements of paragraph 39.24, the licensee must, together with all other Relevant Suppliers and Small Domestic Suppliers, establish a mechanism to allocate:

- (a) between Relevant Suppliers the costs of the Central Delivery Body, as referred to in paragraph 39.24(a), on the basis of their respective shares of the markets for gas and electricity supply; and
- (b) between Relevant Suppliers and Small Domestic Suppliers the costs of the Central Delivery Body as referred to in paragraph 39.24(b), on the basis of their respective shares of the markets for gas and electricity supply to Domestic Premises.

Part A6. Other Duties of Relevant Suppliers

General Duty

39.26 The licensee, together with all other Relevant Suppliers, must take such steps and do such things as are within its power to ensure that:

- (a) the Central Delivery Body achieves its objectives; and
- (b) in achieving its objectives the Central Delivery Body acts in a manner which is transparent, impartial, cost-effective and represents value for money.

The Domestic Performance Management Framework

39.27 The licensee must, together with all other Relevant Suppliers, produce and maintain a performance framework (the **Domestic Performance Management Framework**) which meets the requirements of paragraphs 39.28 to 39.31.

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39.28 The Domestic Performance Management Framework must:

- (a) set out the standards, including key performance indicators and targets, which have been determined by the Relevant Suppliers as standards against which they will measure the performance of the Central Delivery Body in achieving its objectives in respect of Energy Consumers at Domestic Energy Premises; and
- (b) include such provisions as will enable any person, including in particular the Relevant Suppliers, the Secretary of State and the Authority, to assess:
 - (i) the Central Delivery Body's performance against the specified standards;
 - (ii) the effectiveness of the steps taken by the Central Delivery Body for the purpose of achieving the relevant objectives; and
 - (iii) the extent to which the Central Delivery Body has, in accordance with paragraph 39.16, amended the Consumer Engagement Plan to take into account information received in respect of its performance.

39.29 The Domestic Performance Management Framework must be produced by no later than 31 December 2013.

39.30 The licensee, together with all other Relevant Suppliers must keep the Domestic Performance Management Framework under review, and must make appropriate amendments to it from time to time so that it continues to be accurate, up to date, and fit for purpose.

39.31 In determining the standard to be set out, and the other provisions to be included, in the Domestic Performance Management Framework, the licensee, together with all other Relevant Suppliers, must consult with and take into account the views of, and information provided by, relevant interested parties, including in particular the Secretary of State.

Co-operation

39.32 The licensee must:

- (a) co-operate with the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and
- (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

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PART B. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A SMALL DOMESTIC SUPPLIER

39.33 The licensee must, together with all Relevant Suppliers and other Small Domestic Suppliers, take such steps and do such things as are within its power to:

- (a) meet the Domestic Fixed Operating Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money; and
- (b) establish a mechanism to allocate between Relevant Suppliers and Small Domestic Suppliers the costs referred to in sub-paragraph (a), on the basis of their respective shares of the markets for gas and electricity supply to Domestic Premises.

39.34 The licensee must:

- (a) co-operate with:
 - (i) Relevant Suppliers for the purposes of ensuring the establishment of the Central Delivery Body in accordance with Part A1 of this condition; and
 - (ii) the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and
- (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

PART C. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A LARGE NON-DOMESTIC SUPPLIER

Costs of the Central Delivery Body

39.35 The licensee must:

- (a) together with all other Large Non-Domestic Suppliers, take such steps and do such things as are within its power to meet all costs, excluding Non-Domestic Fixed Operating Costs, that are reasonably incurred by the Central Delivery Body in undertaking its activities in respect of Energy Consumers at Relevant Designated Premises and operating in an efficient and cost-effective manner that achieves value for money; and
- (b) together with all other Large Non-Domestic Suppliers and Small Non-Domestic Suppliers, take such steps and do such things as are within its power to meet all Non-Domestic Fixed Operating

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Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money.

39.36 For the purpose of meeting the requirements of paragraph 39.35, the licensee must apply the mechanism specified in a direction issued by the Secretary of State for allocating:

- (a) between Large Non-Domestic Suppliers the costs of the Central Delivery Body, as referred to in paragraph 39.35(a); and
- (b) between Large Non-Domestic Suppliers and Small Non-Domestic Suppliers the costs of the Central Delivery Body as referred to in paragraph 39.35(b),

in each case on the basis of their respective shares of the markets for gas and electricity supply to Designated Energy Premises.

The Non-Domestic Performance Management Framework

39.37 The licensee must, together with all other Large Non-Domestic Suppliers, produce and maintain a performance framework (the Non-Domestic Performance Management Framework) which meets the requirements of paragraphs 39.38 to 39.41.

39.38 The Non-Domestic Performance Management Framework must:

- (a) set out the standards, including key performance indicators and targets, which have been determined by the Large Non-Domestic Suppliers as standards against which they will measure the performance of the Central Delivery Body in achieving its objectives in respect of Energy Consumers at Relevant Designated Premises; and
- (b) include such provisions as will enable any person, including in particular the Large Non-Domestic Suppliers, the Secretary of State and the Authority, to assess:
 - (i) the Central Delivery Body's performance against the specified standards;
 - (ii) the effectiveness of the steps taken by the Central Delivery Body for the purpose of achieving the relevant objectives; and
 - (iii) the extent to which the Central Delivery Body has, in accordance with paragraph 39.16, amended the Consumer Engagement Plan to take into account information received in respect of its performance.

39.39 The Non-Domestic Performance Management Framework must be produced within the period that commences on 4th July 2019 and ends on the date which is three months later.

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- 39.40 The licensee, together with all other Large Non-Domestic Suppliers must keep the Non-Domestic Performance Management Framework under review, and must make appropriate amendments to it from time to time so that it continues to be accurate, up to date, and fit for purpose.
- 39.41 In determining the standard to be set out, and the other provisions to be included, in the Non-Domestic Performance Management Framework, the licensee, together with all other Large Non-Domestic Suppliers, must consult with and take into account the views of, and information provided by, relevant interested parties, including in particular the Secretary of State.

Co-operation

- 39.42 The licensee must:
- (a) co-operate with the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and
 - (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

PART D. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A SMALL NON-DOMESTIC SUPPLIER

- 39.43 The licensee must, together with all Large Non-Domestic Suppliers and other Small Non-Domestic Suppliers, take such steps and do such things as are within its power to meet the Non-Domestic Fixed Operating Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money.
- 39.44 For the purpose of meeting the requirements of paragraph 39.43, the licensee must apply the mechanism specified in a direction issued by the Secretary of State for allocating between Large Non-Domestic Suppliers and Small Non-Domestic Suppliers the costs of the Central Delivery Body on the basis of their respective shares of the markets for gas and electricity supply to Designated Energy Premises.
- 39.45 The licensee must:
- (a) co-operate with the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and
 - (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

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PART E. INTERPRETATION AND DEFINITIONS

39.46 In this condition:

Designated Energy Premises means premises which (with respect to the supply of gas) are Designated Premises, or (with respect to the supply of electricity) satisfy the definition of 'Designated Premises' at standard condition 1 of the Electricity Supply Licence.

Domestic Energy Premises means premises which (with respect to the supply of gas) are Domestic Premises, or (with respect to the supply of electricity) satisfy the definition of 'Domestic Premises' at standard condition 6 of the Electricity Supply Licence.

Domestic Fixed Operating Costs means the costs of:

- (a) renting and maintaining premises;
- (b) staff recruitment, salaries, and benefits; and
- (c) purchasing and maintaining office equipment, including IT and telephony equipment,

insofar as those costs relate to the activities carried out by the Central Delivery Body in respect of Energy Consumers at Domestic Energy Premises.

Energy Consumer means a consumer of gas or electricity (or both).

Energy Customer means a person who is (with respect to the supply of gas) a Customer, or (with respect to the supply of electricity) a 'Customer' in accordance with the definition at standard condition 1 of the Electricity Supply Licence.

Energy Meter Point means:

- (a) in relation to the supply of electricity, a Metering Point as defined in the Master Registration Agreement; or

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- (b) in relation to the supply of gas, a Supply Meter Point as defined in the Uniform Network Code.

Large Non-Domestic Supplier means a gas or electricity supplier which supplies gas, or electricity, or both to Energy Consumers at Designated Energy Premises via more than 100,000 Energy Meter Points.

Master Registration Agreement has the meaning given to it in accordance with the definition at standard condition 1 of the Electricity Supply Licence.

Micro Business Energy Consumer means an Energy Consumer that is a Micro Business Consumer in accordance with:

- (a) the meaning given to the term Micro Business Consumer in standard condition 7A (Supply to Micro Business Consumers); or
- (b) the meaning given to the term Micro Business Consumer in standard condition 7A of the Gas Supply Licence.

Network Operator means any person holding:

- (a) a licence granted under section 6(1)(b) or 6(1)(c) of the Electricity Act 1989; or
- (b) a licence granted under section 7 of the Gas Act 1986.

Non-Domestic Fixed Operating Costs means the costs of:

- (a) renting and maintaining premises;
- (b) staff recruitment, salaries, and benefits; and
- (c) purchasing and maintaining office equipment, including IT and telephony equipment,

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insofar as those costs relate to the activities carried out by the Central Delivery Body in respect of Energy Consumers at Designated Energy Premises.

Non-Domestic-Only Supplier means a Non-Domestic Supplier which does not also supply gas or electricity to any Domestic Energy Premises.

Non-Domestic Supplier means either a Large Non-Domestic Supplier or a Small Non-Domestic Supplier.

Relevant Designated Premises means:

- (a) Designated Energy Premises at which the Energy Consumer is a Micro Business Energy Consumer; and
- (b) such additional categories of Designated Energy Premises as may be specified in a direction issued by the Secretary of State.

Relevant Supplier means a gas or electricity supplier which:

- (a) is authorised by its licence to supply gas or electricity to Domestic Energy Premises; and
- (b) supplies either gas or electricity (or both) to more than 250,000 Energy Customers at Domestic Energy Premises.

Small Domestic Supplier means a gas or electricity supplier which:

- (a) is authorised by its licence to supply gas or electricity to Domestic Energy Premises; and
- (b) supplies gas or electricity to, in each case, no more than 250,000 Energy Customers at Domestic Energy Premises.

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Small Non-Domestic Supplier means a gas or electricity supplier which supplies gas or electricity (or both) to Designated Energy Premises and which is not a Large Non-Domestic Supplier.

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Condition 39:~~A~~. Smart Metering Consumer Engagement¹

Introduction

39A.1 This condition provides for holders of electricity and gas supply licences to ~~be required to establish, support and monitor the work of~~ ensure that there is at all times established and maintained a body which will carry out the role of consumer engagement in relation to Smart Metering Systems, ~~and to support and monitor the work of that body.~~

Application

39A.2 This condition shall:

~~(a)~~ apply with effect on and from 30 June 2021, or any later date up to (but not later than) 31 December 2021 that may be specified in a direction issued by the Secretary of State, save that any such direction may be issued only where:

~~(i)~~ at the same time the Secretary of State also issues a direction under paragraph 39.2(b) of Condition 39 (Smart Metering Consumer Engagement); and

~~(ii)~~ the date specified in each such direction is the same;

~~(a)(b)~~ apply to the licensee only to the extent specified in paragraph 39A.3; and

~~(b)(c)~~ cease to apply from such date as ~~is~~may be specified in a direction issued by the Secretary of State.

39A.3 Where the licensee is:

- (a) a Relevant Supplier, it is required to comply with Part A;
- (b) a Small Domestic Supplier, it is required to comply with Part B;
- (c) a Large Non-Domestic Supplier, it is required to comply with Part C;
- (d) a Small Non-Domestic Supplier, it is required to comply with Part D.

PART A. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A RELEVANT SUPPLIER

Duty to establish and maintain the Central Delivery Body

¹ To note that the drafting of LC39A is shown in track changes to highlight the differences between the original LC39. In practice, a new condition will be inserted into the licence.

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39A.4 The licensee, together with all other Relevant Suppliers, must take such steps and do such things as are within its power:

- (a) to ~~establish, by no later than 30 June 2013,~~ensure that there is at all times a body corporate established and maintained to carry out the role of consumer engagement in relation to Smart Metering Systems (referred to in this condition as the **Central Delivery Body**);
- (b) to provide that the Central Delivery Body is constituted and governed so as to ensure that it:
 - (i) has the characteristics set out at Part A1;
 - (ii) has the objectives set out at Part A2;
 - (iii) procures the advice of experts as set out at Part A3; and
 - (iv) fulfils the functions set out at Part A4;
- (c) to provide for the costs of the Central Delivery Body to be met as set out at Part A5, Part C and Part D.

Part A1. Characteristics of the Central Delivery Body

Constitution

39A.5 The articles of association of the Central Delivery Body must as a minimum provide that:

- (a) it is a not-for-profit body;
- (b) its board of directors (the **Board**) is at all times constituted so as to reflect the provisions of paragraph 39A.6;
- (c) the Secretary of State has a right of veto in respect of the appointment of any person as the ~~Chairman~~ of the Board;
- (d) the members of the Board, other than the Chair and the Chief Executive Officer of the Central Delivery Body, shall be appointed in accordance with the provisions of paragraph 39A.10;
- ~~(d)~~(e) any person nominated by and representing either:
 - (i) the Secretary of State; or
 - (ii) all Network Operators,is entitled to attend, but not vote at, a meeting of the Board;

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~~(e)~~(f) the Board will exercise independent judgment and reach its decisions in accordance with the requirements of paragraph ~~39.8~~39A.11;

~~(f)~~(g) its business shall be (and shall be limited to):

- (i) achieving the objectives set out at Part A2;
- (ii) achieving those objectives by taking such steps as are reasonably necessary and appropriate for carrying out the activities set out at Parts A3 and A4.

Composition of the Board

39A.6 The Board shall comprise:

- (a) a Chair~~man~~ appointed by the Relevant Suppliers;
- (b) six directors ~~nominated by and~~ representing ~~Relevant~~the interests of Energy Suppliers;
- ~~(c) two directors nominated by and representing Small Domestic Suppliers;~~
- ~~(d) one director nominated by and representing Non-Domestic Suppliers;~~
- ~~(e) one director nominated by and representing Non-Domestic-Only Suppliers;~~
- ~~(f) two directors nominated by Citizens Advice or Citizens Advice Scotland; and~~
- ~~(g)~~(c) ~~two~~four directors representing the interests of Energy Consumers; and
- ~~(d) any person who is, from time to time, appointed as Chief Executive Officer of the Central Delivery Body.~~

39A.7 The Chair~~man~~ of the Board must be independent of any Energy Supplier and of any person or body that is represented by a director appointed in accordance representing the interests of Energy Consumers.

~~39A.7~~39A.8 All members of the Board must be persons possessing suitable skills, knowledge, experience and personal qualities with the provisions of paragraphs 39.6(b) (g).regard to the requirement for the Central Delivery Body to achieve the objectives set out at Part A2.

39A.9 Only a person employed by an Energy Supplier may be a director representing the interests of Energy Suppliers, and any such persons may nominate themselves, or be nominated by their employers, to be considered for appointment to that role.

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39A.10 A decision on the appointment to the Board of any director representing the interests of Energy Suppliers or of Energy Consumers shall be made, following such selection process as it may determine to be appropriate, by a committee comprised of:

- (a) the Chair of the Board;
- (b) the Chief Executive Officer of the Central Delivery Body; and
- (c) such other persons representing parties with relevant interests as are chosen by the Chair of the Board and Chief Executive Officer of the Central Delivery Body (acting jointly) to be members of the committee.

Decision-Making

39A.839A.11 A decision made by the Board must be made in accordance with a voting procedure which provides for:

- (a) each director, other than the Chair~~man~~, to exercise a single vote on each decision to be taken;
- (b) decisions to be made by a simple majority; and
- (c) the Chair~~man~~ to be able to exercise a casting vote, but only where the number of votes for and against a decision are equal.

Board Meetings

39A.12 The Board shall arrange for:

- (a) a record to be maintained of each meeting of the Board, to include in particular:
 - (i) the date and time of, and agenda for, the meeting;
 - (ii) the name of each member of the Board in attendance at the meeting (or any part of the meeting);
 - (iii) the name of each organisation represented by any other person in attendance at the meeting (or any part of the meeting); and
 - (iv) each resolution voted on by the Board, and the outcome of that vote; and
- (b) a copy of that record to be provided to any person who may request it.

39A.13 In complying with paragraph 39A.12(b) the Central Delivery Body:

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- (a) must exclude from the record, so far as practicable, any information which would or might seriously prejudice the interests of any individual or body to which it relates; and
- (b) may exclude from the record any information that would, or would be likely to, prejudice the commercial interests of any person (including the Central Delivery Body itself).

Part A2. Objectives of the Central Delivery Body

Objectives

~~39A.9~~39A.14 The objectives of the Central Delivery Body set out in ~~39.10~~paragraph 39A.15 are, unless otherwise stated, to apply in respect of Energy Consumers at Domestic Energy Premises and at Relevant Designated Premises.

~~39A.10~~39A.15 The objectives of the Central Delivery Body are to:

- (a) ~~build~~increase consumer demand for and acceptance of Smart Metering Systems, including by increasing consumer confidence in their ~~ir~~ installation ~~of Smart Metering Systems by by~~ gas and electricity suppliers;
- (b) in respect of Energy Consumers at Relevant Designated Premises, build consumer awareness and understanding of Smart Metering Systems and their benefits, including the benefits to be derived from the data that may be obtained through the use of Smart Metering Systems ~~(and the information obtained through them);~~;
- (c) increase the willingness of Energy Consumers to use Smart Metering Systems to change their behaviour so as to enable them to ~~reduce~~more effectively and efficiently manage their ~~consumption~~use of energy; ~~and~~
- (d) in respect of Energy Consumers at Domestic Energy Premises ~~only, assist those consumers with~~who have low incomes or prepayment meters, or ~~those consumers who~~who due to their particular circumstances or characteristics may encounter additional barriers in being able to realise the benefits of Smart Metering Systems ~~due to their particular circumstances or characteristics;~~
 - (i) build their awareness and understanding of Smart Metering Systems; and
 - ~~(ii)~~(ii) assist them to realise the benefits of Smart Metering Systems while continuing to maintain an adequate level of warmth and ~~to~~ meet their other energy needs; and

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- (e) establish and maintain an administrative framework for facilitating the co-ordination of consumer engagement activities in respect of Smart Metering Systems that are carried on (or proposed to be carried on) by individual Energy Suppliers.

Part A3. Arrangements for Obtaining Expert Advice

~~39A.11~~39A.16 The Central Delivery Body shall establish arrangements for the purpose of ensuring that it is regularly provided with all appropriate advice that is:

- (a) concerned with the means by which it can most efficiently and effectively achieve its objectives; and
- (b) procured from such persons, as selected by it, who have widely recognised expertise in matters that are relevant to, and will assist in, the efficient and effective achievement of its objectives.

Part A4. Functions of the Central Delivery Body

~~39A.12~~39A.17 The functions of the Central Delivery Body shall be to:

- (a) produce and maintain a **management framework (the Performance Management Framework) which meets the requirements of paragraphs 39A.18 to 39A.21;**
- (b) for the purposes of consultation and of obtaining advice in respect of the Performance Management Framework, establish and maintain two advisory groups (the **Advisory Groups**) in accordance with paragraphs 39A.22 to 39A.24;
- ~~(a)~~(c) maintain a plan for achieving its objectives (the **Consumer Engagement Plan**) which meets the requirements of paragraphs ~~39.13~~39A.25 to ~~39.16~~39A.27;
- ~~(b)~~(d) implement the Consumer Engagement Plan in accordance with paragraph ~~39.17~~39A.28;
- ~~(e)~~(e) develop and produce each year an annual budget for the delivery of the Consumer Engagement Plan which meets the requirements of paragraphs ~~39.18~~39A.29 and ~~39.19~~39A.31 (the **Annual Budget**);
- ~~(d)~~(f) produce a report on at least an annual basis (the **Annual Report**) which meets the requirements of paragraphs ~~39.20~~39A.32 and ~~39.21~~39A.33; and
- ~~(e)~~(g) publish the Consumer Engagement Plan, the Annual Budget and the Annual Report in accordance with paragraphs ~~39.22~~39A.34 and ~~39.23~~39A.35.

The Performance Management Framework

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39A.18 The Performance Management Framework must:

- (a) set out the standards, including key performance indicators and targets, which have been determined and adopted by the Board as standards against which it will measure the performance of the Central Delivery Body in achieving its objectives;
- (b) set out separate standards, of the type described in sub-paragraph (a), in respect of each of the following:
 - (i) Energy Consumers at Domestic Energy Premises; and
 - (ii) Energy Consumers at Relevant Designated Premises; and
- (c) include such provisions as will enable any person, including in particular Energy Suppliers, the Secretary of State and the Authority, to assess:
 - (i) the Central Delivery Body's performance against the specified standards;
 - (ii) the effectiveness of the steps taken by the Central Delivery Body for the purpose of achieving the relevant objectives; and
 - (iii) the extent to which the Central Delivery Body has, in accordance with paragraph 39A.26, amended the Consumer Engagement Plan to take into account information received in respect of its performance.

39A.19 The initial Performance Management Framework must be produced by the Central Delivery Body by no later than 31 December 2021.

39A.20 The Central Delivery Body must keep the Performance Management Framework under review, and must make appropriate amendments to it from time to time so that it continues to be accurate, up to date, and fit for purpose.

39A.21 Prior to producing, and making any subsequent amendment to, the Performance Management Framework, the Central Delivery Body:

- (a) must seek the advice of, and have due regard to the advice given by, the persons with whom it has made arrangements in accordance with the provisions of Part A3;
- (b) for the purpose of determining the standards to be set out, and other provisions to be included, in the Performance Management Framework, must consult with and take into account the views of, and information provided by, each of the Advisory Groups; and

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(c) may consult with, and have regard to the representations of, any other relevant interested parties (including the Secretary of State).

The Advisory Groups

39A.22 The Advisory Groups shall have the purpose of ensuring that the Central Delivery Body is provided with appropriate information and advice on the standards to be set out, and the other provisions to be included, in the Performance Management Framework, and any other related matter as the Board may from time to time determine.

39A.23 The Advisory Groups must consist of:

(a) a Domestic Consumer Advisory Group which shall comprise:

(i) a chairperson appointed by the Board; and

(ii) such number of other persons as the Board may consider appropriate, appointed by the Board for the purpose of advising on the standards to be set out, and other provisions to be included, in the Performance Management Framework in order to measure the performance of the Central Delivery Body in achieving its objectives in respect of Energy Consumers at Domestic Energy Premises; and

(b) a Micro Business Consumer Advisory Group which shall comprise:

(i) a chairperson appointed by the Board;

(ii) such number of other persons as the Board may consider appropriate, appointed by the Board for the purpose of advising on the standards to be set out and other provisions to be included in the Performance Management Framework in order to measure the performance of the Central Delivery Body in achieving its objectives in respect of Energy Consumers at Relevant Designated Premises.

39A.24 The persons appointed by the Board to be members of each Advisory Group must be persons possessing suitable skills, knowledge, experience and personal qualities having regard to the purpose of that Advisory Group, and must (except for the chairperson) include an appropriate number of persons representing parties with relevant interests.

The Consumer Engagement Plan

39A.1339A.25 The Consumer Engagement Plan must be in writing and must:

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- (a) constitute a plan which is designed to ensure that the Central Delivery Body takes all appropriate steps to achieve its objectives;
- (b) describe the activities that the Central Delivery Body proposes to carry out for that purpose;
- (c) describe how the Central Delivery Body has taken into account the need to:
 - (i) co-ordinate its consumer engagement activities with consumer engagement activities undertaken by Energy Suppliers and by any other parties in relation to Smart Metering Systems;
 - (ii) undertake a co-ordinated delivery of consumer engagement activities that reflects and takes into account the need to adopt different activities for the purpose of meeting the consumer engagement requirements of any class or classes of Energy Consumer, including Energy Consumers:
 - (A) paying by different payment methods;
 - (B) residing in different geographical areas;
 - (C) occupying different types of Domestic Energy Premises and Relevant Designated Premises; and
 - (D) carrying on commercial activities at Relevant Designated Premises in respect of different sectors of the economy;
 - (iii) provide additional assistance and consumer engagement activities that may be required by particular categories of ~~Energy Consumers, including in particular Energy Consumers with low incomes or who may encounter additional barriers in being able to access the benefits of Smart Metering Systems due to their particular circumstances or characteristics; and~~
 - (A) Energy Suppliers; and
 - (B) Energy Consumers, including in particular Energy Consumers who have low incomes or prepayment meters, or who due to their particular circumstances or characteristics may encounter additional barriers in being able to realise the benefits of Smart Metering Systems; and
- (d) be designed to ensure that in carrying out its activities the Central Delivery Body does not restrict, distort or prevent competition in the supply of gas or electricity or in any commercial activities connected with Smart Metering Systems.

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~~39A.14 The Consumer Engagement Plan must be produced by no later than 31 December 2013.~~

~~39A.15~~39A.26 The Central Delivery Body must keep the Consumer Engagement Plan under review, and must:

- (a) make appropriate amendments to it from time to time so that it continues to be accurate, up to date, and fit for purpose; and
- (b) in particular produce an amended version of the Consumer Engagement Plan which satisfies the requirements of sub-paragraph (a) ~~within the period that commences on 4th July 2019 and ends on following Commencement and by no later than the date which is three months later. 31 December 2021.~~

~~39A.16~~39A.27 ~~In producing, and~~ Prior to making any ~~subsequent~~ amendment to, the Consumer Engagement Plan, the Central Delivery Body:

- (a) must seek the advice of, and have due regard to the advice given by, the persons with whom it has made arrangements in accordance with the provisions of ~~paragraph 39.11~~Part A3; and
- (b) may consult with, and have regard to the representations of, any other interested parties: (including the Secretary of State).

~~39A.17~~39A.28 The Central Delivery Body must take such steps and do such things as are within its power:

- (a) to implement the Consumer Engagement Plan in accordance with its terms (as amended from time to time); and
- (b) to do so in an efficient and cost-effective manner that achieves value for money in the performance of its activities.

Annual Budget

~~39A.18~~ The Central Delivery Body must:

~~39A.19 by 31 December 2013, develop and produce the first Annual Budget in respect of the calendar year commencing on 1 January 2014; and~~

~~39A.20~~39A.29 ~~thereafter,~~ by 31 December in each ~~subsequent~~ year, develop and produce an Annual Budget in respect of the calendar year which commences immediately following that date.

39A.30 In developing each Annual Budget in accordance with paragraph 39A.29, the Central Delivery Body must consult with Energy Suppliers on a draft budget, and take into account the responses received for the purposes of the Annual Budget produced in accordance with that paragraph.

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~~39A.21~~39A.31 Each Annual Budget must comprise a detailed statement of the best estimate of the Central Delivery Body, made in good faith, of all costs that it expects to incur for the purpose of undertaking its activities during the calendar year to which that Annual Budget relates.

Annual Report

~~39A.22~~ The Central Delivery Body must:

~~39A.23~~ by 31 March 2014, produce the first Annual Report in respect of the calendar year that commenced on 1 January 2013; and

~~39A.24~~39A.32 thereafter by 31 March in each ~~subsequent~~ year, produce an Annual Report in respect of the calendar year that commenced on 1 January in the previous year.

~~39A.25~~39A.33 Each Annual Report must in particular:

- (a) report on:
 - (i) the Central Delivery Body's performance; and
 - (ii) the extent to which, in the opinion of the Board, the steps taken by the Central Delivery Body to implement the Consumer Engagement Plan (as applicable during the period to which the Annual Report relates) have contributed to the achievement of its objectives during the period to which the Annual Report relates; and
- (b) set out the expenditure of the Central Delivery Body during that period and report on the extent to which, in the opinion of the Board, such expenditure represents value for money.

Publication

~~39A.26~~39A.34 The Central Delivery Body must ensure that up to date copies of:

- (a) the Consumer Engagement Plan;
- (b) the Annual Budget; and
- (c) the Annual Report,

are at all times made available by it in a form that is readily accessible to most Energy Consumers.

~~39A.27~~39A.35 In complying with paragraph ~~39.22~~39A.34 the Central Delivery Body:

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- (a) must exclude from each document, so far as practicable, any information which would or might seriously prejudice the interests of any individual or body to which it relates; and
- (b) may exclude from each document any information that would, or would be likely to, prejudice the commercial interests of any person (including the Central Delivery Body itself).

Part A5. Costs of the Central Delivery Body

~~39A.28~~39A.36 The licensee must:

- (a) together with all other Relevant Suppliers, take such steps and do such things as are within its power to meet:~~(i) the capital costs of establishing the Central Delivery Body; and (ii)~~ all costs, excluding Domestic Fixed Operating Costs, that are reasonably incurred by the Central Delivery Body in undertaking its activities in respect of Energy Consumers at Domestic Energy Premises and operating in an efficient and cost-effective manner that achieves value for money; and
- (b) together with all other Relevant Suppliers and Small Domestic Suppliers, take such steps and do such things as are within its power to meet all Domestic Fixed Operating Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money.

~~39A.29~~39A.37 For the purpose of meeting the requirements of paragraph ~~39.24~~39A.36, the licensee must take such steps and do such things as are within its power, together with all other Relevant Suppliers and Small Domestic Suppliers, ~~establish to maintain~~ a mechanism (the Domestic Funding Mechanism) to allocate:

- (a) between Relevant Suppliers the costs of the Central Delivery Body, as referred to in paragraph ~~39.24~~39A.36(a), on the basis of their respective shares of the markets for gas and electricity supply; and
- (b) between Relevant Suppliers and Small Domestic Suppliers the costs of the Central Delivery Body as referred to in paragraph ~~39.24~~39A.36(b), on the basis of their respective shares of the markets for gas and electricity supply to Domestic Premises.

39A.38 The licensee must take such steps and do such things as are within its power, together with all other Relevant Suppliers and Small Domestic Suppliers, to keep the Domestic Finding Mechanism under review and:

- (a) to make appropriate amendments to it from time to time so that it continues to be accurate, up to date, and fit for purpose; and

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- (b) in particular to produce an amended version of the Domestic Funding Mechanism which satisfies the requirements of sub-paragraph (a) following Commencement, such that the amended version takes effect from 31 December 2021.

Part A6. Other Duties of Relevant Suppliers

General Duty

~~39A.30~~39A.39 The licensee, together with all other Relevant Suppliers, must take such steps and do such things as are within its power to ensure that:

- (a) the Central Delivery Body achieves its objectives; and
- (b) in achieving its objectives the Central Delivery Body acts in a manner which is transparent, impartial, cost-effective and represents value for money.

The Domestic Performance Management Framework

~~39A.31 The licensee must, together with all other Relevant Suppliers, produce and maintain a performance framework (the Domestic Performance Management Framework) which meets the requirements of paragraphs 39.28 to 39.31.~~

~~39A.32 The Domestic Performance Management Framework must:~~

- ~~(a) set out the standards, including key performance indicators and targets, which have been determined by the Relevant Suppliers as standards against which they will measure the performance of the Central Delivery Body in achieving its objectives in respect of the Energy Consumers at Domestic Energy Premises; and~~
- ~~(b) include such provisions as will enable any person, including in particular the Relevant Suppliers, the Secretary of State and the Authority, to assess:~~
 - ~~(i) the Central Delivery Body's performance against the specified standards;~~
 - ~~(ii) the effectiveness of the steps taken by the Central Delivery Body for the purpose of achieving the relevant objectives; and~~
 - ~~(iii) the extent to which the Central Delivery Body has, in accordance with paragraph 39.16, amended the Consumer Engagement Plan to take into account information received in respect of its performance.~~

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~~39A.33 The Domestic Performance Management Framework must be produced by no later than 31 December 2013.~~

~~39A.34 The licensee, together with all other Relevant Suppliers must keep the Domestic Performance Management Framework under review, and must make appropriate amendments to it from time to time so that it continues to be accurate, up to date, and fit for purpose.~~

~~39A.35 In determining the standard to be set out, and the other provisions to be included, in the Domestic Performance Management Framework, the licensee, together with all other Relevant Suppliers, must consult with and take into account the views of, and information provided by, relevant interested parties, including in particular the Secretary of State.~~

Co-operation

~~39A.36~~39A.40 The licensee must:

- (a) co-operate with the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and
- (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

PART B. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A SMALL DOMESTIC SUPPLIER

Costs of the Central Delivery Body

~~39A.37~~39A.41 The licensee must ~~take such steps and do such things as are within its power~~, together with all Relevant Suppliers and other Small Domestic Suppliers, ~~take such steps and do such things as are within its power~~ to:

- (a) meet the Domestic Fixed Operating Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money; ~~and~~
- (b) ~~establish~~ maintain the Domestic Funding Mechanism in accordance with the provisions of paragraph 39A.37 ~~a mechanism to allocate between Relevant Suppliers and Small Domestic Suppliers the costs referred to in sub-paragraph (a), on the basis of their respective shares of the markets for gas and electricity supply to Domestic Premises.; and~~
- (c) keep the Domestic Funding Mechanism under review, and amend it, in accordance with the provisions of paragraph 39A.38.

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Co-operation

39A.3839A.42 The licensee must:

- (a) co-operate with:
 - (i) Relevant Suppliers for the purposes of ensuring the ~~establishment~~maintenance of the Central Delivery Body in accordance with Part ~~A1A1~~ of this condition; and
 - (ii) the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and
- (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

PART C. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A LARGE NON-DOMESTIC SUPPLIER

Costs of the Central Delivery Body

39A.3939A.43 The licensee must:

- (a) together with all other Large Non-Domestic Suppliers, take such steps and do such things as are within its power to meet all costs, excluding Non-Domestic Fixed Operating Costs, that are reasonably incurred by the Central Delivery Body in undertaking its activities in respect of Energy Consumers at Relevant Designated Premises and operating in an efficient and cost-effective manner that achieves value for money; and
- (b) together with all other Large Non-Domestic Suppliers and Small Non-Domestic Suppliers, take such steps and do such things as are within its power to meet all Non-Domestic Fixed Operating Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money.

39A.4039A.44 For the purpose of meeting the requirements of paragraph ~~39.3539A.42~~, the licensee must apply the mechanism specified in a direction issued by the Secretary of State for allocating:

- (a) between Large Non-Domestic Suppliers the costs of the Central Delivery Body, as referred to in paragraph ~~39.3539A.42~~(a); and
- (b) between Large Non-Domestic Suppliers and Small Non-Domestic Suppliers the costs of the Central Delivery Body as referred to in paragraph ~~39.3539A.42~~(b),

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in each case on the basis of their respective shares of the markets for gas and electricity supply to Designated Energy Premises.

The Non-Domestic Performance Management Framework

~~39A.41 The licensee must, together with all other Large Non-Domestic Suppliers, produce and maintain a performance framework (the Non-Domestic Performance Management Framework) which meets the requirements of paragraphs 39.38 to 39.41.~~

~~39A.42 The Non-Domestic Performance Management Framework must:~~

- ~~(a) set out the standards, including key performance indicators and targets, which have been determined by the Large Non-Domestic Suppliers as standards against which they will measure the performance of the Central Delivery Body in achieving its objectives in respect of Energy Consumers at Relevant Designated Premises; and~~
- ~~(b) include such provisions as will enable any person, including in particular the Large Non-Domestic Suppliers, the Secretary of State and the Authority, to assess:
 - ~~(i) the Central Delivery Body's performance against the specified standards;~~
 - ~~(ii) the effectiveness of the steps taken by the Central Delivery Body for the purpose of achieving the relevant objectives; and~~
 - ~~(iii) the extent to which the Central Delivery Body has, in accordance with paragraph 39.16, amended the Consumer Engagement Plan to take into account information received in respect of its performance.~~~~

~~39A.43 The Non-Domestic Performance Management Framework must be produced within the period that commences on 4th July 2019 and ends on the date which is three months later.~~

~~39A.44 The licensee, together with all other Large Non-Domestic Suppliers must keep the Non-Domestic Performance Management Framework under review, and must make appropriate amendments to it from time to time so that it continues to be accurate, up to date, and fit for purpose.~~

~~39A.45 In determining the standard to be set out, and the other provisions to be included, in the Non-Domestic Performance Management Framework, the licensee, together with all other Large Non-Domestic Suppliers, must consult with and take into account the views of, and information provided by, relevant interested parties, including in particular the Secretary of State.~~

Co-operation

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~~39A.46~~39A.45 The licensee must:

- (a) co-operate with the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and
- (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

PART D. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A SMALL NON-DOMESTIC SUPPLIER

Costs of the Central Delivery Body

~~39A.47~~39A.46 The licensee must, together with all Large Non-Domestic Suppliers and other Small Non-Domestic Suppliers, take such steps and do such things as are within its power to meet the Non-Domestic Fixed Operating Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money.

~~39A.48~~39A.47 For the purpose of meeting the requirements of paragraph ~~39A.39.43~~, the licensee must apply the mechanism specified in a direction issued by the Secretary of State for allocating between Large Non-Domestic Suppliers and Small Non-Domestic Suppliers the costs of the Central Delivery Body on the basis of their respective shares of the markets for gas and electricity supply to Designated Energy Premises.

Co-operation

~~39A.49~~39A.48 The licensee must:

- (a) co-operate with the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and
- (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

PART E. INTERPRETATION AND DEFINITIONS

~~39A.50~~39A.49 In this condition:

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<u>Commencement</u>	<u>means the point in time at which this condition first applies, as determined in accordance with paragraph 39A.2.</u>
Designated Energy Premises	means premises which (with respect to the supply of gas) are Designated Premises, or (with respect to the supply of electricity) satisfy the definition of 'Designated Premises' at standard condition 1 of the Electricity Supply Licence.
Domestic Energy Premises	means premises which (with respect to the supply of gas) are Domestic Premises, or (with respect to the supply of electricity) satisfy the definition of 'Domestic Premises' at standard condition 6 of the Electricity Supply Licence.
Domestic Fixed Operating Costs	<p>means the costs of:</p> <ul style="list-style-type: none">(a) renting and maintaining premises;(b) staff recruitment, salaries, and benefits; and(c) purchasing and maintaining office equipment, including IT and telephony equipment, <p>insofar as those costs relate to the activities carried out by the Central Delivery Body in respect of Energy Consumers at Domestic Energy Premises.</p>
Energy Consumer	means a consumer of gas or electricity (or both).
Energy Customer	means a person who is (with respect to the supply of gas) a Customer, or (with respect to the supply of electricity) a 'Customer' in accordance with the definition at standard condition 1 of the Electricity Supply Licence.
Energy Meter Point	<p>means:</p> <ul style="list-style-type: none">(a) in relation to the supply of electricity, a Metering Point as defined in the Master Registration Agreement; or

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- (b) in relation to the supply of gas, a Supply Meter Point as defined in the Uniform Network Code.

Energy Supplier

means the holder of an Electricity Supply Licence and/or a Gas Supply Licence which supplies gas, or electricity, or both to Energy Consumers at Domestic Energy Premises or Designated Energy Premises.

Large Non-Domestic Supplier

means a gas or electricity supplier which supplies gas, or electricity, or both to Energy Consumers at Designated Energy Premises via more than 100,000 Energy Meter Points.

Master Registration Agreement

has the meaning given to it in accordance with the definition at standard condition 1 of the Electricity Supply Licence.

Micro Business Energy Consumer

means an Energy Consumer that is a Micro Business Consumer in accordance with:

- (a) the meaning given to the term Micro Business Consumer in standard condition 7A (Supply to Micro Business Consumers); or
- (b) the meaning given to the term Micro Business Consumer in standard condition 7A of the Gas Supply Licence.

Network Operator

means any person holding:

- (a) a licence granted under section 6(1)(b) or 6(1)(c) of the Electricity Act 1989; or
- (b) a licence granted under section 7 of the Gas Act 1986.

Non-Domestic Fixed Operating Costs

means the costs of:

- (a) renting and maintaining premises;
- (b) staff recruitment, salaries, and benefits; and

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- (c) purchasing and maintaining office equipment, including IT and telephony equipment,

insofar as those costs relate to the activities carried out by the Central Delivery Body in respect of Energy Consumers at Designated Energy Premises.

~~**Non-Domestic-Only Supplier** means a Non-Domestic Supplier which does not also supply gas or electricity to any Domestic Energy Premises.~~

Non-Domestic Supplier means either a Large Non-Domestic Supplier or a Small Non-Domestic Supplier.

Relevant Designated Premises means:

- (a) Designated Energy Premises at which the Energy Consumer is a Micro Business Energy Consumer; and
- (b) such additional categories of Designated Energy Premises as may be specified in a direction issued by the Secretary of State.

Relevant Supplier means a gas or electricity supplier which:

- (a) is authorised by its licence to supply gas or electricity to Domestic Energy Premises; and
- (b) supplies either gas or electricity (or both) to more than 2150,000 Energy Customers at Domestic Energy Premises.

Small Domestic Supplier means a gas or electricity supplier which:

- (a) is authorised by its licence to supply gas or electricity to Domestic Energy Premises; and
- (b) supplies gas or electricity to, in each case, no more than 2150,000 Energy Customers at Domestic Energy Premises.

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Small Non-Domestic Supplier means a gas or electricity supplier which supplies gas or electricity (or both) to Designated Energy Premises and which is not a Large Non-Domestic Supplier.