

# ENERGY

## SMART METERS

### MODIFICATIONS TO THE STANDARD CONDITIONS OF ELECTRICITY AND GAS SUPPLY LICENCES

The Secretary of State makes the following licence modifications in exercise of the powers conferred by section 88(1) of the Energy Act 2008 (“the Act”).

The Secretary of State has consulted the holders of any licence being modified, the Gas and Electricity Markets Authority and such other persons as the Secretary of State considered appropriate in accordance with section 89(1) of the Act.

A draft of these licence modifications has been laid before Parliament in accordance with section 89(3) of the Act. Neither House of Parliament resolved, within the 40-day period referred to in section 89(4) of the Act, that the Secretary of State should not make the licence modifications.

#### Modifications to the standard conditions of electricity supply licences

1. The standard conditions of electricity supply licences granted, or treated as granted, under section 6(1)(d) of the Electricity Act 1989 are, with effect from 30 November 2012, modified in accordance with paragraphs 2 to 5.
2. In condition 1.3, insert the following definitions in the appropriate position—

<b>“Current Transformer</b>	means an Electricity Meter which uses a current
<b>Electricity Meter</b>	transformer as part of the mechanism for measuring the electric current;”;

<b>“Designated Premises</b>	means Non-Domestic Premises at which a metering point falls within profile class 3 or 4 as defined in the Balancing and Settlement Code on 30 November 2012;”;
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<b>“In-Home Display (or IHD)</b>	means a device provided at premises which, on the date on which it is provided (or, if later, the date on which a Smart Metering System is installed at the premises), as a minimum:
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- (a) is a device of a type identified in;

(b) has the functional capability specified by;  
and

(c) complies with the other requirements of,  
the IHD Technical Specification applicable at that  
date;”;

**“In-Home Display (or IHD)  
Technical Specification**

means the document (or part of a document) which:

- (a) identifies itself as such;
- (b) applies in respect of the device referred to in  
that document as an in-home display; and
- (c) is designated by the Secretary of State,

as it may be amended from time to time by a direction  
issued by the Secretary of State to all licensed gas and  
electricity suppliers;”;

**“Smart Metering System**

means a system installed at premises for the purposes  
of the supply of electricity to those premises which:

- (a) if installed after the Smart Metering  
Designated Date, on the date on which it is  
installed; or
- (b) if installed on or before the Smart Metering  
Designated Date, on the Designated Date,

as a minimum:

- (i) consists of an Electricity Meter and any  
associated or ancillary devices identified in;
- (ii) has the functional capability specified by;  
and

(iii) complies with the other requirements of, the SME Technical Specification applicable at that date;”;

**“Smart Metering Designated Date**

means the date on which the SME Technical Specification is designated by the Secretary of State;”;

and

**“Smart Metering Equipment (or SME) Technical Specification**

means the document (or part of a document) which:

- (a) identifies itself as such;
- (b) applies in respect of an Electricity Meter and any associated or ancillary device installed or provided for the purposes of the supply of electricity (excluding an IHD); and
- (c) is designated by the Secretary of State,

as it may be amended from time to time by a direction issued by the Secretary of State to all licensed gas and electricity suppliers;”.

**3. In condition 2, after paragraph 2.11, insert—**

**“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 or 40 of this licence to give a direction is a power:

- (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 or 40 will be in Writing.

2.14 In each case in which the Secretary of State may specify a date under standard condition 12, 39 or 40 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 or 40 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.”

4. In condition 12, after paragraph 12.22, insert—

**“Advanced meters - Designated Premises**

12.23 This paragraph has effect on and after 6 April 2014 and applies where the licensee installs or arranges for the installation of a Current Transformer Electricity Meter at any Designated Premises.

12.24 If paragraph 12.23 applies, the Current Transformer Electricity Meter installed or arranged to be installed at the Designated Premises must be an advanced meter.

**Advanced meters – Domestic Premises**

12.25 This paragraph has effect from the date specified by the Secretary of State in a direction issued to the licensee under this paragraph and applies where the licensee installs or arranges for the installation of a Current Transformer Electricity Meter at any Domestic Premises.

12.26 If paragraph 12.25 applies, the Current Transformer Electricity Meter installed or arranged to be installed at the Domestic Premises must be an advanced meter.

**Current Transformer Electricity Meters from 2020**

12.27 After 31 December 2019, the licensee must not supply electricity to any Designated Premises or Domestic Premises through a Current Transformer Electricity Meter which is not also an advanced meter.

#### **Customer Access to Data**

12.28 The licensee must ensure that a Customer supplied with electricity at Designated Premises or Domestic Premises through an advanced meter, or that Customer's nominated agent, has timely access, on request, to the data provided by that meter.

#### **Exception**

12.29 The prohibition imposed by paragraph 12.27 does not apply where the licensee is unable to install or arrange for the installation of an advanced meter at the Designated Premises or the Domestic Premises in question despite taking all reasonable steps to do so.”.

5. After condition 38, insert—

#### **“Condition 39. Smart Metering System - Roll-out, Installation and Maintenance**

##### **The roll-out duty**

39.1 The licensee must take all reasonable steps to ensure that a Smart Metering System is installed on or before 31 December 2019 at each Domestic Premises or Designated Premises in respect of which it is the Relevant Electricity Supplier.

39.2 The requirement in paragraph 39.1 is subject to paragraphs 39.8, 39.9 and 39.10.

##### **The duty in relation to replacement meters and new connections**

39.3 The licensee must take all reasonable steps to ensure that, at each Domestic Premises or Designated Premises in respect of which:

- (a) it is the Relevant Electricity Supplier, any replacement Electricity Meter which is installed or is arranged to be installed forms part of a Smart Metering System;
- (b) it is to be the first Relevant Electricity Supplier, any new Electricity Meter which is installed or is arranged to be installed forms part of a Smart Metering System.

39.4 For the purposes of paragraph 39.3:

- (a) a 'replacement Electricity Meter' is an Electricity Meter that replaces another Electricity Meter previously installed at the premises; and
- (b) a 'new Electricity Meter' is an Electricity Meter that is the first Electricity Meter to be installed, or arranged to be installed, at the premises.

39.5 The requirement in paragraph 39.3 applies only with effect from any date specified by the Secretary of State in a direction issued to the licensee in accordance with this paragraph.

39.6 The requirement in paragraph 39.3 is subject to paragraphs 39.8, 39.9 and 39.10.

#### **The duties after installation**

39.7 The licensee must take all reasonable steps to ensure that, at each Domestic Premises or Designated Premises in respect of which it is the Relevant Electricity Supplier and at which a Smart Metering System has been installed:

- (a) subject to sub-paragraph (b), the Smart Metering System continues to satisfy the requirements of the SME Technical Specification that was applicable:
  - (i) where the Smart Metering System was installed on or before the Smart Metering Designated Date, on the Smart Metering Designated Date;
  - (ii) where the Smart Metering System was installed after the Smart Metering Designated Date, on the date of its installation; and
- (b) where any direction which amends the SME Technical Specification states that the amendment is to have effect in relation to a Smart Metering System (or any part of it) installed prior to the date specified in the direction, the Smart Metering System (or the relevant part of it) is replaced, modified or reconfigured so as to comply with the amended requirements of the SME Technical Specification.

#### **Exception – Domestic and Designated Premises**

39.8 The requirements in each of paragraphs 39.1 and 39.3 do not apply in respect of any Designated Premises or Domestic Premises at which either:

- (a) the existing Electricity Meter is a Current Transformer Electricity Meter; or

- (b) any new or replacement Electricity Meter installed or arranged to be installed by the licensee is a Current Transformer Electricity Meter,

and where in either case:

- (c) that Current Transformer Electricity Meter meets any requirements which apply to it by virtue of paragraph 24 or 26 of standard condition 12.

#### **Exception – Designated Premises Only**

39.9 The requirement in each of paragraphs 39.1 and 39.3 does not apply in respect of any Designated Premises in respect of which:

- (a) the licensee (or any other person) has, on or before 5 April 2014, made arrangements for an Advanced Meter to be installed at the Designated Premises (the **relevant arrangements**); and
- (b) the obligation under the relevant arrangements to install the Advanced Meter is to be satisfied by a date which is on or before 5 April 2014;

and either:

- (c) the date for satisfying that obligation to install the Advanced Meter has not yet passed; or
- (d) an Advanced Meter has been installed at the Designated Premises.

39.10 The requirement in each of paragraphs 39.1 and 39.3 does not apply in respect of any Designated Premises in relation to which:

- (a) the licensee (or any other person) has, on or before 5 April 2014, entered into a contract to install or arrange the installation of an Advanced Meter at the Designated Premises (the **relevant contract**); and
- (b) the relevant contract provides that the obligation to install the Advanced Meter is to be satisfied by a date which is on or before 31 December 2019;

and either:

- (c) the date for satisfying that obligation to install the Advanced Meter has not yet passed; or

- (d) an Advanced Meter has been installed at the Designated Premises.

### **Definitions**

39.11 For the purposes of this condition:

**Advanced Meter** means an Electricity Meter which satisfies the definition of 'advanced meter' in paragraph 19 of standard condition 12 but which does not form part of a Smart Metering System.

### **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 the In-Home Display at the premises from no later than that date.

40.2 The requirement in paragraph 40.1 is subject to paragraph 40.3.

#### **Exception to the general duty**

40.3 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 meets the requirements of the IHD Technical Specification.



### **The duty on request of Domestic Customers**

40.4 The licensee must take all reasonable steps to provide an In-Home Display at Domestic Premises in respect of which it is the Relevant Electricity Supplier where:

- (a) the Domestic Customer at the premises makes a request for it to do so within the Relevant Period; and
- (b) prior to that request an In-Home Display has not been provided at the premises.

40.5 The requirement in paragraph 40.4 is subject to paragraphs 40.6 and 40.11.

### **Exception to the duty on request of Domestic Customers**

40.6 The licensee is not required to comply with paragraph 40.4 where, in respect of any Domestic Premises:

- (a) the IHD Technical Specification is amended on a date which falls:
  - (i) after the Smart Metering System has been installed at those Domestic Premises; and
  - (ii) before the licensee has provided an In-Home Display to the Domestic Customer at those premises in accordance with a request made by that Customer;
- (b) if an In-Home Display were to be provided it would not be able to operate, 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
- (c) the licensee has provided to the Domestic Customer at the premises, within the Relevant Period, a device meeting the minimum requirements of the IHD Technical Specification applicable at the date on which the Smart Metering System was installed at the premises.

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

40.7 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 been provided:

- (a) subject to sub-paragraph (b), the In-Home Display continues during the Relevant Period to satisfy the requirements of the IHD Technical Specification that was applicable at the date of its provision; and
- (b) where any direction which amends the IHD Technical Specification is issued during the Relevant Period and states that the amendment is to have effect in relation to an In-Home Display provided prior to the date specified in the direction, the In-Home Display is replaced, modified or reconfigured so as to comply with the amended requirements of the IHD Technical Specification.

40.8 The requirement in paragraph 40.7 is subject to paragraph 40.11.

#### **The duty to deal with IHD faults**

40.9 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 is no longer meeting 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.

40.10 The requirement in paragraph 40.9 is subject to paragraph 40.11.

#### **Exceptions**

40.11 Paragraphs 40.4, 40.7 and 40.9 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.

**Definition**

40.12 For the purposes of this condition:

**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 41: Smart Metering Installation and Installation Code of Practice - Domestic Customers**

**Application**

41.1 This Condition applies only where the licensee supplies or offers to supply electricity to Domestic Premises.

**The Objectives and the duty to achieve them**

41.2 The objectives of this Condition (the **Objectives**) are to ensure that:

- (a) the licensee and any Representative provides and maintains a standard of service which helps to ensure that Domestic Customers' experience of the installation of Smart Metering Systems at their premises meets their reasonable expectations;
- (b) all activities undertaken by the licensee and any Representative in relation to the installation of Smart Metering Systems are conducted in a fair, transparent, appropriate and professional manner;
- (c) Domestic Customers are given information about, and during, the installation of Smart Metering Systems which:
  - (i) is complete and accurate;

- (ii) does not mislead them; and
- (iii) informs them about the benefits of Smart Metering Systems and about what to expect in relation to the installation process; and
- (d) Domestic Customers are not subject to unwelcome Marketing during any visit to their premises for the purposes of installing Smart Metering Systems.

41.3 The licensee shall take all reasonable steps:

- (a) to secure the achievement of the Objectives; and
- (b) to avoid doing anything which jeopardises its ability to achieve the Objectives.

**The Domestic Installation Code**

41.4 The steps that the licensee must take to secure the achievement of the Objectives include, without limitation, taking such steps and doing such things as are within its power to:

- (a) together with all other licensed electricity and gas suppliers of Domestic Premises; and
- (b) by no later than one month after this Condition takes effect (or such later date as the Authority may direct) (the **relevant period**),

prepare and submit for approval to the Authority a document to be known as the Domestic Installation Code of Practice (**Domestic Installation Code**).

41.5 If:

- (a) the licensee, together with all other licensed electricity and gas suppliers of Domestic Premises, does not submit a Domestic Installation Code to the Authority within the relevant period; or
- (b) the Authority does not approve the Domestic Installation Code submitted to it,

the Authority may:

- (c) designate a Domestic Installation Code which shall apply for the purposes of this Condition; or

- (d) in the case of sub-paragraph (b), issue a direction requiring the licensee and all other licensed electricity and gas suppliers of Domestic Premises to make such modifications to the Domestic Installation Code which has been submitted to it as are specified in the direction.

#### **Content of the Domestic Installation Code**

41.6 The Domestic Installation Code must include provisions which set minimum standards of service for the installation, and activities relating to the installation, of Smart Metering Systems at Domestic Premises.

41.7 The Domestic Installation Code must include provisions which ensure that any costs that the licensee seeks to recover from Customers in relation to:

- (a) the provision, configuration, installation or operation of the Smart Metering System at Domestic Premises;
- (b) the replacement, modification or reconfiguration of the Smart Metering System at Domestic Premises in accordance with the duty at paragraph 7(b) of Condition 39; or
- (c) the provision of a replacement In-Home Display at Domestic Premises in accordance with the duty at paragraph 7(b) or paragraph 9 of Condition 40,

may be recovered from a Domestic Customer only in the circumstances described in either paragraph 41.8 or 41.9.

41.8 The circumstances described in this paragraph are that costs are borne by the licensee's Domestic Customers generally as an increment of charges for electricity supplied to them.

41.9 The circumstances described in this paragraph are that:

- (a) the Smart Metering System installed at Domestic Premises exceeds the minimum requirements of the SME or IHD Technical Specification ('enhanced equipment');
- (b) the Domestic Customer at the premises has first been given the option of having installed at his premises a Smart Metering System which is in conformity with but does not exceed the minimum requirements of the Technical Specification; and
- (c) the Domestic Customer has, prior to the Smart Metering System being installed, expressly requested the installation of enhanced equipment.

41.10 The Domestic Installation Code must include provisions which will ensure that the licensee and its Representatives will:

- (a) not make any Sales Transaction during a visit to install a Smart Metering System at any Domestic Premises;
- (b) not undertake any Marketing during a visit to install a Smart Metering System unless the Domestic Customer has, in advance of the date of the installation visit, given his explicit consent to Marketing being undertaken during the installation visit; and
- (c) cease any Marketing being undertaken in compliance with sub-paragraph (b) immediately upon a request to do so made by the Domestic Customer or any member of his household.

41.11 The Domestic Installation Code must make provision relating to the establishment and implementation of practices, procedures and arrangements by which the licensee and its Representatives will:

- (a) take all reasonable steps to ensure that no undue inconvenience is caused to Domestic Customers or other occupants of Domestic Premises as a result of any visit made to Domestic Premises for the purposes of installing a Smart Metering System;
- (b) provide for Domestic Customers to be given complete and accurate information and advice, which is in plain and intelligible language and which does not mislead them, about:
  - (i) the installation, purpose, features and advantages of Smart Metering Systems;
  - (ii) the use of Smart Metering Systems, including such information as will assist Domestic Customers to make informed judgments about the way in which they can improve the efficiency with which they use the electricity and/or gas supplied to them; and
  - (iii) sources from which Domestic Customers may obtain additional and impartial information or assistance about improving the efficiency with which they use the electricity and/or gas supplied to them;

- (c) identify and meet the needs of specific Domestic Customer groups – including in particular Domestic Customers (or occupants of the Domestic Premises) who are of Pensionable Age, disabled or chronically sick - in relation to the installation (and provision of information relating to the installation) of Smart Metering Systems;
  - (d) notify Domestic Customers of the Domestic Installation Code, of the provisions set out in it and of the licensee’s obligations under it; and
  - (e) retain, and produce to the Authority when requested to do so, documentary evidence sufficient to demonstrate (where given) a Domestic Customer’s consent to Marketing being undertaken during the installation visit.
- 41.12 The Domestic Installation Code may make further provision in relation to any matters that are designed to secure the achievement of the Objectives.
- 41.13 The Domestic Installation Code may provide for particular provisions, as specified in it, not to apply in such cases or circumstances as are specified or described in the Domestic Installation Code.
- 41.14 The Domestic Installation Code must set out procedures for its review and revision which shall, as a minimum, provide for:
- (a) the making of proposals by:
    - (i) the licensee and any other licensed electricity or gas supplier of Domestic Premises; and
    - (ii) the National Consumer Council,  
for revisions to the Domestic Installation Code;
  - (b) a requirement to obtain the approval of the Authority to proposed revisions to the Domestic Installation Code; and
  - (c) the Authority:
    - (i) at any time to require the licensee, together with all other licensed electricity and gas suppliers of Domestic Premises, to review such features of the Domestic Installation Code as it may specify (‘the specified features’);

- (ii) following such a review, to issue a direction requiring the licensee and all other licensed electricity and gas suppliers of Domestic Premises to make such modifications to any of the specified features as it may direct.

#### **Consultation on the Domestic Installation Code**

41.15 The licensee must:

- (a) before submitting the Domestic Installation Code or any proposed revisions to it to the Authority for its approval; and
- (b) in carrying out any review of the Domestic Installation Code,

consult with, and consider any representations made by, the National Consumer Council and any other person or body likely to be affected.

#### **Compliance with the Domestic Installation Code**

41.16 The licensee must take such steps and do such things as are within its power to comply with the Domestic Installation Code approved or designated (as the case may be) by the Authority.

41.17 The licensee must maintain a record of its performance against and compliance with the requirements of the Domestic Installation Code.

#### **Review of the Domestic Installation Code**

41.18 The licensee must from time to time:

- (a) take steps to obtain the views of Domestic Customers about the licensee's and its Representatives' activities and conduct relating to the installation of Smart Metering Systems; and
- (b) together with all other licensed electricity and gas suppliers of Domestic Premises, review the Domestic Installation Code and the manner in which it has been operated with a view to determining, taking into account views received, whether any revisions should be made to it.

41.19 Where, within 30 working days of the licensee submitting to the Authority the proposed revisions to the Domestic Installation Code, the Authority has not given:



- (a) its approval in Writing to the proposed revisions;
- (b) Notice to the licensee that it is withholding approval; or
- (c) Notice to the licensee that it is unable to reach a decision on whether to approve or withhold approval within the 30 working day period but that it will aim to do so within the timescale set out in the Notice,

the proposed revisions submitted to the Authority shall be treated as having been approved by the Authority and incorporated into the Domestic Installation Code.

41.20 As soon as practicable following the Authority's approval or designation of the Domestic Installation Code (including following any revision to it), the licensee must take steps to ensure that an up-to-date copy of the approved or designated (as the case may be) Domestic Installation Code is:

- (a) sent to the Authority and the National Consumer Council; and
- (b) made readily accessible, including by being published on and made readily accessible from its Website (if it has one).

41.21 The licensee shall give, free of charge and as soon as practicable following the request, a copy of the most up-to-date approved or designated (as the case may be) Domestic Installation Code to any person that requests it.

### **Interpretation and Definitions**

41.22 In this Condition, any reference to Smart Metering System shall be read as incorporating a reference:

- (a) to any part of that system; and
- (b) to an In-Home Display.

41.23 In this condition, any reference to 'installation' shall be read, in the context of an In-Home Display, as incorporating a reference to the provision of that In-Home Display, and the words 'install' and 'installed' shall be construed accordingly.

41.24 For the purposes of this Condition:

**Marketing**

means any activities of the licensee or any of its Representatives that:

- (a) take place with the simultaneous physical presence of:
  - (i) the licensee or the Representative; and
  - (ii) a Domestic Customer or any member of his household; and
- (b) entail verbal communication with the Domestic Customer or any member of his household with the intention or effect of:
  - (i) promoting the provision by the licensee or any other named person of any goods and services; or
  - (ii) promoting the availability to the Domestic Customer or member of his household of any goods or services specifically designed for or tailored to his requirements,

but for these purposes:

- (a) 'promoting' shall be taken to exclude the activity of agreeing or arranging, at the request of the Domestic Customer or a member of his household, any further communication with that person, at a date later than the date of the installation visit, in relation to the provision by the licensee or any other named person of any goods or services; and
- (b) 'goods or services' shall be taken to exclude any goods or services which are to be provided free of charge.

**Sales Transaction**

means any transaction, whether in writing or otherwise, which involves a Domestic Customer or any member of his household:

- (a) paying a sum of money to any person in respect of the

provision of goods or services; or

- (b) entering into a contract to pay a sum of money to any person in respect of the provision of goods or services.

## **Condition 42: Smart Metering Installation and Installation Code of Practice – Micro Business Consumers**

### **The Objectives and the duty to achieve them**

42.1 The objectives of this Condition (the **Objectives**) are to ensure that:

- (a) the licensee and any Representative provides and maintains a standard of service which helps to ensure that Micro Business Consumers' experience of the installation of Smart Metering Systems at their premises meets their reasonable expectations;
- (b) all activities undertaken by the licensee and any Representative in relation to the installation of Smart Metering Systems are conducted in a fair, transparent, appropriate and professional manner; and
- (c) Micro Business Consumers are provided with information about, or during, the installation of Smart Metering Systems which:
  - (i) is complete and accurate;
  - (ii) does not mislead them; and
  - (iii) informs them about the benefits of the Smart Metering Systems and about what to expect in relation to the installation process.

42.2 The licensee shall take all reasonable steps:

- (a) to secure the achievement of the Objectives; and
- (b) to avoid doing anything which jeopardises its ability to achieve the Objectives.

### **The Installation Code**

42.3 The steps that the licensee must take to secure the achievement of the Objectives include, without limitation, taking such steps and doing such things as are within its power to:

- (a) together with all other licensed electricity and gas suppliers; and
- (b) by no later than one month after this Condition takes effect (or such later date as the Authority may direct) (the **relevant period**),

prepare and submit for approval to the Authority a document to be known as the Installation Code of Practice (**Installation Code**).

42.4 If:

- (a) the licensee, together with all other licensed electricity and gas suppliers, does not submit an Installation Code to the Authority within the relevant period; or
- (b) the Authority does not approve the Installation Code submitted to it,

the Authority may:

- (i) designate an Installation Code which shall apply for the purposes of this Condition; or
- (ii) in the case of sub-paragraph (b), issue a direction requiring the licensee and all other licensed electricity and gas suppliers to make such modifications to the Installation Code which has been submitted to it as are specified in the direction.

#### **Content of the Installation Code**

42.5 The Installation Code must make provision relating to the establishment and implementation of practices, procedures and arrangements by which the licensee and its Representatives will:

- (a) take all reasonable steps to ensure that no undue inconvenience is caused to Micro Business Consumers as a result of any visit made to their premises for the purposes of installing Smart Metering Systems; and
- (b) provide for Micro Business Consumers to be given complete and accurate information and advice, which is in plain and intelligible language and which does not mislead them, about:
  - (i) the installation, purpose, features and advantages of Smart Metering Systems;

- (ii) the use of Smart Metering Systems, including such information as will assist Micro Business Consumers to make informed judgments about the way in which they can improve the efficiency with which they use the electricity and/or gas supplied to them; and
- (iii) sources from which Micro Business Consumers may obtain additional information or assistance about improving the efficiency with which they use the electricity and/or gas supplied to them.

42.6 The Installation Code may make further provision in relation to any matters that are designed to secure the achievement of the Objectives.

42.7 The Installation Code may provide for particular provisions, as specified in it, not to apply in such cases or circumstances as are specified or described in the Installation Code.

42.8 The Installation Code must set out procedures for its review and revision which shall, as a minimum, provide for:

- (a) the making of proposals by:
  - (i) the licensee and any other licensed electricity or gas supplier; and
  - (ii) the National Consumer Council,for revisions to the Installation Code;
- (b) a requirement to obtain the approval of the Authority to proposed revisions to the Installation Code; and
- (c) the Authority:
  - (i) at any time to require the licensee, together with all other licensed electricity and gas suppliers, to review such features of the Installation Code as it may specify ('the specified features');
  - (ii) following such a review, to issue a direction requiring the licensee and all other licensed electricity and gas suppliers to make such modifications to any of the specified features as it may direct.

### **Consultation on the Installation Code**

42.9 The licensee must:

- (a) before submitting the Installation Code or any proposed revisions to it to the Authority for its approval; and
- (b) in carrying out any review of the Installation Code,

consult with, and consider any representations made by, the National Consumer Council and any other person or body likely to be affected.

### **Compliance with the Installation Code**

42.10 The licensee must take such steps and do such things as are within its power to comply with the Installation Code approved or designated (as the case may be) by the Authority.

42.11 The licensee must maintain a record of its performance against and compliance with the requirements of the Installation Code.

### **Review of the Installation Code**

42.12 The licensee must from time to time:

- (a) take steps to obtain the views of Micro Business Consumers about the licensee's and its Representatives' activities and conduct relating to the installation of Smart Metering Systems; and
- (b) together with all other licensed electricity and gas suppliers, review the Installation Code and the manner in which it has been operated with a view to determining, taking into account views received, whether any revisions should be made to it.

42.13 Where, within 30 working days of the licensee submitting to the Authority the proposed revisions to the Installation Code, the Authority has not given:

- (a) its approval in Writing to the proposed revisions;
- (b) Notice to the licensee that it is withholding approval; or
- (c) Notice to the licensee that it is unable to reach a decision on whether to approve or withhold approval within the 30 working day period but that it will aim to do so

within the timescale specified in the Notice,

the proposed revisions submitted to the Authority shall be treated as having been approved by the Authority and incorporated into the Installation Code.

42.14 As soon as practicable following the Authority's approval or designation of the Installation Code (including following any revision to it), the licensee must take steps to ensure that an up-to-date copy of the approved or designated (as the case may be) Installation Code is:

- (a) sent to the Authority and the National Consumer Council; and
- (b) made readily accessible, including by being published on and made readily accessible from its Website (if it has one).

42.15 The licensee shall give, free of charge and as soon as practicable following the request, a copy of the most up-to-date approved or designated (as the case may be) Installation Code to any person that requests it.

#### **Interpretation and Definitions**

42.16 In this Condition, any reference to Smart Metering System shall be read as incorporating a reference to any part of that system.

42.17 For the purpose of this Condition:

<b>Micro Business Consumer</b>	has the meaning given to it in Standard Condition 7A of the Standard Conditions for Electricity Supply Licences.”.
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#### **Modifications to the standard conditions of gas supply licences**

6. The standard conditions of gas supply licences granted, or treated as granted, under section 7A(1) of the Gas Act 1986 are, with effect from 30 November 2012, modified in accordance with paragraphs 7 to 10.

7. In condition 1.2, insert the following definitions in the appropriate position—

<b>“Designated Premises</b>	means Non-Domestic Premises at which the measured annual consumption of gas is 732,000 kWh or less;”;
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**“Large Gas Meter**

means a Gas Meter designed to operate with a maximum flow rate of greater than 11 cubic metres per hour;”;

**“In-Home Display (or IHD)**

means a device provided at premises which, on the date on which it is provided (or, if later, the date on which a Smart Metering System is installed at the premises), as a minimum:

- (a) is a device of a type identified in;
- (b) has the functional capability specified by; and
- (c) complies with the other requirements of,

the IHD Technical Specification applicable at that date;”;

**“In-Home Display (or IHD)  
Technical Specification**

means the document (or part of a document) which:

- (a) identifies itself as such;
- (b) applies in respect of the device referred to in that document as an in-home display; and
- (c) is designated by the Secretary of State,

as it may be amended from time to time by a direction issued by the Secretary of State to all licensed gas and electricity suppliers;”;

**“Smart Metering System**

means a system installed at premises for the purposes of the supply of gas to those premises which:

- (a) if installed after the Smart Metering Designated Date, on the date on which it is installed; or
- (b) if installed on or before the Smart Metering Designated Date, on the Designated Date,

as a minimum:



- (a) consists of a Gas Meter and any associated or ancillary devices identified in;
  - (b) has the functional capability specified by; and
  - (c) complies with the other requirements of,
- the SME Technical Specification applicable at that date;”;

**“Smart Metering Designated Date** means the date on which the SME Technical Specification is designated by the Secretary of State;” and

**“Smart Metering Equipment (or SME) Technical Specification** means the document (or part of a document) which:

- (a) identifies itself as such;
- (b) applies in respect of a Gas Meter and any associated or ancillary device installed or provided for the purposes of the supply of gas (excluding an IHD); and
- (c) is designated by the Secretary of State,

as it may be amended from time to time by a direction issued by the Secretary of State to all licensed gas and electricity suppliers;”.

8. In condition 2, after paragraph 2.11, insert—

**“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, 33 or 34 of this licence to give a direction is a power:

- (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, 33 or 34 will be in Writing.

2.14 In each case in which the Secretary of State may specify a date under standard condition 12, 33 or 34 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, 33 or 34 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.”.

9. In condition 12, after paragraph 12.25, insert—

**“Advanced meters – Designated Premises**

12.26 This paragraph has effect on and after 6 April 2014 and applies where the licensee installs or arranges for the installation of a Large Gas Meter at any Designated Premises.

12.27 If paragraph 12.26 applies, the Large Gas Meter installed or arranged to be installed at the Designated Premises must be an advanced meter.

**Advanced meters - Domestic Premises**

12.28 This paragraph has effect from the date specified by the Secretary of State in a direction issued to the licensee under this paragraph and applies where the licensee installs or arranges for the installation of a Large Gas Meter at any Domestic Premises.

12.29 If paragraph 12.28 applies, the Large Gas Meter installed or arranged to be installed at the Domestic Premises must be an advanced meter.

**Large Gas Meters from 2020**

12.30 After 31 December 2019, the licensee must not supply gas to any Designated Premises or Domestic Premises through a Large Gas Meter which is not also an advanced meter.

## **Customer Access to Data**

12.31 The licensee must ensure that a Customer supplied with gas at Designated Premises or Domestic Premises through an advanced meter, or that Customer's nominated agent, has timely access, on request, to the data provided by that meter.

## **Exception**

12.32 The prohibition imposed by paragraph 12.30 does not apply where the licensee is unable to install or arrange for the installation of an advanced meter at the Designated Premises or the Domestic Premises in question despite taking all reasonable steps to do so.”.

10. After condition 32, insert—

## **“SECTION C: STANDARD CONDITIONS FOR ALL SUPPLIERS**

### **Condition 33: Smart Metering System - Roll-out, Installation and Maintenance**

#### **The roll-out duty**

33.1 The licensee must take all reasonable steps to ensure that a Smart Metering System is installed on or before 31 December 2019 at each Domestic Premises or Designated Premises in respect of which it is the Relevant Gas Supplier.

33.2 The requirement in paragraph 33.1 is subject to paragraphs 33.8, 33.9 and 33.10.

#### **The duty in relation to replacement meters and new connections**

33.3 The licensee must take all reasonable steps to ensure that, at each Domestic Premises or Designated Premises in respect of which:

- (a) it is the Relevant Gas Supplier, any replacement Gas Meter which is installed or is arranged to be installed forms part of a Smart Metering System;
- (b) it is to be the first Relevant Gas Supplier, any new Gas Meter which is installed or is arranged to be installed forms part of a Smart Metering System.

33.4 For the purposes of paragraph 33.3:

- (a) a ‘replacement Gas Meter’ is a Gas Meter that replaces another Gas Meter previously installed at the premises; and

- (b) a 'new Gas Meter' is a Gas Meter that is the first Gas Meter to be installed, or arranged to be installed, at the premises.

33.5 The requirement in paragraph 33.3 applies only with effect from any date specified by the Secretary of State in a direction issued to the licensee in accordance with this paragraph.

33.6 The requirement in paragraph 33.3 is subject to paragraphs 33.8, 33.9 and 33.10.

#### **The duties after installation**

33.7 The licensee must take all reasonable steps to ensure that, at each Domestic Premises or Designated Premises in respect of which it is the Relevant Gas Supplier and at which a Smart Metering System has been installed:

- (a) subject to sub-paragraph (b), the Smart Metering System continues to satisfy the requirements of the SME Technical Specification that was applicable:
  - (i) where the Smart Metering System was installed on or before the Smart Metering Designated Date, on the Smart Metering Designated Date;
  - (ii) where the Smart Metering System was installed after the Smart Metering Designated Date, on the date of its installation; and
- (b) where any direction which amends the SME Technical Specification states that the amendment is to have effect in relation to a Smart Metering System (or any part of it) installed prior to the date specified in the direction, the Smart Metering System (or the relevant part of it) is replaced, modified or reconfigured so as to comply with the amended requirements of the SME Technical Specification.

#### **Exception – Domestic and Designated Premises**

33.8 The requirements in each of paragraphs 33.1 and 33.3 do not apply in respect of any Designated Premises or Domestic Premises at which either:

- (a) the existing Gas Meter is a Large Gas Meter; or
- (b) any new or replacement Gas Meter installed or arranged to be installed by the licensee is a Large Gas Meter,

and where in either case:

- (c) that Large Gas Meter meets any requirements which apply to it by virtue of paragraph 27 or 29 of standard condition 12.

**Exception - Designated Premises Only**

33.9 The requirement in each of paragraphs 33.1 and 33.3 does not apply in respect of any Designated Premises in respect of which:

- (a) the licensee (or any other person) has, on or before 5 April 2014, made arrangements for an Advanced Meter to be installed at the Designated Premises (the **relevant arrangements**); and
- (b) the obligation under the relevant arrangements to install the Advanced Meter is to be satisfied by a date which is on or before 5 April 2014;

and either:

- (c) the date for satisfying that obligation to install the Advanced Meter has not yet passed; or
- (d) an Advanced Meter has been installed at the Designated Premises.

33.10 The requirement in each of paragraphs 33.1 and 33.3 does not apply in respect of any Designated Premises in relation to which:

- (a) the licensee (or any other person) has, on or before 5 April 2014, entered into a contract to install or arrange the installation of an Advanced Meter at the Designated Premises (the **relevant contract**); and
- (b) the relevant contract provides that the obligation to install the Advanced Meter is to be satisfied by a date which is on or before 31 December 2019;

and either:

- (c) the date for satisfying that obligation to install the Advanced Meter has not yet passed; or
- (d) an Advanced Meter has been installed at the Designated Premises.

## **Definitions**

33.11 For the purposes of this condition:

**Advanced Meter** means a Gas Meter which satisfies the definition of 'advanced meter' in paragraph 22 of standard condition 12 but which does not form part of a Smart Metering System.

## **Condition 34: Provision of an In-Home Display**

### **The general duty**

34.1 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 the In-Home Display at the premises from no later than that date.

34.2 The requirement in paragraph 34.1 is subject to paragraph 34.3.

### **Exception to the general duty**

34.3 The licensee is not required to comply with paragraph 34.1 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 meets the requirements of the IHD Technical Specification.

### **The duty on request of Domestic Customers**

34.4 The licensee must take all reasonable steps to provide an In-Home Display at Domestic Premises in respect of which it is the Relevant Gas Supplier where:

- (a) the Domestic Customer at the premises makes a request for it to do so within the Relevant Period; and
- (b) prior to that request an In-Home Display has not been provided at the premises.

34.5 The requirement in paragraph 34.4 is subject to paragraphs 34.6 and 34.11.

### **Exception to the duty on request of Domestic Customers**

34.6 The licensee is not required to comply with paragraph 34.4 where, in respect of any Domestic Premises:

- (a) the IHD Technical Specification is amended on a date which falls:
  - (i) after the Smart Metering System has been installed at those Domestic Premises; and
  - (ii) before the licensee has provided an In-Home Display to the Domestic Customer at those premises in accordance with a request made by that Customer;
- (b) if an In-Home Display were to be provided it would not be able to operate, 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
- (c) the licensee has provided to the Domestic Customer at the premises, within the Relevant Period, a device meeting the minimum requirements of the IHD Technical Specification applicable at the date on which the Smart Metering System was installed at the premises

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

34.7 The licensee must take all reasonable steps to ensure that, at each Domestic Premises in respect of which it is the Relevant Gas Supplier and at which an In-Home Display has been provided:

- (a) subject to sub-paragraph (b), the In-Home Display continues during the Relevant Period to satisfy the requirements of the IHD Technical Specification that was applicable at the date of its provision; and
- (b) where any direction which amends the IHD Technical Specification is issued during the Relevant Period and states that the amendment is to have effect in relation to an In-Home Display provided prior to the date specified in the direction, the In-Home Display is replaced, modified or reconfigured so as to comply with the amended requirements of the IHD Technical Specification.

34.8 The requirement in paragraph 34.7 is subject to paragraph 34.11.

#### **The duty to deal with IHD faults**

34.9 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 Gas Supplier;
- (b) the consequence of the fault is that the In-Home Display is no longer meeting 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

34.10 The requirement in paragraph 34.9 is subject to paragraph 34.11.

#### **Exceptions**

34.11 Paragraphs 34.4, 34.7 and 34.9 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.

**Definition**

34.12 For the purposes of this condition:

**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 35: Smart Metering Installation and Installation Code of Practice - Domestic Customers**

**Application**

35.1 This Condition applies only where the licensee supplies or offers to supply gas to Domestic Premises.

**The Objectives and the duty to achieve them**

35.2 The objectives of this Condition (the **Objectives**) are to ensure that:

- (a) the licensee and any Representative provides and maintains a standard of service which helps to ensure that Domestic Customers' experience of the installation of Smart Metering Systems at their premises meets their reasonable expectations;
- (b) all activities undertaken by the licensee and any Representative in relation to the installation of Smart Metering Systems are conducted in a fair, transparent, appropriate and professional manner;

- (c) Domestic Customers are given information about, and during, the installation of Smart Metering Systems which:
  - (i) is complete and accurate;
  - (ii) does not mislead them; and
  - (iii) informs them about the benefits of Smart Metering Systems and about what to expect in relation to the installation process; and
- (d) Domestic Customers are not subject to unwelcome Marketing during any visit to their premises for the purposes of installing Smart Metering Systems.

35.3 The licensee shall take all reasonable steps:

- (a) to secure the achievement of the Objectives; and
- (b) to avoid doing anything which jeopardises its ability to achieve the Objectives.

#### **The Domestic Installation Code**

35.4 The steps that the licensee must take to secure the achievement of the Objectives include, without limitation, taking such steps and doing such things as are within its power to:

- (a) together with all other licensed electricity and gas suppliers of Domestic Premises; and
- (b) by no later than one month after this Condition takes effect (or such later date as the Authority may direct) (the **relevant period**),

prepare and submit for approval to the Authority a document to be known as the Domestic Installation Code of Practice (**Domestic Installation Code**).

35.5 If:

- (a) the licensee, together with all other licensed electricity and gas suppliers of Domestic Premises, does not submit a Domestic Installation Code to the Authority within the relevant period; or
- (b) the Authority does not approve the Domestic Installation Code submitted to it,

the Authority may:

- (c) designate a Domestic Installation Code which shall apply for the purposes of this Condition; or
- (d) in the case of sub-paragraph (b), issue a direction requiring the licensee and all other licensed electricity and gas suppliers of Domestic Premises to make such modifications to the Domestic Installation Code which has been submitted to it as are specified in the direction.

### **Content of the Domestic Installation Code**

35.6 The Domestic Installation Code must include provisions which set minimum standards of service for the installation, and activities relating to the installation, of Smart Metering Systems at Domestic Premises.

35.7 The Domestic Installation Code must include provisions which ensure that any costs that the licensee seeks to recover from Customers in relation to:

- (a) the provision, configuration, installation or operation of the Smart Metering System at Domestic Premises;
- (b) the replacement, modification or reconfiguration of the Smart Metering System at Domestic Premises in accordance with the duty at paragraph 7(b) of Condition 33; or
- (c) the provision of a replacement In-Home Display at Domestic Premises in accordance with the duty at paragraph 7(b) or paragraph 9 of Condition 34,

may be recovered from a Domestic Customer only in the circumstances described in either paragraph 35.8 or 35.9.

35.8 The circumstances described in this paragraph are that costs are borne by the licensee's Domestic Customers generally as an increment of charges for gas supplied to them.

35.9 The circumstances described in this paragraph are that:

- (a) the Smart Metering System installed at Domestic Premises exceeds the minimum requirements of the SME or IHD Technical Specification ('enhanced equipment');

- (b) the Domestic Customer at the premises has first been given the option of having installed at his premises a Smart Metering System which is in conformity with but does not exceed the minimum requirements of the Technical Specification; and
- (c) the Domestic Customer has, prior to the Smart Metering System being installed, expressly requested the installation of enhanced equipment.

35.10 The Domestic Installation Code must include provisions which will ensure that the licensee and its Representatives will:

- (a) not make any Sales Transaction during a visit to install a Smart Metering System at any Domestic Premises;
- (b) not undertake any Marketing during a visit to install a Smart Metering System unless the Domestic Customer has, in advance of the date of the installation visit, given his explicit consent to Marketing being undertaken during the installation visit; and
- (c) cease any Marketing being undertaken in compliance with sub-paragraph (b) immediately upon a request to do so made by the Domestic Customer or any member of his household.

35.11 The Domestic Installation Code must make provision relating to the establishment and implementation of practices, procedures and arrangements by which the licensee and its Representatives will:

- (a) take all reasonable steps to ensure that no undue inconvenience is caused to Domestic Customers or other occupants of Domestic Premises as a result of any visit made to Domestic Premises for the purposes of installing a Smart Metering System;
- (b) provide for Domestic Customers to be given complete and accurate information and advice, which is in plain and intelligible language and which does not mislead them, about:
  - (i) the installation, purpose, features and advantages of Smart Metering Systems;
  - (ii) the use of Smart Metering Systems, including such information as will assist Domestic Customers to make informed judgments about the way in which

they can improve the efficiency with which they use the electricity and/or gas supplied to them; and

- (iii) sources from which Domestic Customers may obtain additional and impartial information or assistance about improving the efficiency with which they use the electricity and/or gas supplied to them;
- (c) identify and meet the needs of specific Domestic Customer groups – including in particular Domestic Customers (or occupants of the Domestic Premises) who are of Pensionable Age, disabled or chronically sick - in relation to the installation (and provision of information relating to the installation) of Smart Metering Systems;
- (d) notify Domestic Customers of the Domestic Installation Code, of the provisions set out in it and of the licensee's obligations under it; and
- (e) retain, and produce to the Authority when requested to do so, documentary evidence sufficient to demonstrate (where given) a Domestic Customer's consent to Marketing being undertaken during the installation visit.

35.12 The Domestic Installation Code may make further provision in relation to any matters that are designed to secure the achievement of the Objectives.

35.13 The Domestic Installation Code may provide for particular provisions, as specified in it, not to apply in such cases or circumstances as are specified or described in the Domestic Installation Code.

35.14 The Domestic Installation Code must set out procedures for its review and revision which shall, as a minimum, provide for:

- (a) the making of proposals by:
  - (i) the licensee and any other licensed electricity or gas supplier of Domestic Premises; and
  - (ii) the National Consumer Council,  
for revisions to the Domestic Installation Code;
- (b) a requirement to obtain the approval of the Authority to proposed revisions to the Domestic Installation Code; and

- (c) the Authority:
  - (i) at any time to require the licensee, together with all other licensed electricity and gas suppliers of Domestic Premises, to review such features of the Domestic Installation Code as it may specify ('the specified features');
  - (ii) following such a review, to issue a direction requiring the licensee and all other licensed electricity and gas suppliers of Domestic Premises to make such modifications to any of the specified features as it may direct.

### **Consultation on the Domestic Installation Code**

35.15 The licensee must:

- (a) before submitting the Domestic Installation Code or any proposed revisions to it to the Authority for its approval; and
- (b) in carrying out any review of the Domestic Installation Code, consult with, and consider any representations made by, the National Consumer Council and any other person or body likely to be affected.

### **Compliance with the Domestic Installation Code**

35.16 The licensee must take such steps and do such things as are within its power to comply with the Domestic Installation Code approved or designated (as the case may be) by the Authority.

35.17 The licensee must maintain a record of its performance against and compliance with the requirements of the Domestic Installation Code.

### **Review of the Domestic Installation Code**

35.18 The licensee must from time to time:

- (a) take steps to obtain the views of Domestic Customers about the licensee's and its Representatives' activities and conduct relating to the installation of Smart Metering Systems; and
- (b) together with all other licensed electricity and gas suppliers of Domestic Premises, review the Domestic Installation Code and the manner in which it has been operated

with a view to determining, taking into account views received, whether any revisions should be made to it.

35.19 Where, within 30 working days of the licensee submitting to the Authority the proposed revisions to the Domestic Installation Code, the Authority has not given:

- (a) its approval in Writing to the proposed revisions;
- (b) Notice to the licensee that it is withholding approval; or
- (c) Notice to the licensee that it is unable to reach a decision on whether to approve or withhold approval within the 30 working day period but that it will aim to do so within the timescale set out in the Notice,

the proposed revisions submitted to the Authority shall be treated as having been approved by the Authority and incorporated into the Domestic Installation Code.

35.20 As soon as practicable following the Authority's approval or designation of the Domestic Installation Code (including following any revision to it), the licensee must take steps to ensure that an up-to-date copy of the approved or designated (as the case may be) Domestic Installation Code is:

- (a) sent to the Authority and the National Consumer Council; and
- (b) made readily accessible, including by being published on and made readily accessible from its Website (if it has one).

35.21 The licensee shall give, free of charge and as soon as practicable following the request, a copy of the most up-to-date approved or designated (as the case may be) Domestic Installation Code to any person that requests it.

### **Interpretation and Definitions**

35.22 In this Condition, any reference to Smart Metering System shall be read as incorporating a reference:

- (a) to any part of that system; and
- (b) to an In-Home Display.

35.23 In this condition, any reference to 'installation' shall be read, in the context of an In-Home Display, as incorporating a reference to the provision of that In-Home Display, and the words 'install' and 'installed' shall be construed accordingly.

35.24 For the purposes of this Condition:

**Marketing**

means any activities of the licensee or any of its Representatives that:

- (a) take place with the simultaneous physical presence of:
  - (i) the licensee or the Representative; and
  - (ii) a Domestic Customer or any member of his household; and
- (b) entail verbal communication with the Domestic Customer or any member of his household with the intention or effect of:
  - (i) promoting the provision by the licensee or any other named person of any goods and services; or
  - (ii) promoting the availability to the Domestic Customer or member of his household of any goods or services specifically designed for or tailored to his requirements,

but for these purposes:

- (c) 'promoting' shall be taken to exclude the activity of agreeing or arranging, at the request of the Domestic Customer or a member of his household, any further communication with that person, at a date later than the date of the installation visit, in relation to the provision by the licensee or any other named person of any goods or services; and
- (d) 'goods or services' shall be taken to exclude any goods



or services which are to be provided free of charge.

**Sales Transaction** means any transaction, whether in writing or otherwise, which involves a Domestic Customer or any member of his household:

- (a) paying a sum of money to any person in respect of the provision of goods or services; or
- (b) entering into a contract to pay a sum of money to any person in respect of the provision of goods or services.

### **Condition 36: Smart Metering Installation and Installation Code of Practice – Micro Business Consumers**

#### **The Objectives and the duty to achieve them**

36.1 The objectives of this Condition (the **Objectives**) are to ensure that:

- (a) the licensee and any Representative provides and maintains a standard of service which helps to ensure that Micro Business Consumers' experience of the installation of Smart Metering Systems at their premises meets their reasonable expectations;
- (b) all activities undertaken by the licensee and any Representative in relation to the installation of Smart Metering Systems are conducted in a fair, transparent, appropriate and professional manner; and
- (c) Micro Business Consumers are provided with information about, or during, the installation of Smart Metering Systems which:
  - (i) is complete and accurate;
  - (ii) does not mislead them; and
  - (iii) informs them about the benefits of the Smart Metering Systems and about what to expect in relation to the installation process.

36.2 The licensee shall take all reasonable steps:

- (a) to secure the achievement of the Objectives; and

- (b) to avoid doing anything which jeopardises its ability to achieve the Objectives.

### **The Installation Code**

36.3 The steps that the licensee must take to secure the achievement of the Objectives include, without limitation, taking such steps and doing such things as are within its power to:

- (a) together with all other licensed electricity and gas suppliers; and
- (b) by no later than one month after this Condition takes effect (or such later date as the Authority may direct) (the **relevant period**),

prepare and submit for approval to the Authority a document to be known as the Installation Code of Practice (**Installation Code**).

36.4 If:

- (a) the licensee, together with all other licensed electricity and gas suppliers, does not submit an Installation Code to the Authority within the relevant period; or
- (b) the Authority does not approve the Installation Code submitted to it,

the Authority may:

- (i) designate an Installation Code which shall apply for the purposes of this Condition; or
- (ii) in the case of sub-paragraph (b), issue a direction requiring the licensee and all other licensed electricity and gas suppliers to make such modifications to the Installation Code which has been submitted to it as are specified in the direction.

### **Content of the Installation Code**

36.5 The Installation Code must make provision relating to the establishment and implementation of practices, procedures and arrangements by which the licensee and its Representatives will:

- (a) take all reasonable steps to ensure that no undue inconvenience is caused to Micro Business Consumers as a result of any visit made to their premises for the purposes of installing Smart Metering Systems; and

(b) provide for Micro Business Consumers to be given complete and accurate information and advice, which is in plain and intelligible language and which does not mislead them, about:

- (i) the installation, purpose, features and advantages of Smart Metering Systems;
- (ii) the use of Smart Metering Systems, including such information as will assist Micro Business Consumers to make informed judgments about the way in which they can improve the efficiency with which they use the electricity and/or gas supplied to them; and
- (iii) sources from which Micro Business Consumers may obtain additional information or assistance about improving the efficiency with which they use the electricity and/or gas supplied to them.

36.6 The Installation Code may make further provision in relation to any matters that are designed to secure the achievement of the Objectives.

36.7 The Installation Code may provide for particular provisions, as specified in it, not to apply in such cases or circumstances as are specified or described in the Installation Code.

36.8 The Installation Code must set out procedures for its review and revision which shall, as a minimum, provide for:

(a) the making of proposals by:

- (i) the licensee and any other licensed electricity or gas supplier; and
- (ii) the National Consumer Council,  
for revisions to the Installation Code;

(b) a requirement to obtain the approval of the Authority to proposed revisions to the Installation Code; and

(c) the Authority:

- (i) at any time to require the licensee, together with all other licensed electricity and gas suppliers, to review such features of the Installation Code as it may

specify ('the specified features');

- (ii) following such a review, to issue a direction requiring the licensee and all other licensed electricity and gas suppliers to make such modifications to any of the specified features as it may direct.

#### **Consultation on the Installation Code**

36.9 The licensee must:

- (a) before submitting the Installation Code or any proposed revisions to it to the Authority for its approval; and
- (b) in carrying out any review of the Installation Code, consult with, and consider any representations made by, the National Consumer Council and any other person or body likely to be affected.

#### **Compliance with the Installation Code**

36.10 The licensee must take such steps and do such things as are within its power to comply with the Installation Code approved or designated (as the case may be) by the Authority.

36.11 The licensee must maintain a record of its performance against and compliance with the requirements of the Installation Code.

#### **Review of the Installation Code**

36.12 The licensee must from time to time:

- (a) take steps to obtain the views of Micro Business Consumers about the licensee's and its Representatives' activities and conduct relating to the installation of Smart Metering Systems; and
- (b) together with all other licensed electricity and gas suppliers, review the Installation Code and the manner in which it has been operated with a view to determining, taking into account views received, whether any revisions should be made to it.

36.13 Where, within 30 working days of the licensee submitting to the Authority the proposed revisions to the Installation Code, the Authority has not given:

- (a) its approval in Writing to the proposed revisions;
- (b) Notice to the licensee that it is withholding approval; or
- (c) Notice to the licensee that it is unable to reach a decision on whether to approve or withhold approval within the 30 working day period but that it will aim to do so within the timescale specified in the Notice,

the proposed revisions submitted to the Authority shall be treated as having been approved by the Authority and incorporated into the Installation Code.

36.14 As soon as practicable following the Authority's approval or designation of the Installation Code (including following any revision to it), the licensee must take steps to ensure that an up-to-date copy of the approved or designated (as the case may be) Installation Code is:

- (a) sent to the Authority and the National Consumer Council; and
- (b) made readily accessible, including by being published on and made readily accessible from its Website (if it has one).

36.15 The licensee shall give, free of charge and as soon as practicable following the request, a copy of the most up-to-date approved or designated (as the case may be) Installation Code to any person that requests it.

### **Interpretation and Definitions**

36.16 In this Condition, any reference to Smart Metering System shall be read as incorporating a reference to any part of that system.

36.17 For the purpose of this Condition:

**Micro Business Consumer**

has the meaning given to it in Standard Condition 7A of the Standard Conditions for Gas Supply Licences.”.

Date 27 November 2012



Name  
Parliamentary Under Secretary of State  
Department of Energy and Climate Change  
Baroness Verma

### GUIDANCE NOTE

*(This note is not part of the licence modification)*

The purpose of these licence modifications is to require electricity and gas suppliers to install smart meters in domestic and smaller non-domestic premises by 31 December 2019, and to make arrangements related to this task. Smart meters are electricity and gas meters with enhanced functionalities, including the capability of providing consumption information to the consumer in near real-time, and to be remotely read by or on behalf of the supplier. Smart meters will promote energy saving by electricity and gas consumers, and will facilitate further efficiencies in the gas and electricity distribution and supply systems.

New licence conditions 39 (electricity) and 33 (gas) make provision for the installation of those meters, as well as providing that, beyond a date to be specified in a later direction, new and replacement meters must be smart meters.

New licence conditions 40 (electricity) and 34 (gas) require the offer of an in-home display, a device with a digital display which shows current consumption information to the consumer, where a smart meter is installed in domestic premises.

The modifications extend the existing licence condition 12 in electricity and gas supply licences, which requires suppliers to install advanced meters in premises used by medium sized non-domestic customers, by providing for the installation of an advanced meter on the replacement or installation of particular classes of meter.

New licence conditions 41 and 42 (electricity) and 35 and 36 (gas) require suppliers to devise and enter into binding codes of practice which determine the behaviour required during the installation visit, in order to protect the consumer and to facilitate the realisation of the benefits of smart meters. There are separate requirements for codes relating to installations in domestic and non-domestic premises.

The licence modifications have also been notified to the European Commission in accordance with the requirements of Article 8 of Directive 98/34/EC of the European Parliament and of the Council laying down a procedure for the provision of information in the field of technical standards and regulations (OJ L 204, 21.7.1998, p. 37) as amended by Directive 98/48/EC of the European Parliament and of the Council (OJ L 217, 5.8.1998, p. 18).

The Secretary of State will publish the modifications to the standard conditions of supply licences on the website of the Department of Energy and Climate Change as soon as reasonably practicable.