

## **GAS SUPPLY LICENCE: CONDITIONS**

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

#### **PART A - ROLL-OUT DUTY AND EXCEPTIONS TO THE DUTY**

##### **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 2020 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 33.3, ~~33.4~~, ~~33.5~~ and ~~33.5-33.6~~.

##### **Exception for Domestic and Designated Premises – Large Gas Meters**

- 33.3 The requirement in paragraph 33.1 does not apply in respect of any Domestic Premises or Designated Premises at which either:
- (a) the existing Gas Meter is a Large Gas Meter; or
  - (b) any New Gas Meter 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 12.27 or 12.29 of standard condition 12 (Matters relating to Gas Meters).

##### **Exception for Designated Premises - Advanced Meter Arrangements**

- 33.4 The requirement in paragraph 33.1 does not apply in respect of any Designated Premises:
- (a) where:
    - (i) the licensee or any other person has, prior to the Relevant Date, made arrangements for an Advanced Meter to be installed at that Designated Premises; and
    - (ii) the obligation under those arrangements to install an Advanced Meter is to be satisfied by a date which is also prior to the Relevant Date; and
  - (a) where either:
    - (i) the Relevant Date has not yet occurred; or

- (ii) the Relevant Date has occurred and the Gas Meter installed at the Designated Premises is an Advanced Meter that was installed prior to that date.

**Exception for Designated Premises - Advanced Meter Contract**

33.5 The requirement in paragraph 33.1 does not apply in respect of any Designated Premises:

- (a) where:
  - (i) the licensee or any other person has, prior to 6 April 2016, entered into a contract with the Customer at the Designated Premises to install or arrange the installation of an Advanced Meter at that Designated Premises; and
  - (ii) the obligation under that contract is for the Advanced Meter to be installed prior to 1 January 2021; and
- (b) where either:
  - (i) 1 January 2021 has not yet occurred; or
  - (ii) 1 January 2021 has occurred and the Gas Meter installed at the Designated Premises is the Advanced Meter that was first installed, pursuant to the contract, prior to that date.

**Exception for Designated Premises – Large Multi-Site Customers**

33.6 The requirement in paragraph 33.1 does not apply in respect of any Designated Premises:

- (a) which is one of a number of Designated Premises that are:
  - (i) owned or occupied by the same Non-Domestic Customer, or by a number of Non-Domestic Customers within the same Group; and
  - (ii) supplied with gas by the licensee under a Contract with that Non-Domestic Customer, or with one of those Non-Domestic Customers (as the case may be);
- (b) where the aggregate annual consumption of gas or electricity (or of each of them) in respect of all premises owned or occupied by that Non-Domestic Customer, or by those Non-Domestic Customers (as the case may be), is not less than 3 GWh; and
- (c) where either:
  - (i) an Advanced Meter is installed at that Designated Premises; or
  - (ii) the Contract referred to in paragraph (a)(ii) provides that an Advanced Meter is to be installed at that Designated Premises.

**PART B - DUTY IN RELATION TO REPLACEMENT METERS AND NEW CONNECTIONS AND EXCEPTIONS FROM THE DUTY**

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

~~33.7~~ 33.7 ~~33.6~~ 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.

~~33.8~~ 33.8 ~~33.7~~ The requirement in paragraph ~~33.6~~33.7 is subject to paragraphs ~~33.9, 33.10~~33.10, 33.11, 33.12 and ~~33.11~~33.13.

~~33.9~~ 33.9 ~~33.8~~ The requirement in paragraph ~~33.6~~33.7 and paragraphs ~~33.9, 33.10~~33.10, 33.11, 33.12 and ~~33.11~~33.13 apply only with effect from any date specified by the Secretary of State in a direction issued to the licensee in accordance with this paragraph.

**Exception for Domestic and Designated Premises – Large Gas Meters**

~~33.10~~ 33.10 ~~33.9~~ The requirement in paragraph ~~33.6~~33.7 does not apply in respect of any Domestic Premises or Designated Premises at which either:

- (a) the existing Gas Meter is a Large Gas Meter; or
- (b) any New Gas Meter 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 12.27 or 12.29 of standard condition 12 (Matters relating to Gas Meters).

**Exception for Designated Premises - Advanced Meter Arrangements**

~~33.11~~ 33.11 ~~33.10~~ The requirement in paragraph ~~33.6~~33.7 does not apply in respect of any Designated Premises where:

- (a) the licensee or any other person has, prior to the Relevant Date, made arrangements for an Advanced Meter to be installed at that Designated Premises;
- (b) the obligation under those arrangements to install an Advanced Meter is to be satisfied by a date which is also prior to the Relevant Date; and

- (c) the Relevant Date has not yet occurred.

### **Designated Premises – Advanced Meter Contract**

~~33.12~~ ~~33.11~~ The requirement in paragraph ~~33.6~~~~33.7~~ does not apply in respect of any Designated Premises :

- (a) where:
- (i) the licensee or any other person has, prior to 6 April 2016, entered into a contract with the Customer at the Designated Premises to install or arrange the installation of an Advanced Meter at that Designated Premises; and
  - (ii) the obligation under that contract is for the Advanced Meter to be installed prior to 1 January 2021; and
- (a) where both:
- (i) the Advanced Meter has not yet been installed at the Designated Premises pursuant to the contract; and
  - (ii) 1 January 2021 has not yet occurred.

### **Exception for Designated Premises – number and type of premises supplied**

~~33.13~~ The requirement in paragraph 33.7 does not apply in respect of any Designated Premises which are supplied with gas by the licensee in the circumstances where:

- (a) the exception in paragraph 33.6 applies in respect of the Designated Premises; or
  - (b) the licensee supplies gas only in the circumstances described in paragraph 42.9 of standard condition 42 (The Smart Energy Code);
- and where in either case:
- (c) the Replacement Gas Meter or New Gas Meter installed or arranged to be installed at the premises is an Advanced Meter.

## **PART C – DUTIES AFTER INSTALLATION AND DEFINITIONS**

### **The duties after installation – maintenance and replacement of Smart Metering Systems**

~~33.14~~ ~~33.12~~ Paragraphs ~~33.13~~~~33.15~~ to ~~33.18~~~~33.20~~ apply to the licensee in respect of each Domestic Premises and Designated Premises at which:

- (a) it is the Relevant Gas Supplier; and
- (b) there is installed a Smart Metering System,  
(the relevant premises).

### **Maintenance of Smart Metering Systems**

~~33.15~~ ~~33.13~~ Where this paragraph applies, the licensee must take all reasonable steps to ensure that the Smart Metering System at the relevant premises is maintained so that at all times it satisfies the requirements in the Metering Equipment Section of a Version of the SME Technical Specification which is:

- (a) within its Maintenance Validity Period;
- (b) the same Version in respect of all devices (but excluding for this purpose a Communications Hub) comprised within that Smart Metering System;
- (c) where the Smart Metering System at the premises includes a Communications Hub, Compatible with the Version of the CH Technical Specification in accordance with which that Communications Hub is maintained by the DCC;
- (d) where there is installed at the relevant premises a PPMID, Compatible with the Version of the PPMID Technical Specification in accordance with which that PPMID is maintained by the licensee; and
- (e) where there is provided at the relevant premises an IHD, Compatible with the Version of the IHD Technical Specification in accordance with which that IHD is maintained by the licensee during the period which it is required to be maintained.

~~33.16~~ ~~33.14~~ The requirement in paragraph ~~33.13~~~~33.15~~ is subject to paragraphs ~~33.15~~, ~~33.17~~~~33.17~~, ~~33.19~~ and ~~33.18~~~~33.20~~.

~~33.17~~ ~~33.15~~ Where on any given date a Smart Metering System is maintained by the licensee such that it satisfies the requirements in the Metering Equipment Section of a particular Version of the SME Technical Specification, the licensee must take all reasonable steps to ensure that the Smart Metering System is not subsequently maintained by the licensee so as to satisfy the requirements of an earlier Version (as indicated by a lower Principal Version number and/or a lower Sub-Version number) of the SME Technical Specification notwithstanding that any such earlier Version may otherwise meet the requirements of paragraph ~~33.13~~~~33.15~~.

#### **Replacement of Smart Metering Systems**

~~33.18~~ ~~33.16~~ Paragraph ~~33.17~~~~33.19~~ applies where:

- (a) paragraph ~~33.13~~~~33.15~~ applies to the licensee in respect of a Smart Metering System at relevant premises;
- (b) the licensee removes or arranges to remove that Smart Metering System from the relevant premises in its entirety; and
- (c) the licensee installs or arranges to be installed at the relevant premises, by way of replacement (whether in accordance with the requirement of paragraph ~~33.6~~~~33.7~~(a) or otherwise), a new Smart Metering System.

~~33.19~~ ~~33.17~~ Where this paragraph applies the licensee must ensure that any Smart Metering System that is installed or arranged to be installed by it at the relevant premises, by way of

replacement, satisfies the requirements in the Metering Equipment Section of a Version of the SME Technical Specification which is:

- (a) the same Version in respect of all devices (but excluding for this purpose a Communications Hub) comprised in the Smart Metering System; and
- (b) compliant with paragraph ~~33.18~~33.20.

~~33.20~~ ~~33.18~~-A Version of the SME Technical Specification is compliant with this paragraph where it is not earlier than the latest Version in accordance with which the licensee was required to maintain the Smart Metering System previously installed at the relevant premises by virtue of paragraph ~~33.15~~33.17 (and, for these purposes, an earlier Version of the SME Technical Specification is indicated by a lower Principal Version and/or Sub-Version number, and a later Version by a higher Principal Version and/or Sub-Version number).

#### **Exception**

~~33.21~~ ~~33.19~~-The requirement in paragraph ~~33.13~~33.15 does not apply in respect of any part of a Smart Metering System which consists of a Communications Hub.

#### **Definitions**

~~33.22~~ ~~33.20~~-For the purposes of this condition:

**Advanced Meter** means a Gas Meter which satisfies the definition of ‘advanced meter’ in paragraph 12.22 of standard condition 12 (Matters relating to Gas Meters) but which does not form part of a Smart Metering System.

**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

**Energy Supplier** means the holder of an Electricity Supply Licence and/or a Gas Supply Licence.

**Group** means a number of Non-Domestic Customers, each of which is related to all of the others by virtue of being a holding company, subsidiary, or subsidiary of a holding company (as those terms are defined in the Companies Act 2006) of each of them.

<b>Large Energy Supplier</b>	means an Energy Supplier which is not a Small Energy Supplier.
<b>New Gas Meter</b>	means the Gas Meter that is the first Gas Meter to be installed or arranged to be installed at the relevant premises.
<b>Relevant Date</b>	means:  (a) where the licensee is a Large Energy Supplier, 28 April 2017 <sup>1</sup> ; and (b) where the licensee is a Small Energy Supplier, 17 August 2017,  or (in either case) such later date as the Secretary of State may direct.
<b>Replacement Gas Meter</b>	means a Gas Meter that replaces a Gas Meter previously installed at the relevant premises.
<b>Small Energy Supplier</b>	means an Energy Supplier which supplied (whether with electricity, or gas, or both) fewer than 250,000 (two hundred and fifty thousand) Domestic Energy Premises on 15 February 2015.

<sup>1</sup> SofS has directed (see direction dated 11 April 2011) that this date shall be 12 November 2017.

**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 ~~33.12~~33.14 of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance); or

- (c) the provision of a replacement In-Home Display at Domestic Premises in accordance with the duty at paragraph 34.7 or paragraph 34.9 of standard condition 34 (Provision of an In-Home Display),

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 every Version of the SME or IHD Technical Specification which is within its Installation Validity Period at the date of installation ('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 does not exceed such minimum requirements; 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 provisions 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 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) Citizens Advice and Citizens Advice Scotland,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, Citizens Advice and Citizens Advice Scotland 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 Citizens Advice and Citizens Advice Scotland; 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 to:

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

35.23 In this condition any reference to 'installation' shall be read:

- (a) in the context of a Smart Metering System, as incorporating a reference to the establishment of the HAN and the making of a connection to the SM WAN at Domestic Premises, and the words 'install', 'installed' and 'installing' shall be construed accordingly;
- (b) in the context of an In-Home Display, as incorporating a reference to the provision of that In-Home Display, and the words 'install', 'installed' and 'installing' 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:

- (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 38: Roll-out Reporting, Setting and Achieving Annual Milestones, and Provision of Information to the Authority**

**Introduction**

38.1 This condition provides for:

- (a) the licensee to be required to prepare and provide to the Authority a Roll-out Plan, to report against the Roll-out Plan, and to set and achieve Annual Milestones, and
- (b) the Authority to be able to obtain from the licensee information in respect of matters relating to the provision, installation, operation, maintenance and use of Smart Metering Systems, In-Home Displays and Relevant Gas Meters and the licensee's achievement of the Annual Milestones.

**Purposes**

38.2 The purposes of this condition are to:

- (a) provide that the Authority may require the licensee to prepare a Rollout Plan which includes Annual Milestones;
- (b) require the licensee to achieve the Annual Milestones set out in the Roll-out Plan; and
- (c) ensure that the Authority may obtain such information as it may reasonably require to enable it, from time to time, to:
  - (i) examine and assess the readiness of the licensee to comply with any Relevant SMS Condition;
  - (ii) monitor and review the steps taken or to be taken by the licensee to install, arrange for the installation of, or provide (as the case may be) Smart Metering Systems, In-Home Displays and Relevant Gas Meters in accordance with the requirements of any Relevant SMS Condition; and
  - (iii) monitor the licensee's achievement of the Annual Milestones set out in the Roll-out Plan.

**Roll-out Plan and Progress Reports**



- 38.3 Where directed by the Authority, the licensee must prepare and submit to the Authority, by a date specified in a direction issued by the Authority, a document (the **Roll-out Plan**) which contains:
- (a) where the licensee is required to provide a roll-out report to the Secretary of State under standard condition 37 (Roll-out Reporting and Provision of Information to the Secretary of State), such parts of the rollout report as are specified in the direction;
  - (b) Annual Milestones, set by the licensee for such period as may be specified in the direction, for the purposes of the licensee complying with its duties in relation to the provision, installation, operation, maintenance and use of Smart Metering Systems, In-Home Displays and Relevant Gas Meters;
  - (c) a detailed explanation of the licensee's reasons, which reasons must be duly justified, for the Annual Milestones set by it; and
  - (d) such other Information as may be specified in the direction.
- 38.4 The licensee must achieve the Annual Milestones set out in its Roll-out Plan.
- 38.5 For the purposes of paragraph 38.4, the licensee shall be considered to have achieved an Annual Milestone set out in its Roll-out Plan where, by the end of the calendar year to which that Annual Milestone relates, it has reached at least 95% (or such lower percentage as may be specified in any direction issued to the licensee by the Authority) of that Annual Milestone.
- 38.6 The licensee may submit a revised Roll-out Plan to the Authority only:
- (a) on, or in the seven days immediately following, each anniversary, occurring prior to 31 March 2018, of the date specified in the direction issued by the Authority in accordance with paragraph 38.3; or
  - (b) where in response to a request from the licensee, the Authority has agreed that it may submit a revised Roll-out Plan.
- 38.7 Where, in accordance with paragraph 38.6, the licensee submits a revised Rollout Plan, it must also set out its reasons, which reasons must be duly justified, for making the revisions together with such supporting Information as may be required by the Authority.
- 38.8 The licensee must prepare and submit to the Authority, in accordance with any direction issued to the licensee by the Authority and for such periods and at such frequency as may

be specified in the direction, a report (the **Progress Report**) which sets out the licensee's progress and performance against the Roll-out Plan.

38.9 The licensee must publish its Roll-out Plan and any Progress Report, or such Information contained in the Roll-out Plan and any Progress Report, where it is directed to do so by the Authority.

### **Directions**

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

38.11 A direction issued by the Authority may, in particular, specify:

- (a) the format of the Roll-out Plan and the Progress Report;
- (b) the form and manner in which the Annual Milestones need to be included in the Roll-out Plan;
- (c) the Information the licensee must include in the Progress Report, which may, where the licensee is required to provide a roll-out report to the Secretary of State under standard condition 37 (Roll-out Reporting and Provision of Information to the Secretary of State), include such parts of the roll-out report as are specified in the direction;
- (d) requirements in relation to the submission of the Roll-out Plan and Progress Reports to the Authority; and
- (e) the manner and method by which any specified Information from the Roll-out Plan and any Progress Report must be published by the licensee.

### **Information Request**

38.12 Where the licensee receives a request for Information from the Authority for the purposes of this condition (an **Information Request**), it must provide that Information to the Authority within the time and in the form requested.

38.13 An Information Request issued by the Authority may in particular specify the type and nature of Information to be provided by the licensee, including in particular in respect of:

- (a) the readiness of the licensee to comply with any Relevant SMS Condition; and

- (b) the steps taken or to be taken by the licensee to install, arrange for the installation of, or provide (as the case may be) Smart Metering Systems, In-Home Displays and Relevant Gas Meters in accordance with the requirements of any Relevant SMS Condition.

38.14 The licensee must ensure that the Information it provides in response to an Information Request is complete and accurate.

38.15 The licensee is not required under this condition to provide any Information which it could not be compelled to produce or give in evidence in civil proceedings before a court.

### **Cessation**

38.16 This condition shall cease to apply to the licensee from the date which is 12 months after the date specified in paragraph 33.1 of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance).

### **Interpretation**

38.17 In this condition:

**Annual Milestone** means a percentage of the total number of Domestic Premises and Designated Premises:

- (a) in respect of which the licensee is the Relevant Gas Supplier; and
- (b) at which a Smart Metering System or Relevant Gas Meter is to be installed by the end of each calendar year falling within the period specified in a direction issued by the Authority under paragraph 38.3.

**Progress Report** means a report submitted in accordance with paragraph 38.8.

**Relevant Gas Meter** means any Gas Meter installed or arranged to be installed by the licensee pursuant to paragraphs 33.3, 33.4, 33.5, ~~33.9, 33.10 or 33.6, 33.10,~~ 33.11 ~~or 33.12~~ of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance).

**Relevant SMS Condition** means any condition of this licence which imposes obligations or contains provisions in respect of any matter relating to the provision, installation, operation maintenance or use of a Smart Metering System or an In-Home Display.

**Roll-out Plan** means a plan submitted in accordance with paragraph 38.3, as it may be revised in accordance with paragraph 38.6.

## **Condition 42: The Smart Energy Code**

### **Party to the Code**

42.1 The licensee must:

- (a) by no later than the Commencement Date, be a party to the Smart Energy Code; and
- (b) thereafter remain a party to and comply with the Smart Energy Code.

### **Derogation**

42.2 The Authority, following consultation with the licensee and where appropriate any other person likely to be materially affected and after having regard to any guidance issued by it in accordance with paragraph 42.3, may give a direction ('a **derogation**') to the licensee that relieves it of its obligations under the Smart Energy Code in respect of such parts of the Smart Energy Code, to such extent, for such period of time and subject to such conditions as may be specified in the direction.

42.3 The Authority may issue, and may from time to time revise, guidance regarding the manner in which it will exercise its powers under paragraph 42.2.

42.4 The guidance issued in accordance with paragraph 42.3 may, in particular, set out:

- (a) the process for requesting the Authority to grant a derogation under paragraph 42.2;
- (b) the type of information that is likely to be required by the Authority as part of that process; and
- (c) the criteria the Authority would have regard to in considering whether and to what extent to exercise its power to give a direction under paragraph 42.2.

### **DCC User – Large Energy Suppliers**

42.5 Paragraph 42.6 applies where the licensee:

- (a) is a party to the Smart Energy Code in accordance with paragraph 42.1;
- (b) supplies gas to Domestic Premises; and
- (c) supplied, or together with its Affiliate Licensees jointly supplied, (whether with gas, or electricity, or both) at least 250,000 Domestic Energy Premises on 15 February 2015.

42.6 Where this paragraph applies, the licensee must become a DCC User by no later than 16 February 2017 (or such later date as may be specified in a direction issued by the Secretary of State under this paragraph).<sup>2</sup>

<sup>2</sup> SofS has directed (see direction dated 25 November 2016) later date of 23 May 2017.

### **DCC User – Other Energy Suppliers**

42.7 Paragraph 42.8 applies where the licensee:

- (a) is a party to the Smart Energy Code in accordance with paragraph 42.1;
- (b) supplies gas to Domestic Premises ~~or Designated Premises~~; and
- (c) is not subject to the requirements of paragraph 42.6.

42.8 Where ~~this paragraph applies and either~~:

~~(a) this paragraph applies; and~~

~~(a)~~ ~~(b)~~ the licensee supplies gas to any ~~premises~~ Domestic Premises on or after 17 August 2017 (or such later date as may be specified in a direction issued by the Secretary of State under this paragraph);<sup>3</sup>; ~~or~~

~~(b) the licensee supplies gas to any Designated Premises on or after [xx August] 2018 (or such later date as may be specified in a direction issued by the Secretary of State under this paragraph).~~

the licensee must be a DCC User ~~except in the circumstances described in paragraph 42.9.~~

~~42.9 The requirement in paragraph 42.8 does not apply where the licensee:~~

- ~~(a) does not supply gas to any Domestic Premises;~~
- ~~(b) supplies gas to no more than 1000 Designated Premises in total; and~~
- ~~(c) each of the Designated Premises supplied with gas by the licensee is a premises in respect of which any one (or more) of paragraphs 33.3, 33.4, 33.5 or 33.6 of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance) apply.~~

### **Interpretation**

~~42.10 42.9~~ For the purposes of this Condition the licensee's obligation to comply with the Smart Energy Code is an obligation to comply with the provisions of the Smart Energy Code so far as they are applicable to the licensee.

### **Definitions**

~~42.11 42.10~~ In this Condition:

#### **Commencement Date**

means:

- (a) the date which is the SEC Designated Date; or
- (b) the date on which the licensee first starts to supply gas to any Domestic Premises or

<sup>3</sup> SofS has directed (see direction dated 25 November 2016) later date of 25 November 2017.

Designated Premises under this licence,

whichever is the later.

**DCC User**

means a User in the User Role of Gas Supplier (where 'User', 'User Role' and 'Gas Supplier' all have the meanings given to them from time to time in the Smart Energy Code).

**Domestic Energy  
Premises**

means premises which:

- (a) with respect to the supply of gas, are Domestic Premises; or
- (b) with respect to the supply of electricity, satisfy the definition of 'Domestic Premises' at standard condition 6 of the Electricity Supply Licence.

**SEC Designated Date**

means the date the Smart Energy Code is designated by the Secretary of State in a direction given for the purposes of Condition 22 of the DCC Licence.

**Condition 44 Smart Metering - Continuation of Arrangements on Change of Supplier**

**Application**

44.1 This Condition applies in respect of any Domestic Premises at which there is, at the date of a Supplier Transfer in respect of that Domestic Premises, a Smart Metering System installed (relevant premises).

**PART A: OBLIGATIONS ON OLD SUPPLIER NOTIFICATION OF METER ASSET PROVIDER**

44.2 This paragraph applies where:

- (a) the licensee is the Old Supplier in relation to a relevant premises; and
- (b) the New Supplier in relation to that relevant premises is not the Meter Asset Provider for all of the Relevant Apparatus at the relevant premises.

44.3 Where paragraph 44.2 applies the licensee must take all reasonable steps to send within 15 working days of the Supplier Transfer, or such other timescale agreed with the New Supplier or a Relevant Meter Asset Provider (as the case may be):

- (a) a Notice to the New Supplier giving:
  - (i) the name of each Relevant Meter Asset Provider;
  - (ii) except where such information is available to the New Supplier by virtue of the information sent to it in respect of the Supplier Transfer in accordance with any industry code, the contact details of each Relevant Meter Asset Provider; and
  - (iii) details of the Relevant Apparatus provided by each Relevant Meter Asset Provider,
- (a **MAP Notice**);
- (b) a Notice to each Relevant Meter Asset Provider (other than the licensee) giving, in respect of the relevant premises:
  - (i) the date of the most recent Supplier Transfer;
  - (ii) the name of the New Supplier;



- (iv) the serial number of, or any other information which identifies, the Relevant Apparatus provided by that Relevant Meter Asset Provider.

## **PART B: OBLIGATIONS ON NEW SUPPLIER**

### **Arrangements with the Meter Asset Provider**

44.4 This paragraph applies where the licensee is the New Supplier in relation to a relevant premises, and it:

- (a) receives a MAP Notice from the Old Supplier; or
- (b) is contacted by a Relevant Meter Asset Provider about the Relevant Apparatus at the relevant premises.

44.5 Where:

- (a) paragraph 44.4 applies; and
- (b) the licensee does not have an existing agreement with the Relevant Meter Asset Provider for the provision of apparatus of the type identified in the MAP Notice, or by the Relevant Meter Asset Provider, as Relevant Apparatus,

the licensee must take all reasonable steps to ensure that by no later than 6 months from the date of the MAP Notice or from first being contacted by the Relevant Meter Asset Provider about the Relevant Apparatus (whichever is the earlier):

- (i) it has entered into an agreement with the Relevant Meter Asset Provider for the provision of apparatus of the type identified in the MAP Notice, or by the Relevant Meter Asset Provider, as Relevant Apparatus; and
- (ii) the agreement includes terms in relation to the provision of the Relevant Apparatus at the relevant premises.

44.6 Where:

- (a) paragraph 44.4 applies; and
- (b) the licensee has an existing agreement with the Relevant Meter Asset Provider for the provision of apparatus of the type identified in the MAP Notice, or by the Relevant Meter Asset Provider, as Relevant Apparatus,

it must take all reasonable steps to ensure that by no later than one month from the date of the MAP Notice the existing agreement includes terms in relation to the provision of the Relevant Apparatus at the relevant premises.

### **Return of Apparatus**

44.7 Where pursuant to either paragraph 44.5 or 44.6 (as applicable) the licensee is not able to agree terms with the Relevant Meter Asset Provider within the Specified Period it must:

- (a) return the Relevant Apparatus to the Relevant Meter Asset Provider; and
- (b) take all reasonable steps to do so by no later than 1 month after the expiry of the Specified Period .

44.8 Where paragraph 44.7 applies, the licensee must take all reasonable steps to ensure that any apparatus returned in accordance with that paragraph is, at the time of its return, in the same condition as it was when it was last used as Relevant Apparatus.

### **Replacement of SMS Apparatus**

44.9 This paragraph applies where the licensee:

- (a) supplies gas to at least 250,000 Domestic Customers;
- (b) is the New Supplier in relation to a relevant premises;
- (c) returns, or is taking steps to return, pursuant to the requirements of paragraph 44.7, any apparatus to a Meter Asset Provider; and
- (d) installs, or arranges the installation of, Replacement Apparatus.

44.10 Subject to paragraph 44.11, where paragraph 44.9 applies the licensee must take all reasonable steps to ensure that the Replacement Apparatus forms part of a Smart Metering System at the relevant premises at the time of its installation.

44.11 The requirement in paragraph 44.10 does not apply in respect of Replacement Apparatus which:

- (a) is a Gas Meter; and
- (b) is able to operate only as a Prepayment Meter.

44.12 Paragraphs 44.9, 44.10 and 44.11 of this Condition cease to apply from the date specified in the direction issued by the Secretary of State to the licensee in accordance with paragraph

~~33.833.9~~ of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance).

### **Definitions**

44.13 In this Condition:

<b>Meter Asset Provider</b>	means any person who owns, and leases to other persons, apparatus forming part of a Smart Metering System but shall not include the holder of the DCC Licence.
<b>New Supplier</b>	means, in relation to a relevant premises, the Gas Supplier that became the Relevant Gas Supplier for the relevant premises by virtue of the most recent Supplier Transfer.
<b>Old Supplier</b>	means, in relation to a relevant premises, the Gas Supplier that was, immediately prior to the most recent Supplier Transfer, the Relevant Gas Supplier for the relevant premises.
<b>Relevant Apparatus</b>	means any apparatus forming part of the Smart Metering System at the relevant premises but shall exclude any Communications Hub that forms part of that Smart Metering System.
<b>Relevant Meter Asset Provider</b>	means a Meter Asset Provider of Relevant Apparatus.
<b>Replacement Apparatus</b>	means apparatus which is to replace any apparatus returned, or to be returned, pursuant to the requirements of paragraph 44.7, to a Meter Asset Provider.
<b>Specified Period</b>	means the period specified in paragraph 44.5(b) or 44.6(b) (whichever is applicable).
<b>Supplier Transfer</b>	has the meaning given to it in standard condition 14A (Customer transfer).

### **Condition 48. Enrolment of Smart Metering Systems**

#### **Application**

- 48.1 This condition takes effect from the date on which Gas Meters are first capable of being Commissioned under the Smart Energy Code.
- 48.2 Where on the date this condition takes effect:
- (a) the licensee is a DCC User, the condition applies to the licensee from the date the condition takes effect;
  - (b) the licensee is not a DCC User, the condition applies to the licensee from the date the licensee becomes a DCC User.

#### **Part A: Enrolment Duty - General**

- 48.3 Paragraph 48.4 applies in respect of any Domestic Premises and Designated Premises at which:
- (a) the licensee is the Relevant Gas Supplier; and
  - (b) there is a Smart Metering System that includes a Communications Hub,  
  
(the **relevant premises**).
- 48.4 Where this paragraph applies:
- (a) the licensee must take all reasonable steps to ensure that the Gas Meter and the Gas Proxy Function that form part of the Smart Metering System at the relevant premises are Commissioned; and
  - (b) following the time at which such Gas Meter and the Gas Proxy Function are first Commissioned and while there is a supply of gas to the premises, the licensee shall take all reasonable steps to ensure that the Smart Metering System of which the Gas Meter and Gas Proxy Function (or any replacement Gas Meter or Gas Proxy Function) form part are Enrolled.

#### **Part B: Enrolment Duty – Large Energy Supplier**

- 48.5 Paragraph 48.6 applies where, on 15 February 2015, the licensee supplied (whether with gas, or electricity, or both) at least 250,000 Domestic Energy Premises.

48.6 Where this paragraph applies the licensee must take all reasonable steps to ensure that the number of Energy Smart Metering Systems:

- (a) installed by it at Domestic Energy Premises or Designated Energy Premises; and
- (b) Enrolled,

is, by no later than by 17 February 2017 (or such later date as may be specified in a direction issued by the Secretary of State under this paragraph), at least equal to the Minimum Number.

### **Interpretation of Part B**

48.7 For the purposes of paragraphs 48.5 and 48.6 (and, where the context requires, the defined terms used in paragraphs 48.5 and 48.6), where there are any Affiliate Licensees, the licensee and all Affiliate Licensees are treated as one licensee

### **Definitions**

48.8 In this Condition:

**Commissioned** has the meaning given to it from time to time in the Smart Energy Code.

**DCC User** means a User in the User Role of Gas Supplier (where 'User', 'User Role' and 'Gas Supplier' all have the meanings given to them from time to time in the Smart Energy Code).

**Domestic Energy Premises** means premises which:

- (a) with respect to the supply of gas, are Domestic Premises; or
- (b) with respect to the supply of electricity, satisfy the definition of 'Domestic Premises' at standard condition 6 of the Electricity Supply Licence.

**Designated Energy Premises** means premises which:

- (a) with respect to the supply of gas, are Designated Premises; or
- (b) with respect to the supply of electricity, satisfy the definition of 'Designated Premises' in standard condition 1 of the Electricity Supply Licence.

**Energy Smart Metering System** means a system which:

- (a) with respect to the supply of gas, is a Smart Metering System that meets the requirements of a version, other than the first version, of the SME Technical Specification; and
- (b) with respect to the supply of electricity, is a system that:
  - (i) satisfies the definition of 'Smart Metering System' in standard condition 1 of the Electricity Supply Licence; and
  - (ii) meets the requirements of a version, other than the first version, of the document that satisfies the definition of 'SME Technical Specification' in standard condition 1 of the Electricity Supply Licence.

**Enrolled** means Enrolled under and as described in the Smart Energy Code.

**Gas Proxy Function** has the meaning given to that expression in the CH Technical Specification.

**Licensee's Relevant Energy Premises** means:

- (a) each Domestic Energy Premises and Designated Energy Premises in respect of which the licensee is, in respect of the supply of gas, the Relevant Gas Supplier on the Relevant Date; and
- (b) each Domestic Energy Premises and Designated Energy Premises in respect of which the licensee is, in respect of the supply of electricity, the Relevant Electricity Supplier on the Relevant Date,

but shall not include any such premises in respect of which the licensee is:

- (c) in respect of the supply of gas, subject to an exception set out in Part A of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance); or
- (d) in respect of the supply of electricity, subject to an

exception set out in Part A of standard condition 39 of an Electricity Supply Licence held by the licensee.

**Minimum Number**

means:

- (a) 1500; or
- (b) 0.025% of the total number of the Licensee's Relevant Energy Premises,

whichever is the lower.

**Relevant Date**

means the date on which the licensee first becomes a User in the User Role of either Gas Supplier or Import Supplier (where 'User', 'User Role', 'Gas Supplier' and 'Import Supplier' all have the meanings given to them from time to time in the Smart Energy Code).

**Relevant Electricity Supplier**

has the meaning given to it in standard condition 1 of the Electricity Supply Licence.

Document comparison by Workshare Compare on Friday 25 August 2017  
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Description	#60964488v4<Legal01> - Smart Metering Supply Licence Conditions (Gas) - Modified
Rendering set	Standard

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