



Department for  
Business, Energy  
& Industrial Strategy

Office for Product  
Safety & Standards

# GUIDANCE ON UNMETERED SUPPLY REGULATIONS

The Electricity (Unmetered Supply)  
Regulations 2001 (SI 2001/3263)



May 2018

# Summary

<b>Purpose:</b>	The guidance summarises the requirements of the Electricity (Unmetered Supply) Regulations, 2001 as amended.
<b>Intended audience:</b>	This guidance is recommended for use by the unmetered electricity supply industry, including the electricity balancing and settlement code administrators (Elexon), electricity customers, suppliers, distributors, meter operators, meter administrators, data collectors, and trade associations.
<b>Regional coverage:</b>	Great Britain.
<b>Legal status:</b>	Following this guidance will normally be enough for your organisation to meet its legal obligations, although it is not in itself obligatory.

## Revision History

<b>Version Number</b>	<b>Date of change</b>	<b>Sections affected</b>
Version 1	20 <sup>th</sup> August 2012	Guidance first issued
Version 2	31 <sup>st</sup> March 2014	1.0, 4.8, 4.15
Version 3	1 <sup>st</sup> May 2018	4.6

# Table of Contents

1.0	Foreword		<a href="#">5</a>
2.0	Legal background		<a href="#">6</a>
3.0	Introduction		<a href="#">7</a>
4.0	Guidance		<a href="#">8</a>
4.1	Purpose of this document		<a href="#">8</a>
4.2	Preamble		<a href="#">8</a>
4.3	Citation and commencement		<a href="#">9</a>
4.4	Interpretation		<a href="#">9</a>
4.5	Circumstances permitting an unmetered supply		<a href="#">10</a>
4.6	Predictable nature		<a href="#">11</a>
4.7	Inventory		<a href="#">12</a>
4.8	500W rule		<a href="#">13</a>
4.9	And, either, or		<a href="#">15</a>
4.10	Appropriate meter		<a href="#">15</a>
4.11	Metering costs		<a href="#">16</a>
4.12	Technical difficulties		<a href="#">17</a>
4.13	Operation of law		<a href="#">17</a>
4.14	Supply		<a href="#">18</a>
4.15	Prior to commencement of the Regulations		<a href="#">19</a>
4.16	Disputes		<a href="#">19</a>
Annex	Copy of the Electricity (Unmetered Supply) Regulations 2001/3263	SI	<a href="#">22</a>

## 1.0 Foreword

The guidance summarises the requirements of the Electricity (Unmetered Supply) Regulations 2001, (SI 2001/3263) ('the Regulations').

For convenience a copy of the Regulations is included in the Annex. The official version of the Regulations can be found at the following web address:

<http://www.legislation.gov.uk/ukxi/2001/3263/made/data.pdf>

This guidance is addressed to organisations that are required to comply with weights and measures law. Although reference is made to existing legal obligations, following the guidance is not in itself obligatory. However, if you do follow it, you will normally be doing enough to help your organisation meet its legal obligations.

Ultimately, only the courts can provide a definitive interpretation of the law.

The Regulations apply in Great Britain (GB) but do not extend to Northern Ireland which has its own electricity legislation (The Electricity (Northern Ireland) Order, 1992 (SI 1992/231) (N.I. 1), as amended).

This guidance will be reviewed in future subject to any justifiable requests by stakeholders on matters affecting the application of this guidance

If you identify any issues in relation to inaccuracies, inconsistencies or lack of clarity in the guidance please report them to [unmeteredsupplies@beis.gov.uk](mailto:unmeteredsupplies@beis.gov.uk). BEIS will endeavour to resolve issues of inconsistent guidance or regulatory conflicts within 90 days. Updated guidance will be issued as appropriate.

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## 2.0 Legal Background

Paragraph (1) of Schedule 7 to the Electricity Act, 1989 provides that ‘where a customer of an electricity supplier is to be charged wholly or partly by reference to the quantity of electricity supplied, the supply shall be given through, and the quantity of electricity shall be ascertained by, an appropriate meter’.

Schedule 5 to the Utilities Act, 2000 amended Schedule 7 to the Electricity Act by inserting Paragraph (1A). This provides that ‘an authorised supplier may give a supply otherwise than through an appropriate meter in such circumstances as may be prescribed’.

Following the commencement of the relevant provisions of the Utilities Act, the Gas and Electricity Markets Authority (the ‘Authority’) prescribed the circumstances in which an unmetered supply of electricity may be given to a customer in The Electricity (Unmetered Supply) Regulations 2001 which came into force on 1 October 2001. In place of the criteria set out in the Balancing and Settlement Code (‘BSC’) (in relation to England and Wales) and in the Settlement Agreement for Scotland (‘SAS’) (in relation to Scotland) these circumstances are as follows:

- the load **must** be predictable and **either** less than 500 W; **or**
- it is impractical for the supply to be metered either technically, financially or for legal reasons (for example, under Health and Safety law).

The Office of Gas and Electricity Markets (i.e. Ofgem) consulted on The Electricity (Unmetered Supply) Regulations prior to their implementation. In this consultation Ofgem recognised that in some situations it is not appropriate to have a metered supply of electricity, but remained of the view that the benefits that are brought by effective metering, both the individual and the wider benefits (such as benefits in relation to environmental issues and system balancing), are considerable and that it is important to ensure that unmetered supplies are used only in limited circumstances and do not become a substitute for metered supplies in situations where a metered supply should appropriately be given.

Sections 95, 96 and 97 of the Energy Act, 2008 transferred statutory responsibility for the majority of Schedule 7 to the Electricity Act, 1989 from the Authority to the Secretary of State. This transfer came into force on 1st April 2009 and The Electricity (Unmetered Supply) Regulations, 2001 were included in this transfer. The Office of Product Safety and Standards, part of the Department for Business, Energy and Industrial Strategy (BEIS), is currently responsible for the Regulations.

BEIS agrees with the approach adopted by Ofgem and maintains that unmetered supplies should not become a substitute for metered supplies in situations where a metered supply should appropriately be given.

## 3.0 Introduction

Metered connections generally provide an accurate measurement of consumption so customers are charged only for the quantity of electricity consumed. BEIS believes the benefits and values associated with metering are such that, where possible, a metered supply of electricity should be provided. Modern metering capabilities in terms of size, cost and remote-read technologies have also made metering more feasible than ever before.

However it is recognised that there are circumstances in which it is not practical or financially viable to meter a supply as the cost of metering could considerably outweigh the value of the electricity consumed. These circumstances are particularly relevant where the loading is modest or entirely predictable and, for this reason, BEIS encourage all Distribution Network Operators (DNOs) to consider the cost and practicality of metering.

BEIS are of the opinion that predictability is the key to unmetered supplies – not the size of the load, although clearly larger loads carry greater risks to the DNOs in terms of inaccurate inventories. An inaccurate inventory could lead to a significant under-billing of consumption and electricity consumption that cannot be accounted for inevitably makes up some of the shortfall attributed to system “losses”. The cost of these losses is then borne by the DNOs, and ultimately by other customers.

BEIS also recognise the difficulty in metering loads in remote or inaccessible locations.

The Regulations are generic and cannot cover every particular installation that may be considered for an unmetered supply. While all parties must comply with the Regulations, BEIS believes there is sufficient scope for them to be interpreted in a pragmatic way when considering if an unmetered supply may be provided.

## 4.0 Guidance on the Electricity (Unmetered Supply Regulations) 2001

### 4.1 Purpose of this document

This document provides guidance on the Regulations prescribing the circumstances in which a supply of electricity may be given other than through an appropriate meter. The Regulations were made in pursuance of Schedule 7 to the Electricity Act, 1989 ('the Act'), as amended by the Utilities Act, 2000 ('the Utilities Act 2000') and came into force on 1st October 2001.

This guidance is addressed to organisations that are required to comply with the law on the unmetered supplies of electricity. It is intended to assist the unmetered electricity supply industry – including the electricity balancing and settlement code company (Elexon), electricity customers, suppliers, distributors, meter operators, meter administrators, data collectors, and trade associations – with the application of the Regulations and ensure the Regulations are being used and interpreted correctly.

Following the guidance is not in itself obligatory. However, if you do follow it this should help your organisation meet its legal obligations.

Sections 95, 96 and 97 in Part 5 of the Energy Act, 2008 transferred the statutory responsibility for the majority of Schedule 7 to the Electricity Act, 1989 from the Authority to the Secretary of State. This transfer came into force on 1st April 2009 and The Electricity (Unmetered Supply) Regulations, 2001 were included in this transfer.

### 4.2 Preamble

The Electricity (Unmetered Supply) Regulations, 2001 ('the Regulations') were made by the Gas and Electricity Markets Authority under powers in the Electricity Act 1989, as amended ('the Act').

The Energy Act, 2008 transferred statutory responsibility for the Regulations from the Authority to the Secretary of State on 1st April 2009.



### 4.3 Citation and commencement

1. This gives the title of the Regulations and states the coming into force date of 1st October 2001.

### 4.4 Interpretation

2. This gives definitions of many of the terms used in the Regulations. Other terms may be defined where they appear, or have the same meanings as in other legislation such as the Electricity Act, 1989 or the Interpretation Act, 1978. These definitions are important to an understanding of the Regulations.

“the Act” – means the Electricity Act, 1989.

“appropriate meter” – paragraph 1(6) of Schedule 7 to the Act states: ‘For the purposes of this paragraph a meter is an appropriate meter for use in connection with any particular supply if it is of a pattern or construction which, having regard to the terms on which the supply is to be charged for, is particularly suitable for such use.’

“authorised distributor” – in line with Schedule 6 Part 2, 38 (2) of the Utilities Act, 2000 means a person who holds a current licence to distribute electricity or is free from the obligation to hold such a licence; commonly known as ‘distributor’ or ‘distribution network operator’ (‘DNO’). This could also include an Independent Distribution Network Operator (IDNO).

“authorised supplier” – in line with Schedule 6 Part 2, 38 (2) of the Utilities Act, 2000 means a person who holds a current licence to supply electricity or is free from the obligation to hold such a licence; commonly known as ‘supplier’.

“the Authority” – means the Gas and Electricity Markets Authority (i.e. Ofgem). Section 95 of the Energy Act, 2008 transferred the statutory responsibility for the Regulations from the Authority to the Secretary of State with effect from 1st April 2009. Since this date “the Authority” should therefore be taken to mean the Secretary of State for Business, Energy and Industrial Strategy (BEIS).

“customer” – means any person supplied or requiring to be supplied with electricity at any premises in Great Britain. For the purpose of the Regulations the customer is normally a Local Authority or the Highways Agency but can include operators of a wide range of street furniture and equipment.

“metering costs” – means the cost incurred by all parties associated with ascertaining by an appropriate meter the quantity of electricity supplied to a customer by an authorised supplier. This should be taken to mean the total cost of metering over the lifetime of the installation comprising the cost of connection, installation, maintenance, meter reading/inspection, together with any special safety or other site specific access measures which may be necessary for meter reading purposes in a particular case, etc in addition to the initial purchase price of the meter.

“person” – Schedule 1 of the Interpretation Act, 1978 defines this as including a body of persons corporate or unincorporate. The term therefore covers companies and similar organisations.

“premises” – In Schedule 7, the focus of the Act is on the supply of electricity to “premises”. Section 64(1) of the Act limits the definition of premises to “any land, building or structure”. Although the Act does not provide clarification as to what amounts to a structure, the Distribution Connection and Use of System Agreement (‘DCUSA’) references the National Terms of Connection (‘NTC’)<sup>1</sup> and Section 1 of the NTC defines premises as including “any land, building, structure or electrical installation”.

“unmetered supply” – an unmetered supply means a supply of electricity to a particular piece of electrical equipment that draws a current and is connected to the distribution network without a meter (i.e. there is no meter recording the equipment’s energy consumption). In order to assist in providing consistency in interpreting the Regulations, reference to the Unmetered Supplies Procedure (‘BSCP520’) of the Balancing and Settlement Code<sup>2</sup> and its associated documents will give examples of the kind of electrical apparatus that could be unmetered.

### 4.5 Circumstances permitting unmetered supply

3. Regulation 3 prescribes the conditions under which an unmetered supply of electricity may be given, subject to paragraphs 2 and 3.

It is important to note the Regulations make provisions where an unmetered supply **may** be given. The Regulations do not state that an unmetered supply **must** be given. Where a customer of an authorised supplier is to be charged for the quantity of electricity consumed, the default position (from Schedule 7 to the Act) is that an appropriate meter must be used. The presumption should therefore be that a metered supply will be provided and the onus is on the customer to provide evidence as to why an unmetered supply would be permitted. However many unmetered supply customers use the latest

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<sup>1</sup> <http://www.connectionterms.org.uk/>

<sup>2</sup> <http://www.elexon.co.uk/csd/bscp520-unmetered-supplies-registered-in-smrs/>

techniques to provide an accurate estimate of consumption and this does not mean that an unmetered supply should not be given in these circumstances.

An unmetered supply requires the agreement of the authorised distributor, the authorised supplier and the customer. When reaching this agreement the parties should consider all available evidence to establish if an unmetered supply is appropriate for the equipment in the particular circumstances. To rationalise the processes surrounding connection agreements for unmetered supplies, consideration should also be given to Section 4 of the NTC.

### 4.6 Predictable nature

#### 3(1)(a)

For an unmetered supply to be provided the electrical load must be predictable. In assessing the electrical load, consideration should be given to any ancillary loads (such as heaters or fans) which may be temperature dependent and therefore generally much less predictable than the “useful” load.

It is not appropriate for a supply of electricity to be unmetered where the consumption pattern is unpredictable as this would clearly result in difficulties in the calculation of the customer’s bill, and its accuracy.

**BEIS considers that in the context of these Regulations, predictable shall be assumed to mean a load that can be consistently understood throughout its usage period, such that billing can be correctly estimated or accurately calculated based on pre-defined operational profiles or based on event records. BEIS considers that to maintain settlement accuracy, there should be a maximum permitted variation of +/- 3.5% which means the calculated usage should be equivalent in accuracy to that of a metered supply.**

In determining if a load meets this criterion BEIS encourage a pragmatic approach to equipment which will, for the majority of time, require a constant load but may have small variations in load from time to time that are insignificant in terms of overall kWh consumption taken on an annual basis.

The definition of “predictable” included in this guidance is intended to assist stakeholders to determine if other items of street furniture are suitable for connection to unmetered supplies. When the load is less predictable, then it may be necessary for the supply to be metered. However BEIS also encourages parties to adopt a pragmatic approach for small, loads (e.g. vehicle activated signs where a speed warning sign “flashes”) where the cost of metering would significantly outweigh the value of the electricity consumed.

In this situation it may be possible for the parties to agree a number of “burn hours” based on the estimated number of “flashes” over a time period to provide a reasonably accurate estimate (if necessary, erring on the high side) of consumption. This is particularly the case for customers who have a good record of maintaining an accurate inventory.

For the avoidance of doubt, the supply of electricity to all premises suitable for occupation does not meet this definition of predictable and should therefore always be metered.

Supplies to electric vehicle charging points should generally be metered because of the size of the load and the inability to predict the usage of such points. However, for slow (“trickle”) charging points on residential streets, an unmetered supply may be agreed by the parties where the charge point:

- Is used in conjunction with an approved Measured Central Management System (mCMS) under the Balancing and Settlement Code (BSC) which utilises measured feedback; and
- Is not used for fast or rapid charging (e.g. they should have an individual power output that is typically not greater than 7.2kW - subject to the relevant DNOs engineering standards).

BEIS believe that temporary connections for festive lighting should generally be given an unmetered supply, as the usage is fairly constant and for a limited time. Temporary connections for other purposes (e.g. market traders, fairs, exhibitions, etc) may not be as predictable and it may be necessary to consider other supply options such as the installation of a dedicated, metered feeder pillar.

## 4.7 Inventory

The Regulations relate to specific connections and do not specifically require the maintenance of an inventory of unmetered equipment. However a properly maintained inventory is essential to accurately predict consumption and ensure accurate billing and BEIS expects all customers with unmetered supplies to provide any such information as may be reasonably required to enable the quantity of electricity supplied to be suitably determined (i.e. they must keep an accurate inventory).

Section 4 of the NTC applies specifically to unmetered supplies and includes the requirement for the customer to provide a detailed inventory of apparatus, identifying the location and providing sufficient detail (type, description and wattage, together with control gear and switching regimes if applicable) to allow calculation of the electricity consumption. Additions, deletions or amendments to this should be notified once per calendar year or as otherwise specified.

The NTC allows the DNO to audit the customer's installation against the inventory and, if material irregularities or discrepancies are found, an adjustment to the Estimated Annual Consumption may be made.

BSCP520 of the Balancing and Settlement Code includes that statement that "One of the criteria for agreeing an unmetered supply is that the customer shall be required to provide and maintain an accurate, detailed inventory...". This requirement is also in line with the UK Lighting Board Well Lit Highways: Code of Practice for Highway Lighting Management<sup>3</sup> and the Institute of Lighting Professionals Technical Report 22: Managing a Vital Asset: Lighting Supports<sup>4</sup>.

Guidance on the establishment, levels of accuracy, auditing and rectification of unmetered supply inventories is also available in the Managing Unmetered Energy Street Lighting Inventories (MUESLI) document<sup>5</sup>. This has been endorsed by the ADEPT Lighting Group, ELEXON, the Energy Networks Association, the Institution of Lighting Professionals, the UK Lighting Board and the Local Government Technical Advisers Group as representing good practice in establishing, maintaining and auditing inventories for unmetered street lighting supplies.

## 4.8 500 W

### 3(1)(b)(i)

The "500 W rule" refers to the load rating of the equipment although it is the quantity of electricity consumed that needs to be predictable. This is the product of the load (in kW) and the hours of operation. Strict application of this rule could result in situations where equipment with a predictable load which is seldom used, but at times consumes over 500 W, is metered. Conversely, lower loads operating continuously would consume more energy over time but could be unmetered.

BEIS understands the 500 W threshold was chosen because, on a continuous supply basis, the figure resulted in an annual consumption close to that of an average domestic customer when the regulations were being developed. A 500 W load operating on a continuous regime (8760 hours per annum) will consume 4380 kWh, which is broadly the quantity of electricity consumed by a domestic customer.

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<sup>3</sup> <http://www.ukroadsliaisongroup.org/en/UKRLG-and-boards/uk-lighting-board>

<sup>4</sup> <https://www.theilp.org.uk/resources/ilp-general-reports/tr22/>

<sup>5</sup> <https://www.theilp.org.uk/documents/unmetered-electricity/>

The Regulations do not define where the 500 W “limit” is to be measured – i.e. at the load point or at the supply point. For the purpose of this guidance the following definitions shall apply:

“Supply point” – means the point of connection to the authorised distributor’s network.

“Load point” – means the point at which the load of the equipment consumes electrical energy.

For the purposes of these Regulations, BEIS adopts the interpretation that the 500 W is measured at the load point and is assumed to mean the maximum operating load of the equipment in question (i.e. the actual power consumption of the load when operating in-service and taking into account any losses attributable to power factor characteristics, etc).

A common example of this would occur where a number of lamps may be situated on a single column so that the total wattage exceeds 500 W but the individual lamps are below this limit, or where a number of lighting units of predictable load are fed from a single point of supply which, when aggregated, exceeds the 500 W limit.

It is generally not practical to meter individual lamp columns and the inclusion of the word “or” in the Regulations has the effect that these applications may be considered for an unmetered supply provided they meet the definition of “predictable”. Likewise the aggregated load from a series of columns fed from a single supply point may also be considered for an unmetered supply provided they also meet the definition of “predictable”.

BEIS has been advised there may be operational challenges if the 500 W limit is measured at the load point as the maximum load of a connection will be limited by the cable size and the cut-out provided. BEIS believes there is sufficient scope in the Regulations for a flexible interpretation of the 500 W limit. However measurement at the load point should not lead to unreasonable demands for unmetered supplies and for this reason:

*Multiple connections may be granted at the supply point on the DNO’s network, subject to technical consideration and good engineering practice when agreeing the provision of an unmetered connection in accordance with 3(b)(ii). However, the maximum limit at the supply point is dependent on the size of the cut-out and capacity deemed appropriate by the DNO for that particular connection under consideration.*

### 4.9 And, either, or

The Regulations specify that an unmetered supply may be given if the load is of a predictable nature **and, either** the load is less than 500 W **or** it is not practical for the supply of electricity to be given through an appropriate meter for the reasons detailed in

(aa), (bb) or (cc). The “tests” for financial, technical and legal viability are therefore not required for loads below 500 W.

The word “or” has the effect that a predictable load significantly higher than 500 W could be provided with an unmetered supply if the anticipated metering costs, technical difficulties or the operation of law, would mean that it was not appropriate for the supply of electricity to be given through an appropriate meter.

The key factor in determining whether an unmetered supply is appropriate is therefore the predictability of consumption, and wattage is a secondary condition. However predictability is dependent on accurate inventories being maintained.

### 4.10 Appropriate meter

#### 3(1)(b)(ii)

For the purposes of these Regulations an unmetered supply may be considered for predictable loads above 500 W where it is not practical to supply electricity through an appropriate meter due to one or more of the financial, technical and legal provisions detailed in (aa), (bb) or (cc).

Schedule 7 to the Act defines an appropriate meter as being of a pattern or construction which, having regard to the terms on which the supply is to be charged for, is particularly suitable for such use. The Act also requires all meters used for billing purposes to be of an approved pattern or construction and installed in an approved manner. Prior to October 2006 meters were approved under national legislation and these are listed in Schedule 4 to the Meters (Certification) Regulations, 1998 (SI 1998/1566) published at:

<https://www.gov.uk/government/publications/schedule-4-uk-nationally-approved-electricity-meters>

Since this date meters may also be approved under the European Measuring Instruments Directive (MID) and will be marked with “CE” and “M+year”.

## 4.11 Metering costs

### 3(1)(b)(ii)(aa)

The metering of predictable loads over 500 W can be both unnecessary and costly, and the cost of metering should not outweigh the benefits provided by the installation and operation of an appropriate meter. Metering costs may be particularly difficult to justify where the annual consumption is small or the connection is temporary, and the financial practicality of providing a metered connection is assessed by considering these costs in relation to the cost of the electricity supplied.

This regulation allows predictable loads above 500 W to be provided with an unmetered supply where the anticipated metering costs are significantly higher than the usual metering costs associated with that size of electrical load.

Metering costs should be calculated as the total cost of metering the equipment over its expected lifetime rather than the one-off purchase price of the meter. Such costs should therefore include the provision of the meter and its installation, together with the “hidden costs” of regular readings (whether manually or remotely), inspections, etc. Metering costs should also include any provision necessary on a particular site to enable the meter to be read safely such as suitable access, a parking area, etc. However consideration should always be given to the installation of a meter in an alternative location on the site where such provisions may not be necessary.

Inevitably the cost of providing a meter can be greater than providing an unmetered supply although this in itself is not a reason for an unmetered supply to be provided. The metering costs in the particular case under consideration should be compared with the usual metering costs associated with that size of electrical load. If the metering costs in the particular case are significantly higher, then it may be appropriate to provide an unmetered supply provided the load is predictable.

It is also recognised that there are “hidden costs” associated with providing an unmetered supply. For the DNO these costs may include an administration charge for processing the inventory information and the cost of auditing, while the on-going cost of maintaining the inventory accurately will be borne by the customer. Although difficult to quantify, these unmetered supply costs will also need to be considered when determining if an unmetered supply may be provided.



## 4.12 Technical difficulties

### 3(1)(b)(ii)(bb)

This includes the accessibility of the meter together with the need to accommodate it within a suitable enclosure. It may, for example, not be practical to install a meter in the centre of a busy roundabout or the size of the meter may physically prevent it being installed in a traffic signal controller case, etc. A decision as to whether it is technically impractical to install a meter will need to consider issues such as safety, accessibility, infrastructure upgrade and the technology available.

BEIS believes the availability of a practical location for a meter should be carefully considered when deciding if a load within the scope of the Regulations (i.e. predictable) should be metered or unmetered. Where a meter is provided then its address should be carefully recorded so that it can be read properly. For locations without a postal address or post code, the increasing use of GPS equipment may permit the meter to be located by its latitude and longitude grid references.

With recent advances in technology, some of the technical difficulties in metering a supply may no longer be justified. For example, “smart” meters incorporating Automatic Meter Reading (AMR) can be read remotely and smaller, solid state meters with appropriately sized connection arrangements can now be installed in locations that were once deemed impractical for electro-mechanical meters.

However, while solutions to these technical difficulties may be available, consideration must also be given to the costs associated with installing and maintaining this equipment as “smart” meters are likely to be more expensive than traditional (non-smart) meters. Technical difficulties in providing an appropriate meter are therefore unlikely to be the sole reason for an unmetered supply to be provided.

## 4.13 Operation of law

### 3(1)(b)(ii)(cc)

This would cover any law that may prohibit, or make excessively difficult, the provision of an appropriate meter in a particular case. The regular reading and inspection of any meter provided, in particular the safety of any authorised persons, should also be considered when assessing if this criteria is applicable. For example, the stopping to read and inspect a meter located at the side of a motorway could well contravene the provisions of The Motorways Traffic (England and Wales) Regulation, 1982 (SI 1982/1163) or the Motorways Traffic (Scotland) Regulations, 1995 (SI 1995/2507).

Alternative routes to access a meter at the side of a motorway should not extend to requiring the authorised persons to cross private land, involving securing access rights from the landowner, etc.

The location of electricity meters on other high speed roads may also expose those responsible for reading and inspecting meters to risk, and the need to establish appropriate traffic management to create a safe working environment must be taken into consideration, both under this provision and that relating to metering costs.

Other legislation that may need to be considered could include the Health and Safety at Work etc Act, 1974, the Electricity at Work Regulations, 1989, etc. However, while safety is of paramount importance, the safety case should not be overstated or abused to promote the case for an unmetered supply.

### 4.14 Supply

#### 3(2)

Where the supply is to be unmetered, this **must** be with the agreement of all parties (i.e. the authorised distributor, the authorised supplier and the customer). This is subject to regulation 4 (disputes) and it is possible that an unmetered supply may be given where all parties do not agree, but where the Secretary of State (i.e. BEIS) determines it is reasonable for an unmetered supply to be provided.

Regulation 3(1) prescribes the circumstances in which an unmetered supply **may** be given, rather than when an unmetered supply **must** be given. It follows that supplies falling within the circumstances prescribed by the Regulations can be metered if so agreed.

Elxon state in their Operational Information Document: A Guide to Unmetered Supplies under the BSC<sup>6</sup>, that the issue of a charge code does not guarantee an unmetered connection to a distribution network. Connection to a network is at the discretion of the authorised distributor following its licence conditions and internal policy for connections of unmetered supplies. To ensure a consistent and transparent interpretation of the Regulations, BEIS encourage all DNOs to publish their policies for unmetered connections and to work together to adopt a uniform approach that will increase confidence in the way unmetered supplies are provided.

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<sup>6</sup> <http://www.elxon.co.uk/reference/technical-operations/unmetered-supplies/charge-codes-and-switch-regimes/>

## 4.15 Prior to commencement of the Regulations

### 3(3)

Unmetered supplies which are not covered by regulation 3(1), but have been in existence since before 1st October 2001 when the Regulations came into force (i.e. the parties have not subsequently agreed to install an appropriate meter) may continue to be unmetered supplies if the distributor, supplier and customer agree for this to continue.

The Regulations should therefore not be applied retrospectively to loads granted an unmetered supply before the Regulations came into force where the conditions set out in regulation 3(3) apply.

Where equipment originally provided under an existing unmetered supply either before or after 1st October 2001 has been relocated, refurbished or modified in some way, this shall not be converted to a metered supply unless the extent of the change justifies the supply being treated as a new installation.

## 4.16 Disputes

4. Regulation 4 prescribes the procedure to be adopted in the event of a dispute between the authorised distributor, the authorised supplier and the customer as to whether or not regulation 3 applies in particular circumstances.

### 4(1)(a)

The Regulations recognise that disputes may arise as to whether a particular proposed unmetered supply falls within the prescribed circumstances. Any party to a dispute between the customer, supplier and distributor as to whether the proposed unmetered supply falls within the scope of regulation 3, may refer the matter to the Secretary of State (i.e. BEIS) for determination if they wish.

BEIS is aware that, in practice, the supplier will generally not be involved in the discussions as to whether a new connection may be provided with an unmetered supply. Disputes as to whether an unmetered supply may be provided will therefore generally be between the customer and the DNO.

Where the dispute is raised by the customer, BEIS has limited resources and will continue with the policy adopted by Ofgem that this should initially be referred to the

DNOs (or suppliers) internal complaints procedure. As outlined previously the Regulations prescribe the circumstances where an unmetered supply **may** be given – not that it **must** be given. If the dispute has not been resolved when that process has been exhausted, only then should the dispute be referred to BEIS.

BEIS expects the DNOs (or suppliers) procedures to be timely so the process is concluded in time for an unmetered supply to be granted prior to the completion of the project (i.e. the customer should not be “forced” into a metered supply). Any refusal to provide an unmetered supply should disclose the basis for that decision.

### 4(1)(b)

BEIS, or a person appointed by BEIS to carry out the task, **must** decide the outcome of any dispute referred to it. The determination **must** be written and in the form of an order, which is legally binding.

When determining a dispute BEIS (or the person appointed by BEIS) will follow the procedure outlined in section 23 of the Electricity Act, 1989. This generally requires BEIS (or the appointed person) to write to all parties advising them of the dispute and requesting they submit evidence in support of their position. This information will then be reviewed and used as a basis for the determination.

### 4(2)

The reasons for the decision on a dispute **must** be included in the written determination.

### 4(3)(a)

The written determination is final and enforceable.

BEIS will publish written determinations on the BEIS website to establish precedents for specific examples. This guidance may be revised following any such determinations.

### 4(3)(b)

The Regulations provide for the determination to require any party to the dispute to pay the reasonable costs or expenses incurred by the person making the order.

BEIS may charge for any disputes that it is asked to determine on depending on the resources required by BEIS, or the person appointed by BEIS, to issue the determination.

## Annex - Copy of the Electricity (Unmetered Supply) Regulations SI 2001/3263 - (not for further publication or distribution)

### STATUTORY INSTRUMENTS

## 2001 No. 3263

## ELECTRICITY

### The Electricity (Unmetered Supply) Regulations 2001

*Made* - - - - 28th September 2001

*Coming into force* - - - 1st October 2001

The Gas and Electricity Markets Authority in exercise of the powers conferred by section 60 and paragraph 1(1A) of Schedule 7 to the Electricity Act 1989(1) and with the consent of the Secretary of State, in accordance with paragraph 13 of the said Schedule 7, makes the following Regulations –

#### Citation and commencement

1. These Regulations may be cited as the Electricity (Unmetered Supply) Regulations 2001 and shall come into force on 1st October 2001.

#### Interpretation

2. In these Regulations -

“the Act” means the Electricity Act 1989;

“appropriate meter” shall have the meaning given to that term in paragraph 1(6) of Schedule 7 to the Act;

“the Authority” means the Gas and Electricity Markets Authority;

“customer” means any person supplied or requiring to be supplied with electricity at any premises in Great Britain;

“metering costs” means the cost associated with ascertaining by an appropriate meter the quantity of electricity supplied to a customer by an authorised supplier; and

“unmetered supply” means a supply of electricity to premises which is given otherwise than through an appropriate meter.

#### Circumstances permitting unmetered supply

3. - (1) Subject to sub-paragraphs (2) and (3), an unmetered supply may be given where -

(a) the electrical load is of a predictable nature, and

(b) either -

(i) the electrical load is less than 500 W; or

(ii) it is not practical for a supply of electricity to be given through an appropriate meter at the premises due to -

(aa) the anticipated metering costs in the particular case being significantly higher than the usual metering costs associated with that size of electrical load;

(bb) technical difficulties associated with providing such a meter in the particular case; or

(cc) operation of law so as to prohibit or make excessively difficult the provision of such a meter in the particular case.

(2) Subject to regulation 4, an unmetered supply shall only be given where the authorised distributor, authorised supplier and the customer have agreed to such a supply.

(3) An unmetered supply which does not fall into the categories given in sub-paragraph (1) and which is first given prior to the date on which these Regulations came into force and which has been so supplied since that date, may continue to be an unmetered supply where the authorised distributor, authorised supplier and customer concerned agree to such continuation.

### Disputes

4. - (1) Any dispute between the authorised distributor, the authorised supplier and the customer as to whether or not regulation 3 applies in particular circumstances -

(a) may be referred to the Authority by any party to the dispute; and

(b) on such reference, shall be determined (by order in writing to the parties) by the Authority or, if it thinks fit, by such person as it may appoint.

(2) A person making an order under paragraph (1) shall include in the order the reasons for reaching the decision with respect to the dispute.

(3) An order under paragraph (1) -

(a) shall be final and shall be enforceable -

(i) in England and Wales, as if it were a judgement of a county court, and

(ii) in Scotland, as if it were an extract registered decree arbitral bearing a warrant for execution issued by the sheriff.

(b) may include a provision requiring any party to pay a sum in respect of the reasonable costs or expenses incurred by the person making the order.

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

*M. C. McCarthy,*  
A member of the Authority  
21<sup>st</sup> September 2001

I Consent

*Brian Wilson,*  
Minister of State for Industry and Energy,  
28th September 2001

Department of Trade and Industry

### EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Paragraph (1) of Schedule 7 to the Electricity Act 1989 provides that where a customer of an electricity supplier is to be charged wholly or partly by reference to the quantity of electricity supplied, the supply shall be given through, and the quantity of electricity shall be ascertained by, an appropriate meter. Paragraph (1A) of Schedule 7, as inserted by the Utilities Act 2000, provides that an electricity supplier may give a supply otherwise than through an appropriate meter in such circumstances as may be prescribed. These Regulations prescribe the circumstances in which a supply of electricity may be unmetered.

This document is available in large print, audio and braille on request. Please email [enquiries@beis.gov.uk](mailto:enquiries@beis.gov.uk) with the version you require.

# GUIDANCE ON UNMETERED SUPPLY REGULATIONS

## The Electricity (Unmetered Supply) Regulations 2001 (SI 2001/3263)

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