



Department for
Business, Energy
& Industrial Strategy

Smart Meter Targets Framework:

Churn adjustment

Annex C: Amendments to Electricity Supply
Standard Licence Condition 39A and Gas
Supply Standard Licence Condition 33A



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Electricity Supply Standard Licence Condition 39A: Qualifying Metering Systems – Post-2020 Roll-out and Installation

The Post-2020 Roll-out Duty

39A.1 Paragraph 39A.2 applies in respect of a Rollout Year where the Secretary of State has, in accordance with paragraph 39A.7, specified the value, or the methodology for calculating the value, of Ty for that Rollout Year.

39A.2 Where this paragraph applies, the licensee must ensure that, the number of Qualifying Metering Systems that are installed in Qualifying Relevant Premises in the Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 39A.5.

Qualifying Metering Systems

39A.3 For the purposes of this condition, a Qualifying Metering System means any of the following:

- (a) a Smart Metering System;
- (b) an Advanced Meter installed in the Designated Premises of a Non-MB Consumer in accordance with the requirements of paragraph 39.13(b) of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance);
- (c) a Current Transformer Electricity Meter, installed in either Designated Premises or Domestic Premises, that is an Advanced Meter.

Qualifying Relevant Premises

39A.4 For the purposes of this condition, Qualifying Relevant Premises means a Domestic Premises or Designated Premises in respect of which the licensee is the Relevant Electricity Supplier and at which there is installed neither:

- (a) a Smart Metering System; nor
- (b) an Advanced Meter installed in accordance with the requirements of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).

The Target

39A.5 For the purposes of this condition, the target number referred to in paragraph 39A.2 shall in relation to:

(a) Each of the First, Third and Fourth Rollout Years be calculated in accordance with the following formula:

$$N_y = \left(\frac{1}{a_y} RSMS_y \right) - T_y$$

where:

N_y means the target number for Rollout Year y ;

a_y means a number which is used to calculate a proportion, and shall be equal for Rollout Year y to the number specified for that Rollout Year in the table at paragraph 39A.6;

$RSMS_y$ means, in relation to Rollout Year y , the number of Qualifying Relevant Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of Rollout Year y ;

T_y means a number representing a tolerance level, which shall have the value that is determined in accordance with paragraph 39A.7; and

y means the Rollout Year specified in the table at paragraph 39A.6.

(b) the Second Rollout Year be the lower of the numbers resulting from the calculation of the following formulas:

$$N_y = \left(\frac{1}{3} (TMS_y - (S_1 + NQ_1)) \right) - T_y \text{ and}$$

$$N_y = \left(\frac{1}{3} RSMS_y \right) - T_y$$

where:

N_y means the target number for the Second Rollout Year (but where when calculated in accordance with either of the above formulas N_y would be a negative number, it shall be deemed to be zero for the purposes of this condition);

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- RSMS_y** means the number of Qualifying Relevant Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Second Rollout Year;
- TMS_y** means the number of Domestic Premises and Designated Premises in respect of which the licensee is the Relevant Electricity Supplier at the start date of the Second Rollout Year,
- S₁** means:
- (i) the number of Domestic Premises and Designated Premises in respect of which the licensee was the Relevant Electricity Supplier on, and at which a Qualifying Metering System was installed by, the date which immediately precedes the start date of the First Rollout Year; plus
 - (ii) where applicable, the number of Last Resort Supply Premises;
- NQ₁** means the number of Qualifying Relevant Premises at which the licensee installed a Qualifying Metering System during the First Rollout Year;
- T_y** means a number representing a tolerance level for the Second Rollout Year, which shall have the value that is determined in accordance with paragraph 39A.7, and
- y** means the Second Rollout Year,

save that with regard to the terms S₁ and NQ₁ the number of Domestic Premises and Designated Premises in respect of which the licensee ceased to be the Relevant Electricity Supplier during the First Rollout Year by virtue of a Supplier-Led Transfer shall not be counted for the purposes of the calculation

39A.6 For the purposes of paragraph 39A.5 (a), in each Rollout Year y, the value of a_y shall be that which is set out in respect of that Rollout Year in the table immediately below:

Rollout Year (y)	Value of a _y
First Rollout Year	4
Second Rollout Year	N/A
Third Rollout Year	2
Fourth Rollout Year	1

39A.7 For the purposes of paragraph 39A.5, for each Rollout Year y, the value of T_y shall be equal to the value which is specified in, or calculated in accordance with a methodology specified in, a document published and issued by the Secretary of State for the

purposes of this Condition 39A, following consultation with all holders of Gas Supply Licences and Electricity Supply Licences and such other persons as the Secretary of State considers appropriate.

39A.8 The provisions of paragraph 39A.7 may be relied upon by the Secretary of State on more than one occasion by means of any document which, from time to time, expressly replaces the previous value that is specified for, or previous methodology for calculating, T_y in accordance with that paragraph.

Definitions

39A.9 For the purposes of this condition:

Advanced Meter	has the meaning given to it in standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).
First Rollout Year	means the twelve month period beginning on the date immediately following the ARS Specified Date.
Fourth Rollout Year	means the twelve month period beginning on the date immediately following the last date of the Third Rollout Year.
Last Resort Supply Premises	means any Domestic Premises or Designated Premises at which: (a) the licensee became the Relevant Electricity Supplier during the First Rollout Year by virtue of a Last Resort Supply Direction issued by the Authority to the licensee pursuant to standard condition 8 (Obligations under Last Resort Supply Direction); and (b) there was installed a Qualifying Metering System by the date immediately prior to the date on which the Last Resort Supply Direction had effect.

Non-MB Consumer	has the meaning given to that expression in standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).
Qualifying Metering System	has the meaning given to that expression in paragraph 39A.3.
Qualifying Relevant Premises	has the meaning given to that expression in paragraph 39A.4.
Rollout Year	means each of the following: (a) First Rollout Year; (b) Second Rollout Year; (c) Third Rollout Year; and (d) Fourth Rollout Year.
Second Rollout Year	means the twelve month period beginning on the date immediately following the last date of the First Rollout Year.
Supplier-led Transfer	means, in relation to the supply of electricity to a Domestic Premises or a Designated Premises, the transfer of responsibility for that supply from the licensee to an Affiliate Electricity Licensee where the transfer was not initiated by or at the request of the Customer at the premises.
Third Rollout Year	means the twelve month period beginning on the date immediately following the last date of the Second Rollout Year.

Gas Supply Standard Licence Condition 33A: Qualifying Metering Systems – Post- 2020 Roll-out and Installation

The Post-2020 Roll-out Duty

33A.1 Paragraph 33A.2 applies in respect of a Rollout Year where the Secretary of State has, in accordance with paragraph 33A.7, specified the value, or the methodology for calculating the value, of Ty for that Rollout Year.

33A.2 Where this paragraph applies, the licensee must ensure that, the number of Qualifying Metering Systems that are installed in Qualifying Relevant Premises in the Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 33A.5.

Qualifying Metering Systems

33A.3 For the purposes of this condition, a Qualifying Metering System means any of the following:

- (a) a Smart Metering System;
- (b) an Advanced Meter installed in the Designated Premises of a Non-MB Consumer in accordance with the requirements of paragraph 33.13(b) of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance);
- (c) a Large Gas Meter, installed in either Designated Premises or Domestic Premises, that is an Advanced Meter.

Qualifying Relevant Premises

33A.4 For the purposes of this condition, Qualifying Relevant Premises means a Domestic Premises or Designated Premises in respect of which the licensee is the Relevant Gas Supplier and at which there is installed neither:

- (a) a Smart Metering System; nor
- (b) an Advanced Meter installed in accordance with the requirements of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance).

The Target

33A.5 For the purposes of this condition, the target number referred to in paragraph 33A.2 shall in relation to:

(a) Each of the First, Third and Fourth Rollout Years be calculated in accordance with the following formula:

$$N_y = \left(\frac{1}{a_y} RSMS_y \right) - T_y$$

where:

N_y means the target number for Rollout Year y ;

a_y means a number which is used to calculate a proportion, and shall be equal for Rollout Year y to the number specified for that Rollout Year in the table at paragraph 33A.6;

$RSMS_y$ means, in relation to Rollout Year y , the number of Qualifying Relevant Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of Rollout Year y ;

T_y means a number representing a tolerance level, which shall have the value that is determined in accordance with paragraph 33A.7; and

y means the Rollout Year specified in the table at paragraph 33A.6.

(b) the Second Rollout Year be the lower of the numbers resulting from the calculation of the following formulas:

$$N_y = \left(\frac{1}{3} (TMS_y - (S_1 + NQ_1)) \right) - T_y \text{ and}$$

$$N_y = \left(\frac{1}{3} RSMS_y \right) - T_y$$

where:

N_y means the target number for the Second Rollout Year (but where when calculated in accordance with either of the above formulas N_y would be a negative number, it shall be deemed to be zero for the purposes of this condition);

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- RSMS_y** means the number of Qualifying Relevant Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Second Rollout Year;
- TMS_y** means the number of Domestic Premises and Designated Premises in respect of which the licensee is the Relevant Gas Supplier at the start date of the Second Rollout Year,
- S₁** means:
- (i) the number of Domestic Premises and Designated Premises in respect of which the licensee was the Relevant Gas Supplier on, and at which a Qualifying Metering System was installed by, the date which immediately precedes the start date of the First Rollout Year; plus
 - (ii) where applicable, the number of Last Resort Supply Premises;
- NQ₁** means the number of Qualifying Relevant Premises at which the licensee installed a Qualifying Metering System during the First Rollout Year;
- T_y** means a number representing a tolerance level for the Second Rollout Year, which shall have the value that is determined in accordance with paragraph 33A.7,
- y** means the Second Rollout Year,

save that with regard to the terms S₁ and NQ₁ the number of Domestic Premises and Designated Premises in respect of which the licensee ceased to be the Relevant Gas Supplier during the First Rollout Year by virtue of a Supplier-Led Transfer shall not be counted for the purposes of the calculation.

33A.6 For the purposes of paragraph 33A.5 (a), in each Rollout Year y, the value of a_y shall be that which is set out in respect of that Rollout Year in the table immediately below:

Rollout Year (y)	Value of a_y
First Rollout Year	4
Second Rollout Year	N/A
Third Rollout Year	2
Fourth Rollout Year	1

33A.7 For the purposes of paragraph 33A.5, for each Rollout Year y, the value of T_y shall be equal to the value which is specified in, or calculated in accordance with a methodology

specified in, a document published and issued by the Secretary of State for the purposes of this Condition 33A, following consultation with all holders of Gas Supply Licences and Electricity Supply Licences and such other persons as the Secretary of State considers appropriate.

33A.8 The provisions of paragraph 33A.7 may be relied upon by the Secretary of State on more than one occasion by means of any document which, from time to time, expressly replaces the previous value that is specified for, or previous methodology for calculating, T_y in accordance with that paragraph.

Definitions

33A.9 For the purposes of this condition:

Advanced Meter	has the meaning given to it in standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance).
First Rollout Year	means the twelve month period beginning on the date immediately following the ARS Specified Date.
Fourth Rollout Year	means the twelve month period beginning on the date immediately following the last date of the Third Rollout Year.
Last Resort Supply Premises	means any Domestic Premises or Designated Premises at which: (a) the licensee became the Relevant Gas Supplier during the First Rollout Year by virtue of a Last Resort Supply Direction issued by the Authority to the licensee pursuant to standard condition 8 (Obligations under Last Resort Supply Direction); and (b) there was installed a Qualifying Metering System by the date immediately prior to the date on

which the Last Resort Supply Direction had effect.

Non-MB Consumer	has the meaning given to that expression in standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance).
Qualifying Metering System	has the meaning given to that expression in paragraph 33A.3.
Qualifying Relevant Premises	has the meaning given to that expression in paragraph 33A.4.
Rollout Year	means each of the following: (a) First Rollout Year; (b) Second Rollout Year; (c) Third Rollout Year; and (d) Fourth Rollout Year.
Second Rollout Year	means the twelve month period beginning on the date immediately following the last date of the First Rollout Year.
Supplier-led Transfer	means, in relation to the supply of gas to a Domestic Premises or a Designated Premises, the transfer of responsibility for that supply from the licensee to an Affiliate Gas Licensee where the transfer was not initiated by or at the request of the Customer at the premises.
Third Rollout Year	means the twelve month period beginning on the date immediately following the last date of the Second Rollout Year.

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