

Condition 17. Requirements for the provision of Services

Introduction

- 17.1 This condition requires the Licensee to provide Services or, as the case may be, to offer terms for the provision of Services, whether at the request of SEC Parties, REC Parties or otherwise, in accordance with the requirements set out in this condition and subject to such exemptions or restrictions as the condition permits.

Part A: General provisions applicable to this condition

- 17.2 Where the Licensee is required by any part of this condition to provide Services under or pursuant to an Agreement for Services on terms prescribed by, or determined in accordance with, the provisions of the SEC or REC, such terms of the SEC or REC as are expressed by the SEC or REC to be contractually binding with respect to such provision will comprise the Agreement for Services that applies between the parties by virtue of the obligation of the Licensee to provide the Services.
- 17.3 The Licensee may, where it would be more economical, efficient, or effective to do so, offer to enter into an Agreement for Services under or pursuant to this condition on terms that relate to the Licensee's receipt of compliant requests from more than one person for the provision of Services, provided that the terms of that offer do not exclude an option for the Services to be provided to only one of the persons making those requests.
- 17.4 The Licensee may offer to enter into an Agreement for Services on terms that provide, in accordance with any relevant requirement of the Licensee's Charging Methodology for Service Charges, for the allocation and reimbursement of Service Charges among and between persons whose requests for such an agreement (whether because of the timing of those requests or otherwise) would reasonably justify such treatment.

Part B: Terms in respect of Core Communication Services

- 17.5 The Licensee must, on receiving a request from any SEC Party for the provision of any Core Communication Services that are specified and defined as such in the SEC, provide such services under or pursuant to an Agreement for Services on terms that are prescribed by, or determined in accordance with, the provisions of the SEC.
- 17.6 The Licensee's obligation to provide Core Communication Services under this Part B is subject to the provisions of Part D below.

Part C: Terms in respect of Elective Communication Services

- 17.7 The Licensee, on receiving a request from any SEC Party ("the Requester") for the provision of Elective Communication Services under or pursuant to the SEC, must deliver to the Requester as soon as is reasonably practicable, and in any event within 14 days after receiving the request, either:
- (a) an initial evaluation of the technical feasibility and the likely scale of the cost of satisfying that request for such provision; or
 - (b) notification that the initial evaluation indicates that a further and more detailed evaluation of the request is required.

- 17.8 Where paragraph 17.7(a) is applicable, and insofar as the Requester wishes to proceed with the request, the Licensee must offer within 28 days (except where the Requester agrees to a longer period, or where the Authority otherwise consents) to enter into an Agreement for Services with the Requester on such terms as may be agreed.
- 17.9 Where paragraph 17.7(b) is applicable and the Requester wishes to proceed with the request, the Licensee must undertake and complete the further and more detailed evaluation as soon as is reasonably practicable, and for that purpose may require the Requester to pay evaluation expenses to such extent as may be reasonable in all of the circumstances of the case.
- 17.10 In paragraph 17.9, “evaluation expenses” means expenses of a kind that:
- (a) are specified in or are determined in accordance with the Licensee’s Charging Methodology for Service Charges; and
 - (b) have been reasonably incurred by the Licensee in carrying out the further and more detailed evaluation to which that paragraph refers.
- 17.11 Insofar as the Requester wishes to proceed with the request in the light of the further and more detailed evaluation under paragraph 17.9 and has paid to the Licensee any amount that is payable by virtue of that paragraph, the Licensee must offer within 28 days (except where the Requester agrees to a longer period, or where the Authority otherwise consents) to enter into an Agreement for Services with that person on such terms as may be agreed in respect of the provision.
- 17.12 Where a request received by the Licensee under paragraph 17.7 does not comply with such requirements as may be specified in the SEC in relation to the submission of requests for the provision of Elective Communication Services, the Licensee must take reasonable steps to ensure that the request does so comply before acting upon it.
- 17.13 The Licensee’s obligation to offer terms under this Part C is subject to:
- (a) any controls or restrictions on the quantity of services that may be provided, or on the timing with which they are to be provided, that may be in force from time to time under the SEC with respect to the provision of Elective Communication Services; and
 - (b) the provisions of Part D below.

Part C1: Provision of Communication Services Using Different Communication Technologies

- 17.13A To the extent that it is required to do so in any geographic area in accordance with (i) the terms of a plan approved by the Secretary of State under Condition 13B (Network Evolution Arrangements) for the purposes of the Network Evolution Arrangements, (ii) the provisions of the SEC, or (iii) both the terms of that plan and the provisions of the SEC, the Licensee must ensure that:
- (a) the Core Communications Services and the Elective Communications Services are each made available by means of more than one External Electronic Communications Network within that area; and

- (b) each of those External Electronic Communications Networks uses a different Communications Technology of the type identified in the plan or the SEC (as the case may be).

Part D: Terms for the operation of the Enrolment Service

- 17.14 The Licensee is not required to provide Core Communication Services under Part B above, or to offer terms for an Agreement for Services in respect of any Elective Communication Services under Part C above, if in either case the Smart Metering System to which such services would relate has not been enrolled (in accordance with such rules and procedures for that purpose as are specified in the SEC) into such arrangements for enrolment as are maintained under the SEC.
- 17.15 The Licensee must carry on the activities of the Enrolment Service (which is the service to which paragraph 17.14 refers) under or pursuant to an Agreement for Services on terms that are prescribed by, or are determined in accordance with, the provisions of the SEC.
- 17.16 Subject to paragraph 17.17, the Licensee must, on receiving a request from any SEC Party for the enrolment of a Smart Meter or an Advanced Meter that does not comply with the requirements of the Enrolment Service and therefore does not qualify to be enrolled, offer to enter into an Agreement for Services, in accordance with such rules and procedures as may be specified in the SEC for dealing with such requests, and on such terms as may be agreed in all the circumstances of the case, for:
- (a) the provision of advice to the SEC Party with respect to such requirements for the reconfiguration or modification of that meter as must be satisfied to enable it to qualify for such enrolment; and
 - (b) where applicable, the carrying out of any reconfiguration or modification of systems operated by the Licensee that would be necessary to enable the enrolment of that meter.
- 17.17 The Licensee is not required to comply with paragraph 17.16 if and insofar as doing so would prejudice, or be likely to prejudice, its ability to comply with the Interim General Objective of the Licensee as set out in Condition 5 (General Objectives of the Licensee).
- 17.18 The Licensee may charge for services provided under paragraph 17.16 in accordance with and to the extent permitted by the provisions of its Charging Methodology for Service Charges.
- 17.19 Nothing in this Part D requires the Licensee to provide an Enrolment Service for the purposes of any Smart Metering System by means of which a Smart Meter Communication Service is proposed to be provided to any premises, or within any area containing premises, that falls within a category that is for the time being specified by the Licensee as a Service Exemption Category in any Statement of Service Exemptions in force under this condition.
- 17.20 Appendix 1 (which requires the Licensee to publish, maintain, and keep under review a Statement of Service Exemptions initially approved by the Secretary of State) has effect as part of this condition for the purposes of paragraph 17.19.

Part D1: Terms for provision of the Interoperability Checker Service

17.20A The Licensee must, on behalf of Energy Suppliers who are SEC Parties, provide an Interoperability Checker Service, which shall:

- (a) consist of making available to Energy Consumers, in a form readily accessible to them, information in relation to certain types of Smart Meters installed at premises and the use that may be made of them by Energy Suppliers;
- (b) relate to such types of Smart Meters, such information and such manner of provision of information, as may be more fully described in the SEC; and
- (c) be on such terms as are prescribed by, or determined in accordance with, the provisions of the SEC.

Part E: Terms for provision of the Communications Hub Service

17.21 The Licensee must, on receiving a request from any SEC Party for the provision of Communications Hubs:

- (a) arrange to provide such Communications Hubs, together with ancillary or associated devices or equipment as may be specified under or pursuant to the SEC;
- (b) take all reasonable steps to ensure that each such Communications Hub which is installed as a component of a Smart Metering System continues at all times to satisfy the requirements of a Version of the CH Technical Specification which is:
 - (i) within its Maintenance Validity Period;
 - (ii) Compatible with the Version of the ESME Technical Specification and the GSME Technical Specification in accordance with which the Smart Metering System, of which it is a component, is maintained by the Energy Supplier; and
 - (iii) where at the premises at which the Smart Metering System is installed there is installed a HCALCS, a PPMID, an Additional Electricity Smart Meter or a SAPC, Compatible with the Version of the HCALCS Technical Specification, the PPMID Technical Specification, the ESME Technical Specification or the SAPC Technical Specification (as the case may be) in accordance with which that HCALCS, PPMID, Additional Electricity Smart Meter or SAPC is maintained by the Energy Supplier; and
- (c) make such other arrangements as to the ownership, delivery, installation, maintenance, repair, removal and replacement of Communications Hubs as may be specified under or pursuant to the SEC,

in accordance with an Agreement for Services on terms prescribed by, or determined in accordance with, the provisions of the SEC.

17.22 The Licensee must manage its duties under and pursuant to this Part E in a manner that is consistent with, and is designed to facilitate, the full and timely installation by

Energy Suppliers of Smart Metering Systems at Energy Consumers' premises in accordance with such requirements of the Energy Supply Licence as apply to the activities associated with such installation.

Part F: Terms for the provision of Other Enabling Services

- 17.23 The Licensee must, on receiving a request from any person (whether or not a SEC Party) for the provision of any Other Enabling Service that is specified and defined as such, whether in Schedule 5 to this Licence (Matters associated with the grant of this Licence) or in the SEC, provide that service under or pursuant to an Agreement for Services on terms prescribed by, or determined in accordance with, the provisions of the SEC.
- 17.24 Where a request received by the Licensee under paragraph 17.23 does not comply with such requirements as may be specified in the SEC in relation to the submission of requests for the provision of Other Enabling Services, the Licensee must take reasonable steps to ensure that the request does so comply before acting upon it.

Part G: Terms for the provision of Value Added Services

- 17.25 The Licensee, on receiving a request from any person for the provision of Value Added Services or Centralised Registration Service Value Added Services that have been approved by the Authority in accordance with Part D of Condition 6 (Authorised Business of the Licensee), may offer to enter into an Agreement for Services with that person on such terms (subject to paragraph 17.26) as may be agreed in respect of such provision.
- 17.26 Except where the Authority otherwise consents, the terms offered by the Licensee for entering into an Agreement for Services under paragraph 17.25 must include terms providing for the novation of that agreement that are substantially the same as those contained within the SEC or the REC as applicable in relation to the novation of any Agreement for Services in place by virtue of Parts B to F of this condition
- 17.27 Paragraphs 24(a) of Condition 22 (The Smart Energy Code) and 15 of Condition 43 (Arrangements for the handover of business) are relevant to paragraph 17.26.

Part H: Charges and other terms in respect of Services

- 17.28 Paragraph 17.29 applies with respect to:
- (a) each Agreement for Services under or pursuant to this condition requiring the Licensee to provide Services on terms prescribed by, or to be determined in accordance with, the provisions of the SEC or REC as relevant; and
 - (b) each offer by the Licensee to enter into an Agreement for Services under or pursuant to this condition on such terms as may be agreed.
- 17.29 In each case to which paragraph 17.28 refers, the agreement or the offer proposing an agreement (as the case may be) must set out:
- (a) the Service Charges to be paid under or pursuant to the relevant agreement (having regard to the requirements of paragraph 17.30); and
 - (b) such other detailed terms as are appropriate or necessary for the purposes of the

relevant agreement and are not otherwise prescribed.

17.30 The Service Charges referred to in paragraph 17.29(a) must:

- (a) unless clearly inappropriate, be consistent with the relevant provisions of the Charging Methodology in force under Condition 18 (Charging Methodology for Service Charges) at the time of the agreement or offer; and
- (b) be presented so as to be directly referable to the provisions (if applicable) of the Charging Statement in force under Condition 19 (Charging Statement for Service Charges) at the time of the agreement or offer.

Part I: Exemption from obligations imposed by this condition

17.31 Paragraph 17.32 states the circumstances in which the Licensee is not obliged under the provisions of this condition:

- (a) to provide Services under or pursuant to an Agreement for Services on terms prescribed by, or determined in accordance with, the provisions of the SEC or the REC; or
- (b) to enter into, or offer to enter into, an Agreement for Services with a person requesting terms for such an agreement.

17.32 The circumstances to which paragraph 17.31 refers are those arising if:

- (a) providing the Services or (as the case may be) entering into, or offering to enter into, an agreement to do so would cause, or would be likely to cause, the Licensee to be in breach of (i) any of its functions under the Principal Energy Legislation, or (ii) any applicable provision of the SEC or REC, or (iii) any of the Conditions of this Licence; or
- (b) the person requesting the terms does not agree to be bound, to the extent applicable to him, by the provisions of the SEC or REC.

Part J: Determination of disputes between the parties

17.33 Any dispute arising between the Licensee and any person that relates to the terms offered by the Licensee for entering into an Agreement for Services under or pursuant to any provision of this condition that requires the Licensee to make such an offer may be referred by either party to the Authority for determination in accordance with such of the provisions of Condition 20 (Determination of disputes by the Authority) as may be applicable to the dispute.

Part K: Interpretation

17.34 For the purposes of this condition:

Advanced Meter has the meaning that is given to that term in standard condition 12 of the Energy Supply Licence.

Communications Technology means each of the communications technologies that may be used for the purposes of providing an External Electronic Communications

Network, including in particular: (a) long-range radio; (b) 2G/3G mobile communications technology; and (c) 4G mobile communications technology.

Enrolment Service has the meaning given to that term in Part D of this condition, but subject to any further definition or other relevant provision that may be set out in the SEC.

Interoperability Checker Service has the meaning given to that term in Part D1 of this condition, but subject to any further definition or other relevant provision that may be set out in the SEC.

Network Evolution Arrangements has the meaning given to that term in Part D of Condition 13B (Network Evolution Arrangements).

Requester has the meaning that is given to that term in paragraph 17.7.

Service Exemption Category means either Service Exemption Category 1 or Service Exemption Category 2 (as the case may be), as described respectively at paragraph A3(a) and paragraph A3(b) of Appendix 1.

Statement of Service Exemptions means the document of that name containing the matters set out at Part A of Appendix 1.

17.35 Appendix 1 follows immediately below.

Appendix 1: Statement of Service Exemptions

Introduction

- A1. In accordance with paragraph 17.20, this Appendix 1 has effect under this Condition 17 with particular reference to the provisions of paragraph 17.19.

Part A: Preparation and contents of the statement

- A2. The Licensee must, within twelve months after the Licence Commencement Date, have prepared and put in place a Statement of Service Exemptions that:
- (a) sets out, in such detail as may be appropriate for the purpose, the matters that are described at paragraphs A3 and A6; and
 - (b) has been approved by the Secretary of State following consultation with the Authority, External Service Providers, SEC Parties, and the Licensee.
- A3. The matters to which paragraph A2(a) refers are:
- (a) Service Exemption Category 1, which must specify any types or configurations of premises in Great Britain to which a Smart Meter Communication Service need not for the time being be provided by virtue of the reason that is stated in paragraph A4; and
 - (b) Service Exemption Category 2, which must specify any geographical areas in Great Britain within which a Smart Meter Communication Service need not for the time being be provided to premises by virtue of the reason that is stated in paragraph A5.
- A4. The reason to which paragraph A3(a) refers is that, in each case falling within Service Exemption Category 1, the provision of a Smart Meter Communication Service:
- (a) would be technically impracticable; or
 - (b) though technically practicable, could only be achieved at disproportionate cost, because of (i) the physical or other characteristics of the specified premises, or (ii) any other relevant consideration with respect to the premises.
- A5. The reason to which paragraph A3(b) refers is that, in each case falling within Service Exemption Category 2, the provision of a Smart Meter Communication Service:
- (a) would be technically impracticable; or
 - (b) though technically practicable, could only be achieved at disproportionate cost, because of (i) the insularity or the remoteness of the specified area, or (ii) any other relevant consideration with respect to the area.
- A6. The Statement of Service Exemptions must also set out such steps as the Licensee has committed to take with a view to securing the eventual provision, by such means as may be technically practicable and at a cost that is not disproportionate, of a Smart Meter

Communication Service to premises, or within areas, falling within a Service Exemption Category under paragraph A3.

- A7. The Licensee must do all that it reasonably can to comply with and take the steps that it is committed to take by virtue of paragraph A6, in accordance with such estimates as are provided in the Statement of Service Exemptions of the timeframe over which those steps are expected to be taken and completed.

Part B: Licensee's duties with respect to the statement

- A8. For the purpose of ensuring that the Statement of Service Exemptions is maintained as a document that accurately reflects the provisions of paragraph 17.19 as amplified by the requirements of this Appendix 1, the Licensee must:
- (a) review the statement at least once in each full Regulatory Year following the Secretary of State's approval of it under paragraph A2; and
 - (b) propose to the Authority such revisions (if any) of the statement as the Licensee thinks are appropriate or necessary as a result of that review.

A8A. Where, in accordance with paragraph 17.13A, the Licensee has commenced to make available in a geographic area more than one External Electronic Communications Network, each using a different Communications Technology, it shall ensure that it proposes revisions to the Statement of Service Exemptions in accordance with paragraph A8 which:

- (a) identify the different External Electronic Communications Networks available in that area; and
- (b) in relation to any premises identified for the purposes of paragraph A3(a) and any geographic area identified for the purposes of paragraph A3(b), specify whether the exemption applies in respect of only one of the available External Electronic Communications Networks or to each of them.

- A9. The Authority may at any time, after consulting the Licensee and such other persons as it considers should be consulted in relation to the matter, direct the Licensee to revise the Statement of Service Exemptions in such manner, with effect from such time, and to such extent as may be specified in the direction.

- A10. The Licensee must:

- (a) give a copy of the Statement of Service Exemptions (or of any amended such statement following a revision under paragraph A9) to any person who asks for a copy; and
- (b) publish and maintain the Statement of Service Exemptions (or any amended such statement following a revision under paragraph A9) on its Website.

Part C: Assessment of provision at disproportionate cost

- A11. This Part C applies for the purposes of paragraphs A4(b) and A5(b) with respect to the question of whether the provision of a Smart Meter Communication Service to premises, or within an area containing premises, that is within a Service Exemption Category under paragraph A3 can only be achieved at disproportionate cost.

- A12. That question is to be resolved by the Secretary of State or the Authority (as the case may be) in such manner and by reference to such factors as he or it considers appropriate, having particular regard to the national policy objective to secure the widespread installation and operation of Smart Meters at premises in Great Britain at a reasonable overall cost to the general body of Energy Consumers.

Part D: Interpretation

- A13. For the purposes of this Appendix, **Smart Meter Communication Service** has the meaning that is given to that term at paragraph 4 of Part 1 (Terms in Respect of Grant) of this Licence, but with references in that paragraph to Domestic Energy Suppliers and Domestic Premises being read as references to Energy Suppliers and premises generally.