

## **ELECTRICITY SUPPLY LICENCE CONDITIONS**

### **Condition 1. Definitions for standard conditions**

#### **New, Amended and Deleted Definitions in Alphabetical Order**

**Compatible** in respect of a Version of a Technical Specification, means compatible, in accordance with the meaning given to that expression in Section F2.12 of the Smart Energy Code, with a Version of any other Technical Specification as identified in the matrix created and published by the SEC Panel pursuant to Section F2.11 of the Smart Energy Code.

**HAN Interface** means in respect of a Smart Metering System a HAN Interface:

- (a) having the meaning given to that term in the Metering Equipment Section of the Version of the SME Technical Specification in accordance with which the Smart Metering System is maintained pursuant to the requirements of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance); and
- (b) which is operating at a frequency, and using the communications standards applicable to that frequency, as specified in that Version of the SME Technical Specification.

**HCALCS Technical Specification** means the part(s) of the SME Technical Specification which:

- (a) identifies itself as such; and
- (b) applies in respect of a HCALCS,

and any reference to a "Version" in the context of a HCALCS Technical Specification shall be read as a reference to the Version of the SME Technical Specification

		in which the HCALCS Technical Specification is included
<b>IHD Specification</b>	<b>Technical</b>	<p>.means the part(s) of the SME Technical Specification which:</p> <p>(a) identifies itself as such; and</p> <p>(b) applies in respect of an In-Home Display,</p> <p>and any reference to a "Version" in the context of an IHD Technical Specification shall be read as a reference to the Version of the SME Technical Specification in which the IHD Technical Specification is included.</p>
<b>Metering Section</b>	<b>Equipment</b>	<p>means the part(s) of the SME Technical Specification identified in that document as applying to 'Electricity Smart Metering Equipment' (or in respect of any Version of the SME Technical Specification with a Principal Version number of 1, identified as applying to an 'Electricity Smart Metering System').</p>
<b>PPMID Specification</b>	<b>Technical</b>	<p>means the part(s) of the SME Technical Specification which:</p> <p>(a) identifies itself as such; and</p> <p>(b) applies in respect of a PPMID,</p> <p>and any reference to a "Version" in the context of a PPMID Technical Specification shall be read as a reference to the Version of the SME Technical Specification in which the PPMID Technical Specification is included.</p>
<b>Smart Metering Designated Date</b>		<p>means the date on which the SME Technical Specification is designated by the Secretary of State;</p>
<b>Smart Metering System</b>		<p>means, in respect of any Domestic Premises or Designated Premises, a system installed at such premises for the purposes of the supply of electricity to those premises which</p>

on the Installation Date:

- (a) consists of an Electricity Meter and any associated or ancillary devices identified in the Metering Equipment Section of a Version of the SME Technical Specification which is:
  - (i) within its Installation Validity Period; and
  - (ii) the same Version in respect of all such devices;
- (b) as a minimum, has the functional capability specified by and complies with the other requirements of that Version of the SME Technical Specification; and
- (c) where the premises is a Domestic Premises, except where that Version of the SME Technical Specification has a Principal Version number of 1, includes a Relevant Communications Hub,

and where such a system installed at a Domestic Premises or Designated Premises is a Smart Metering System on the Installation Date it shall continue to be a Smart Metering System until such date as it is removed from the premises in its entirety.

**SME Technical Specification** means the document set out in Schedule 9 of the Smart Energy Code.

**SMETS1 Smart Metering System** means a Smart Metering System that meets the requirements of a Version of the SME Technical Specification with a Principal Version number of 1.

**SMETS2+ Smart Metering System** means a Smart Metering System that meets the requirements of a Version of the SME Technical Specification with a Principal Version number that is greater than 1.

**Technical Specification** means:

- (a) in respect of a Smart Metering System, the Metering Equipment Section of the SME Technical Specification;
- (b) in respect of a Communications Hub, the CH Technical Specification;
- (c) in respect of an In-Home Display, the IHD Technical Specification;
- (d) in respect of a HAN Connected Auxiliary Load Control Switch, the HCALCS Technical Specification; and
- (e) in respect of a Prepayment Meter Interface Device, the PPMID Technical Specification.

**Condition 28A. Prepayment Charge Restriction**

**Amend definition of 'Excluded Smart Meter' in paragraph 28A.28 as follows –**

**‘Excluded Smart Meter’** means either: (a) a Smart Metering System which consists of an Electricity Meter and any associated or ancillary devices identified in a version (other than the first version) of the SME Technical Specification; or (b) a Smart Metering System otherwise identified by the CMA (through a direction given under the Energy Market Investigation (Prepayment Charge Restriction) Order 2016) as being fully interoperable;

**Condition 39: Smart Metering System – Roll-out, Installation and Maintenance**

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

**The roll-out duty**

- 39.1 The licensee must take all reasonable steps to ensure that a Smart Metering System is installed on or before 31 December 2020 at each Domestic Premises or Designated Premises in respect of which it is the Relevant Electricity Supplier.
- 39.2 The requirement in paragraph 39.1 is subject to paragraphs 39.3, 39.4, 39.5 and 39.6.

**Exception for Domestic and Designated Premises – Current Transformer Meters**

- 39.3 The requirement in paragraph 39.1 does not apply in respect of any Domestic Premises or Designated Premises at which either:
- (a) the existing Electricity Meter is a Current Transformer Electricity Meter; or
  - (b) any New Electricity Meter or Replacement Electricity Meter installed or arranged to be installed by the licensee is a Current Transformer Electricity Meter,
- and where in either case:
- (c) that Current Transformer Electricity Meter meets any requirements which apply to it by virtue of paragraph 12.24 or 12.26 of standard condition 12 (Matters relating to Electricity Meters).

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

- 39.4 The requirement in paragraph 39.1 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
  - (b) where either:

- (i) the Relevant Date has not yet occurred; or
- (ii) the Relevant Date has occurred and the Electricity Meter installed at the Designated Premises is an Advanced Meter that was installed prior to that date.

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

39.5 The requirement in paragraph 39.1 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 Electricity 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 – Non-Domestic, Non-Micro Business Consumers**

39.6 The requirement in paragraph 39.1 does not apply in respect of any Designated Premises:

- (a) that are Designated Premises of a Non-MB Consumer; and
- (b) where:
  - (i) the licensee or any other person has either made arrangements for an Advanced Meter to be installed at the Designated Premises or entered into a contract with the Non-MB Consumer to install or arrange the installation of an Advanced Meter at the Designated Premises;
  - (ii) the licensee has communicated, in plain and intelligible language, the Relevant Information to the Non-MB Consumer; and

- (iii) the Non-MB Consumer has chosen not to have a Smart Metering System installed at the 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**

- 39.7 The licensee must take all reasonable steps to ensure that at each Domestic Premises or Designated Premises in respect of which:
- (a) it is the Relevant Electricity Supplier, any Replacement Electricity Meter which is installed or is arranged to be installed forms part of a Smart Metering System;
  - (b) it is to be the first Relevant Electricity Supplier, any New Electricity Meter which is installed or is arranged to be installed forms part of a Smart Metering System.
- 39.8 The requirement in paragraph 39.7 is subject to paragraphs 39.10, 39.11, 39.12 and 39.13.
- 39.9 The requirement in paragraph 39.7 and paragraphs 39.10, 39.11, 39.12 and 39.13 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 – Current Transformer Meters**

- 39.10 The requirement in paragraph 39.7 does not apply in respect of any Domestic Premises or Designated Premises at which either:
- (a) the existing Electricity Meter is a Current Transformer Electricity Meter; or
  - (b) any New Electricity Meter or Replacement Electricity Meter installed or arranged to be installed by the licensee is a Current Transformer Electricity Meter,
- and where in either case:
- (c) that Current Transformer Electricity Meter meets any requirements which apply to it by virtue of paragraph 12.24 or 12.26 of standard condition 12 (Matters relating to Electricity Meters).

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



39.11 The requirement in paragraph 39.7 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.

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

39.12 The requirement in paragraph 39.7 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
- (b) 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 – Non-Domestic, Non-Micro Business Consumers**

39.13 The requirement in paragraph 39.7 does not apply in respect of any Designated Premises:

- (a) that are Designated Premises of a Non-MB Consumer; and
- (b) where:
  - (i) the licensee or any other person has either made arrangements for an Advanced Meter to be installed at the Designated Premises or entered into

- a contract with the Non-MB Consumer to install or arrange the installation of an Advanced Meter at the Designated Premises;
- (ii) the licensee has communicated, in plain and intelligible language, the Relevant Information to the Non-MB Consumer;
- (iii) the Non-MB Consumer has chosen not to have, or where there is installed at the Designated Premises a Smart Metering System has chosen not to continue to have, a Smart Metering System installed at the Designated Premises; and
- (iv) the Replacement Electricity Meter or New Electricity Meter installed or arranged to be installed at the Designated Premises is an Advanced Meter.

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

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

39.14 Paragraphs 39.15 to 39.20 apply to the licensee in respect of each Domestic Premises and Designated Premises at which:

- (a) it is the Relevant Electricity Supplier; and
- (b) there is installed a Smart Metering System,

(the **relevant premises**).

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

39.15 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;
- (e) where there is installed at the relevant premises a HCALCS, Compatible with the Version of the HCALCS Technical Specification in accordance with which that HCALCS is maintained by the licensee; and
- (f) 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.

39.16 The requirement in paragraph 39.15 is subject to paragraphs 39.17, 39.19 and 39.20.

39.17 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 39.15.

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

39.18 Paragraph 39.19 applies where:

- (a) paragraph 39.15 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 39.7(a) or otherwise), a new Smart Metering System.

39.19 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 39.20.

39.20 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 39.17 (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**

39.21 The requirement in paragraph 39.15 does not apply in respect of any part of a Smart Metering System which consists of a Communications Hub.

#### **Definitions**

39.22 For the purposes of this condition:

<b>Advanced Meter</b>	means an Electricity Meter which satisfies the definition of ‘advanced meter’ in paragraph 12.19 of standard condition 12 (Matters relating to Electricity Meters) but which does not form part of a Smart Metering System.
<b>Domestic Energy Premises</b>	means premises which (with respect to the supply of electricity) are Domestic Premises, or (with respect to the supply of gas) satisfy the definition of ‘Domestic Premises’ at standard condition 6 of the Gas Supply Licence.
<b>Energy Supplier</b>	means the holder of an Electricity Supply Licence and/or a Gas Supply Licence.

<b>Large Energy Supplier</b>	means an Energy Supplier which is not a Small Energy Supplier.
<b>Micro Business Energy Consumer</b>	<p>means a consumer of electricity or gas (or both) that is a Micro Business Consumer in accordance with:</p> <ul style="list-style-type: none"><li>(a) the meaning given to the term Micro Business Consumer in standard condition 7A (Supply to Micro Business Consumers); or</li><li>(b) the meaning given to the term Micro Business Consumer in standard condition 7A of the Gas Supply Licence.</li></ul>
<b>New Electricity Meter</b>	means the Electricity Meter that is the first Electricity Meter to be installed or arranged to be installed at the relevant premises.
<b>Non-MB Consumer</b>	means a Non-Domestic Customer that is not a Micro Business Energy Consumer.
<b>Relevant Date</b>	<p>means:</p> <ul style="list-style-type: none"><li>(a) where the licensee is a Large Energy Supplier, 28 April 2017; and</li><li>(b) where the licensee is a Small Energy Supplier, 17 August 2017,</li></ul> <p>or (in either case) such later date as the Secretary of State may direct.</p>
<b>Relevant Information</b>	means information, which shall be accurate, comprehensive and not misleading, on the factors the Non-MB Consumer should reasonably take into account in deciding whether to have an Advanced Meter or a Smart Metering System installed at the Designated Premises.
<b>Replacement Electricity Meter</b>	means an Electricity Meter that replaces an Electricity 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

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and fifty thousand) Domestic Energy Premises on 15  
February 2015.

**Condition 40: Provision of an In-Home Display**

**The general duty**

40.1 The licensee must, where it installs or arranges for the installation of a Smart Metering System at any Domestic Premises on or after the Smart Metering Designated Date, ensure that it:

- (a) provides to the Domestic Customer at the premises complete and accurate information, which does not mislead the Domestic Customer, concerning the availability and benefits of an In-Home Display;
- (b) communicates that information in plain and intelligible language;
- (c) offers the Domestic Customer the opportunity to have an In-Home Display provided at the Domestic Premises on or after the HAN Date;
- (d) where the Domestic Customer accepts the offer, provides at the premises, on or as soon as reasonably practicable after the HAN Date, an In-Home Display; and
- (e) where it provides an In-Home Display pursuant to sub-paragraph (d), provides an In-Home Display that is of a type that is capable of being connected, through the HAN to the Smart Metering System at the premises, at the Specified Frequency Band, unless it would be technically impracticable for an In-Home Display provided at the premises to be so connected (and for the purposes of this sub-paragraph (e) it shall be considered to be technically impracticable for an In-Home Display provided at the premises to be so connected where any such connection cannot be made without the installation of additional equipment or the relocation of any part of the Smart Metering System at the premises).

40.2 The requirement in paragraph 40.1 is subject to paragraphs 40.5 and 40.9(a).

**Duty in relation to the Offer of an In-Home Display**

40.3 This paragraph has effect from 1 July 2016 and applies where:

- (a) pursuant to its obligation in paragraph 40.1, the licensee offers the Domestic Customer the opportunity to have an In-Home Display provided at the Domestic Premises; and

- (b) prior to the Domestic Customer accepting or rejecting the opportunity to have an In-Home Display provided, the licensee also offers the Domestic Customer the opportunity to have provided to him an alternative to an In-Home Display.

40.4 Where paragraph 40.3 applies the licensee must:

- (a) not make it a condition of the offer referred to in paragraph 40.3(b) that in order to accept it the Domestic Customer must reject, or may not accept, the Licensee's offer, made pursuant to paragraph 40.1(c); and
- (b) ensure that the licensee's offer to provide an alternative to an In-Home Display does not in any way detract from, or otherwise undermine, the licensee's offer, made in accordance with and pursuant to paragraph 40.1(c).

**Exception to the general duty – Existing In-Home Display**

40.5 The licensee is not required to comply with paragraph 40.1 if a device has been provided by any person at the Domestic Premises which on the date on which the Smart Metering System is installed at the Domestic Premises constitutes an In-Home Display.

**The duty on request of Domestic Customers**

40.6 Where paragraph 40.7 applies, the licensee must:

- (a) take all reasonable steps to provide, at Domestic Premises in respect of which it is the Relevant Electricity Supplier, an In-Home Display; and
- (b) where it provides an In-Home Display pursuant to sub-paragraph (a), ensure that the In-Home Display it provides is of a type that is capable of being connected, through the HAN to the Smart Metering System at the premises, at the Specified Frequency Band, unless it would be technically impracticable for an In-Home Display provided at the premises to be so connected (and for the purposes of this sub-paragraph (b) it shall be considered to be technically impracticable for an In-Home Display provided at the premises to be so connected where any such connection cannot be made without the installation of additional equipment or the relocation of any part of the Smart Metering System at the premises).

40.7 This paragraph applies where:



- (a) the Domestic Customer at premises in respect of which the licensee is the Relevant Electricity Supplier makes a request for the licensee to provide an In-Home Display within the Relevant Period; and
- (b) prior to that request an In-Home Display has not been provided at the premises.

40.8 The requirement in paragraph 40.6 is subject to paragraphs 40.9(a) and 40.17.

**Exception to the general duty and the duty on request – Derogation from the Secretary of State**

40.9 Where the Secretary of State gives a direction to the licensee under paragraph 40.10, the licensee:

- (a) is not required to comply with paragraphs 40.1 and 40.6 to such extent and subject to such conditions as specified in the direction; and
- (b) must submit to the Secretary of State the evidence specified in the direction by the Relevant Date.

40.10 The Secretary of State may give a direction to the licensee under this paragraph where the licensee submits, on or before 30 September 2016, an application to the Secretary of State for a derogation from the requirements in paragraphs 40.1 and 40.6.

40.11 Paragraph 40.12 applies where:

- (a) the licensee is notified of a Proposed Supplier Transfer in respect of the premises of a Domestic Customer for which it is the Relevant Electricity Supplier; and
- (b) the licensee has provided to that Domestic Customer an alternative to an In-Home Display pursuant to and in accordance with a direction given by the Secretary of State under paragraph 40.10.

40.12 Where this paragraph applies, the licensee must ensure that it offers, as soon as reasonably practicable after receiving the notification referred to in paragraph 40.11(a), the Domestic Customer the opportunity to have an In-Home Display provided at the Domestic Premises.

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

40.13 The licensee must take all reasonable steps to ensure that, at each Domestic Premises in respect of which it is the Relevant Electricity Supplier and at which an In-Home Display

has been provided, the In-Home Display is at all times during the Relevant Period maintained so that it satisfies the requirements of a Version of the IHD Technical Specification which is:

- (a) within its Maintenance Validity Period; and
- (b) where there is installed at the relevant premises a Smart Metering System:
  - (i) Compatible with the Version of the SME Technical Specification which includes the Metering Equipment Section in accordance with which that Smart Metering System is maintained by the licensee; and
  - (ii) where the Smart Metering System 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.

40.14 The requirement in paragraph 40.13 is subject to paragraphs 40.15 and 40.18.

40.15 Where on any given date during the Relevant Period an In-Home Display is maintained by the licensee such that it satisfies the requirements of a particular Version of the IHD Technical Specification, the licensee must take all reasonable steps to ensure that the In-Home Display 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 IHD Technical Specification notwithstanding that any such earlier Version may otherwise meet the requirements of paragraph 40.13.

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

40.16 Where:

- (a) the licensee is notified that there is a fault in an In-Home Display provided at a Domestic Premises in respect of which it is the Relevant Electricity Supplier;
- (b) the consequence of the fault is that the In-Home Display no longer satisfies the minimum requirements of any Version of the IHD Technical Specification with which it is required to be maintained in accordance with paragraph 40.13;
- (c) the Smart Metering System at the Domestic Premises was installed:
  - (i) on or after the Smart Metering Designated Date; and

(ii) no more than 12 months prior to the date on which the licensee is notified of the fault; and

(d) the licensee is in its reasonable opinion satisfied that the fault in the In-Home Display is not due to a failure by the Domestic Customer to take all reasonable steps to keep the In-Home Display in good working order,

the licensee must take all reasonable steps to repair or replace the faulty In-Home Display.

40.17 The requirement in paragraph 40.16 is subject to paragraph 40.18.

#### **Exceptions**

40.18 Paragraphs 40.6, 40.13 and 40.16 apply:

- (a) in all cases in respect of any Domestic Premises at which the licensee installed or arranged for the installation of the Smart Metering System; and
- (b) in any other case, only from such date and to such extent as specified in a direction issued by the Secretary of State under this sub-paragraph.

#### **Definitions**

40.19 For the purposes of this condition:

**Relevant Date** means the date specified, in the direction given to the licensee by the Secretary of State under paragraph 40.9, as the date by which the licensee must submit to the Secretary of State the evidence specified in the direction.

**Relevant Period** means, in respect of a Smart Metering System installed on or after the Smart Metering Designated Date:

- (a) the period which commences on the date on which the Smart Metering System is installed at the Domestic Premises and ends 12 months after that date; or
- (b) where the HAN Date is a date that is later than the Installation Date of the Smart Metering System, the period which commences on the HAN Date and ends

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12 months after that date.

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

**Application**

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

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

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

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

41.3 The licensee shall take all reasonable steps:

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

**The Domestic Installation Code**

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

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

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

41.5 If:

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

the Authority may:

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

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

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

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

- (a) the provision, configuration, installation or operation of the Smart Metering System at Domestic Premises;

- (b) the replacement, modification or reconfiguration of the Smart Metering System at Domestic Premises in accordance with the duty at paragraph 39.14 of Condition 39 (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 40.7 or paragraph 40.9 of Condition 40 (Provision of an In-Home Display),

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

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

41.9 The circumstances described in this paragraph are that:

- (a) the Smart Metering System installed at Domestic Premises exceeds the minimum requirements of 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.

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

- (a) not make any Sales Transaction during a visit to install a Smart Metering System at any Domestic Premises;
- (b) not undertake any Marketing during a visit to install a Smart Metering System unless the Domestic Customer has, in advance of the date of the installation visit, given his explicit consent to Marketing being undertaken during the installation visit; and

- (c) cease any Marketing being undertaken in compliance with sub-paragraph (b) immediately upon a request to do so made by the Domestic Customer or any member of his household.

41.11 The Domestic Installation Code must make 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 a result of any visit made to Domestic Premises for the purposes of installing a Smart Metering System;
- (b) provide for Domestic Customers to be given complete and accurate information and advice, which is in plain and intelligible language and which does not mislead them, about:
  - (i) the installation, purpose, features and advantages of Smart Metering Systems;
  - (ii) the use of Smart Metering Systems, including such information as will assist Domestic Customers to make informed judgments about the way in which they can improve the efficiency with which they use the electricity and/or gas supplied to them; and
  - (iii) sources from which Domestic Customers may obtain additional and impartial information or assistance about improving the efficiency with which they use the electricity and/or gas supplied to them;
- (c) identify and meet the needs of specific Domestic Customer groups — including in particular Domestic Customers (or occupants of the Domestic Premises) who are of Pensionable Age, disabled or chronically sick — in relation to the installation (and provision of information relating to the installation) of Smart Metering Systems;
- (d) notify Domestic Customers of the Domestic Installation Code, of the provisions set out in it and of the licensee's obligations under it; and
- (e) retain, and produce to the Authority when requested to do so, documentary evidence sufficient to demonstrate (where given) a Domestic Customer's consent to Marketing being undertaken during the installation visit.



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

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

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

(a) the making of proposals by:

- (i) the licensee and any other licensed electricity or gas supplier of Domestic Premises; and
- (ii) 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**

41.15 The licensee must:

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

consult with, and consider any representations made by, Citizens Advice and Citizens Advice Scotland and any other person or body likely to be affected.

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

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

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

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

41.18 The licensee must from time to time:

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

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

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

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

41.20 As soon as practicable following the Authority's approval or designation of the Domestic Installation Code (including following any revision to it), the licensee must take steps to

ensure that an up-to-date copy of the approved or designated (as the case may be) Domestic Installation Code is:

- (a) sent to the Authority and 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).

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

#### **Interpretation and Definitions**

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

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

41.23 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.

41.24 For the purposes of this Condition:

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

- (a) take place with the simultaneous physical presence of:
  - (i) the licensee or the Representative; and

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

but for these purposes:

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

**Sales Transaction**

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

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

person in respect of the provision of goods or services.

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

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

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

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

42.2 The licensee shall take all reasonable steps:

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

**The Installation Code**

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

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

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

42.4 If:

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

the Authority may:

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

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

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

- (a) take all reasonable steps to ensure that no undue inconvenience is caused to Micro Business Consumers as a result of any visit made to their premises for the purposes of installing Smart Metering Systems; and
- (b) provide for Micro Business Consumers to be given complete and accurate information and advice, which is in plain and intelligible language and which does not mislead them, about:
  - (i) the installation, purpose, features and advantages of Smart Metering Systems;
  - (ii) the use of Smart Metering Systems, including such information as will assist Micro Business Consumers to make informed judgments about the way in which they can improve the efficiency with which they use the electricity and/or gas supplied to them; and

- (iii) sources from which Micro Business Consumers may obtain additional information or assistance about improving the efficiency with which they use the electricity and/or gas supplied to them.

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

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

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

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

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

42.9 The licensee must:

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



consult with, and consider any representations made by, Citizens Advice and Citizens Advice Scotland and any other person or body likely to be affected.

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

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

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

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

42.12 The licensee must from time to time:

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

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

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

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

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

- (a) sent to the Authority and 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).

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

#### **Interpretation and Definitions**

42.16 In this Condition:

- (a) any reference to Smart Metering System shall be read as incorporating a reference to any part of that system; and
- (b) in the context of a Smart Metering System any reference to 'installation' shall be read as incorporating a reference to the establishment of the HAN and the making of a connection to the SM WAN at Designated Premises of Micro Business Consumers, and the words 'install', 'installed' and 'installing' shall be construed accordingly.

42.17 For the purposes of this Condition:

<b>Micro Business Consumer</b>	has the meaning given to it in standard condition 7A (Supply to Micro Business Consumers).
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**Condition 43. Roll-out Reporting and Provision of Information to the Secretary of State**

**Introduction**

43.1 This condition provides for the Secretary of State to be able to obtain from the licensee information in respect of matters relating to the provision, installation, operation, maintenance, and use of meters.

**Purposes**

43.2 The purposes of this condition are to ensure that the Secretary of State may obtain such information as he may reasonably require to enable him, from time to time, to:

- (a) examine and assess the readiness of the licensee to comply with any Relevant SMS Condition;
- (b) monitor and review the steps taken, or to be taken, by the licensee to:
  - (i) install, arrange for the installation of, or provide (as the case may be) Smart Metering Systems and In-Home Displays in accordance with the requirements of any Relevant SMS Condition;
  - (ii) promote awareness and understanding by Energy Consumers of the use of Smart Metering Systems and In-Home Displays (and information that may be obtained through them);
- (c) evaluate:
  - (i) the scope and effectiveness of the licensee's consumer engagement activities; and
  - (ii) the implementation of the Consumer Engagement Plan;
- (d) identify and evaluate the costs associated with, and benefits attributable to, the provision, installation, operation, maintenance, and use of Smart Metering Systems and In-Home Displays, including in particular:
  - (i) energy savings made as a result of Energy Consumers being able to better manage their energy consumption and expenditure;
  - (ii) cost savings and improvements in services resulting from changes made to energy industry activities and procedures;

- (e) decide whether or when there may be a need for him to exercise any of his powers under any Relevant SMS Condition or section 88 of the Energy Act 2008; and
- (f) publish information in respect of the matters set out in paragraphs (a) – (e).

#### **Information Request**

- 43.3 The Secretary of State may, for the purposes of this condition, from time to time issue a request for Information to be provided to him (an **Information Request**).
- 43.4 An Information Request (or any part of it) may be addressed to the licensee alone, to all Electricity Suppliers or to a category of Electricity Suppliers.
- 43.5 An Information Request may in particular, where the licensee supplies electricity to at least 250,000 Domestic Customers, require the licensee to provide:
- (a) on an annual basis (and at such other times as may be specified in the Information Request) Information in respect of:
    - (i) its proposals, plans and projections for meeting its duties in relation to the provision, installation, operation, and maintenance of Smart Metering Systems and In-Home Displays; and
    - (ii) its progress against the proposals, plans and projections included in the previous year's roll-out report,  
  
(together the **roll-out report**); and
  - (b) for such periods and at such frequency as may be specified in the Information Request, Information which sets out the licensee's progress against the proposals, plans and projections included in its latest roll-out report (the **monitoring report**).
- 43.6 An Information Request may in particular, where the licensee supplies electricity to fewer than 250,000 Domestic Customers or supplies electricity only to Non-Domestic Customers, require it to provide on an annual basis (and at such other times as may be specified in the Information Request) Information in respect of its proposals for and progress towards meeting its duties in relation to the provision, installation, operation, and maintenance of Smart Metering Systems and In-Home Displays (the **progress report**).
- 43.7 An Information Request may in particular specify:

- (a) the type and nature of Information to be provided, including in particular the type and nature of Information to be provided in a roll-out report, monitoring report, and progress report;
- (b) that the Information is to be accompanied by such supporting documents or data as may be described;
- (c) that all or some of the specified Information must continue to be provided at the intervals specified until such date as specified or until the Secretary of State issues a subsequent Information Request to the licensee or the category of Electricity Suppliers of which it is a member; and
- (d) the form and manner in which, and the date by which, the specified Information is to be provided.

43.8 The licensee must comply with an Information Request addressed to it or to a category of Electricity Suppliers of which it is a member.

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

43.10 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**

43.11 This condition shall cease to apply to the licensee from the date which is 12 months after the date specified in paragraph 39.1 of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).

#### **Interpretation and Definitions**

43.12 In this condition:

<b>Consumer Engagement Plan</b>	has the meaning given to it in standard condition 45 (Smart Metering Consumer Engagement).
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<b>Energy Consumer</b>	means a consumer of gas or electricity.
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**Information**

includes information in any form or medium and of any description specified by the Secretary of State and includes any documents, accounts, estimates, returns, records or reports and data of any kind, whether or not prepared specifically at the request of the Secretary of State.

**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.

**Condition 44. Roll-out Reporting, Setting and Achieving Annual Milestones, and Provision of Information to the Authority**

**Introduction**

44.1 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 Electricity Meters and the licensee's achievement of the Annual Milestones.

**Purposes**

44.2 The purposes of this condition are to:

- (a) provide that the Authority may require the licensee to prepare a Roll-out 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 Electricity 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**

- 44.3 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 43 (Roll-out Reporting and Provision of Information to the Secretary of State), such parts of the roll-out 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 Electricity 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.
- 44.4 The licensee must achieve the Annual Milestones set out in its Roll-out Plan.
- 44.5 For the purposes of paragraph 44.4, 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.
- 44.6 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 44.3; or
  - (b) where in response to a request from the licensee, the Authority has agreed that it may submit a revised Roll-out Plan.
- 44.7 Where, in accordance with paragraph 44.6, the licensee submits a revised Roll-out 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.
- 44.8 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.

- 44.9 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**

- 44.10 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 Electricity Suppliers of which it is a member.

- 44.11 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 43 (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**

- 44.12 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.

- 44.13 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 Electricity Meters in accordance with the requirements of any Relevant SMS Condition.

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

44.15 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**

44.16 This condition shall cease to apply to the licensee from the date which is 12 months after the date specified in paragraph 39.1 of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).

#### **Interpretation**

44.17 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 Electricity Supplier; and
- (b) at which a Smart Metering System or Relevant Electricity 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 44.3.

**Progress Report** means a report submitted in accordance with paragraph 44.8.

**Relevant Electricity Meter** means any Electricity Meter installed or arranged to be installed by the licensee pursuant to paragraphs 39.3, 39.4, 39.5, 39.7, 39.11, 39.12 or 39.13 of standard condition 39 (Smart Metering System – Roll-out, Installation and

Maintenance).

<b>Relevant SMS Condition</b>	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.
<b>Roll-out Plan</b>	means a plan submitted in accordance with paragraph 44.3, as it may be revised in accordance with paragraph 44.6.

**Condition 45. Smart Metering Consumer Engagement**

**Introduction**

45.1 This condition provides for holders of electricity and gas supply licences to be required to establish, support and monitor the work of a body which will carry out the role of consumer engagement in relation to Smart Metering Systems.

**Application**

45.2 This condition shall:

- (a) apply to the licensee only to the extent specified in paragraph 45.3; and
- (b) cease to apply from such date as is specified in a direction issued by the Secretary of State.

45.3 Where the licensee is:

- (a) a Relevant Supplier, it is required to comply with Part A;
- (b) a Small Domestic Supplier, it is required to comply with Part B;
- (c) a Large Non-Domestic Supplier, it is required to comply with Part C;
- (d) a Small Non-Domestic Supplier, it is required to comply with Part D.

**PART A. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A RELEVANT SUPPLIER**

**Duty to establish the Central Delivery Body**

45.4 The licensee, together with all other Relevant Suppliers, must take such steps and do such things as are within its power:

- (a) to establish, by no later than 30 June 2013, a body corporate to carry out the role of consumer engagement in relation to Smart Metering Systems (referred to in this condition as the Central Delivery Body);
- (b) to provide that the Central Delivery Body is constituted and governed so as to ensure that it:
  - (a) has the characteristics set out at Part A1;

- (b) has the objectives set out at Part A2;
  - (c) procures the advice of experts as set out at Part A3; and
  - (d) fulfils the functions set out at Part A4;
- (c) to provide for the costs of the Central Delivery Body to be met as set out at Part A5, Part C and Part D.

#### **Part A1. Characteristics of the Central Delivery Body**

##### **Constitution**

45.5 The articles of association of the Central Delivery Body must as a minimum provide that:

- (a) it is a not-for-profit body;
- (b) its board of directors (the **Board**) is at all times constituted so as to reflect the provisions of paragraph 45.6;
- (c) the Secretary of State has a right of veto in respect of the appointment of any person as the Chairman of the Board;
- (d) any person nominated by and representing either;
  - (a) the Secretary of State; or
  - (b) all Network Operators,is entitled to attend, but not vote at, a meeting of the Board;
- (e) the Board will exercise independent judgment and reach its decisions in accordance with the requirements of paragraph 45.8;
- (f) its business shall be (and shall be limited to):
  - (a) achieving the objectives set out at Part A2;
  - (b) achieving those objectives by taking such steps as are reasonably necessary and appropriate for carrying out the activities set out at Parts A3 and A4.

##### **Composition of the Board**

45.6 The Board shall comprise:

- (a) a Chairman appointed by the Relevant Suppliers;
- (b) six directors nominated by and representing Relevant Suppliers;
- (c) two directors nominated by and representing Small Domestic Suppliers;
- (d) one director nominated by and representing Non-Domestic Suppliers;
- (e) one director nominated by and representing Non-Domestic-Only Suppliers;
- (f) two directors nominated by Citizens Advice or Citizens Advice Scotland; and
- (g) two directors representing the interests of Energy Consumers.

45.7 The Chairman of the Board must be independent of any person or body that is represented by a director appointed in accordance with the provisions of paragraphs 45.6(b)-(g).

#### **Decision-Making**

45.8 A decision made by the Board must be made in accordance with a voting procedure which provides for:

- (a) each director, other than the Chairman, to exercise a single vote on each decision to be taken;
- (b) decisions to be made by a simple majority; and
- (c) the Chairman to be able to exercise a casting vote but only where the number of votes for and against a decision are equal.

#### **Part A2. Objectives of the Central Delivery Body**

##### **Objectives**

45.9 The objectives of the Central Delivery Body set out in paragraph 45.10 are to apply in respect of Energy Consumers at Domestic Energy Premises and Relevant Designated Premises.

45.10 The objectives of the Central Delivery Body are to:

- (a) build consumer confidence in the installation of Smart Metering Systems by gas and electricity suppliers;

- (b) build consumer awareness and understanding of the use of Smart Metering Systems (and the information obtained through them);
- (c) increase the willingness of Energy Consumers to use Smart Metering Systems to change their behaviour so as to enable them to reduce their consumption of energy; and
- (d) in respect of Energy Consumers at Domestic Energy Premises only, assist those consumers with low incomes or prepayment meters, or those consumers who may encounter additional barriers in being able to realise the benefits of Smart Metering Systems due to their particular circumstances or characteristics, to realise the benefits of Smart Metering Systems while continuing to maintain an adequate level of warmth and to meet their other energy needs.

#### **Part A3. Arrangements for Obtaining Expert Advice**

45.11 The Central Delivery Body shall establish arrangements for the purpose of ensuring that it is regularly provided with all appropriate advice that is:

- (a) concerned with the means by which it can most efficiently and effectively achieve its objectives; and
- (b) procured from such persons, as selected by it, who have widely recognised expertise in matters that are relevant to, and will assist in, the efficient and effective achievement of its objectives.

#### **Part A4. Functions of the Central Delivery Body**

45.12 The functions of the Central Delivery Body shall be to:

- (a) produce and maintain a plan for achieving its objectives (the **Consumer Engagement Plan**) which meets the requirements of paragraphs 45.13 to 45.16;
- (b) implement the Consumer Engagement Plan in accordance with paragraph 45.17;
- (c) develop and produce an annual budget for the delivery of the Consumer Engagement Plan which meets the requirements of paragraphs 45.18 and 45.19 (the **Annual Budget**);
- (d) produce a report on at least an annual basis (the Annual Report) which meets the requirements of paragraphs 45.20 and 45.21; and

- (e) publish the Consumer Engagement Plan, the Annual Budget and the Annual Report in accordance with paragraphs 45.22 and 45.23.

**The Consumer Engagement Plan**

45.13 The Consumer Engagement Plan must be in writing and must:

- (a) constitute a plan which is designed to ensure that the Central Delivery Body takes all appropriate steps to achieve its objectives;
- (b) describe the activities that the Central Delivery Body proposes to carry out for that purpose;
- (c) describe how the Central Delivery Body has taken into account the need to:
  - (a) co-ordinate its consumer engagement activities with consumer engagement activities undertaken by other parties in relation to Smart Metering Systems;
  - (b) undertake a co-ordinated delivery of consumer engagement activities that reflects and takes into account the need to adopt different activities for the purpose of meeting the consumer engagement requirements of any class or classes of Energy Consumer, including Energy Consumers:
    - (A) paying by different payment methods;
    - (B) residing in different geographical areas;
    - (C) occupying different types of Domestic Energy Premises and Relevant Designated Premises; and
    - (D) carrying on commercial activities at Relevant Designated Premises in respect of different sectors of the economy;
  - (c) provide additional assistance and consumer engagement activities that may be required by particular categories of Energy Consumers, including in particular Energy Consumers with low incomes or who may encounter additional barriers in being able to access the benefits of Smart Metering Systems due to their particular circumstances or characteristics; and



- (d) be designed to ensure that in carrying out its activities the Central Delivery Body does not restrict, distort or prevent competition in the supply of gas or electricity or in any commercial activities connected with Smart Metering Systems.

45.14 The Consumer Engagement Plan must be produced by no later than 31 December 2013.

45.15 The Central Delivery Body must keep the Consumer Engagement Plan under review, and must:

- (a) make appropriate amendments to it from time to time so that it continues to be accurate, up to date, and fit for purpose; and
- (b) in particular produce an amended version of the Consumer Engagement Plan which satisfies the requirements of sub-paragraph (a) within the period that commences on [the date on which this sub-paragraph (b) first comes into force] and ends on [the date which is three months later].

45.16 In producing, and prior to making any subsequent amendment to, the Consumer Engagement Plan, the Central Delivery Body:

- (a) must seek the advice of, and have due regard to the advice given by, the persons with whom it has made arrangements in accordance with the provisions of paragraph 45.11; and
- (b) may consult with, and have regard to the representations of, any other interested parties.

45.17 The Central Delivery Body must take such steps and do such things as are within its power:

- (a) to implement the Consumer Engagement Plan in accordance with its terms (as amended from time to time); and
- (b) to do so in an efficient and cost-effective manner that achieves value for money in the performance of its activities.

#### **Annual Budget**

45.18 The Central Delivery Body must:

- (a) by 31 December 2013, develop and produce the first Annual Budget in respect of the calendar year commencing on 1 January 2014; and

- (b) thereafter by 31 December in each subsequent year, develop and produce an Annual Budget in respect of the calendar year which commences immediately following that date.

45.19 Each Annual Budget must comprise a detailed statement of the best estimate of the Central Delivery Body, made in good faith, of all costs that it expects to incur for the purpose of undertaking its activities during the calendar year to which that Annual Budget relates.

#### **Annual Report**

45.20 The Central Delivery Body must:

- (a) by 31 March 2014, produce the first Annual Report in respect of the calendar year that commenced on 1 January 2013; and
- (b) thereafter by 31 March in each subsequent year, produce an Annual Report in respect of the calendar year that commenced on 1 January in the previous year.

45.21 Each Annual Report must in particular:

- (a) report on:
  - (a) the Central Delivery Body's performance; and
  - (b) the extent to which, in the opinion of the Board, the steps taken by the Central Delivery Body to implement the Consumer Engagement Plan (as applicable during the period to which the Annual Report relates) have contributed to the achievement of its objectives during the period to which the Annual Report relates; and
- (b) set out the expenditure of the Central Delivery Body during that period and report on the extent to which, in the opinion of the Board, such expenditure represents value for money.

#### **Publication**

45.22 The Central Delivery Body must ensure that up to date copies of:

- (a) the Consumer Engagement Plan;
- (b) the Annual Budget; and

- (c) the Annual Report,

are at all times made available by it in a form that is readily accessible to most Energy Consumers.

45.23 In complying with paragraph 45.22 the Central Delivery Body:

- (a) must exclude from each document, so far as practicable, any information which would or might seriously prejudice the interests of any individual or body to which it relates; and
- (b) may exclude from each document any information that would, or would be likely to, prejudice the commercial interests of any person (including the Central Delivery Body itself).

**Part A5. Costs of the Central Delivery Body**

45.24 The licensee must:

- (a) together with all other Relevant Suppliers, take such steps and do such things as are within its power to meet:
  - (a) the capital costs of establishing the Central Delivery Body; and
  - (b) all costs, excluding Domestic Fixed Operating Costs, that are reasonably incurred by the Central Delivery Body in undertaking its activities in respect of Energy Consumers at Domestic Energy Premises and operating in an efficient and cost-effective manner that achieves value for money; and
- (b) together with all other Relevant Suppliers and Small Domestic Suppliers, take such steps and do such things as are within its power to meet all Domestic Fixed Operating Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money.

45.25 For the purpose of meeting the requirements of paragraph 45.24, the licensee must, together with all other Relevant Suppliers and Small Domestic Suppliers, establish a mechanism to allocate:

- (a) between Relevant Suppliers the costs of the Central Delivery Body, as referred to in paragraph 45.24(a), on the basis of their respective shares of the markets for gas and electricity supply; and
- (b) between Relevant Suppliers and Small Domestic Suppliers the costs of the Central Delivery Body as referred to in paragraph 45.24(b), on the basis of their respective shares of the markets for gas and electricity supply to Domestic Premises.

#### **Part A6. Other Duties of Relevant Suppliers**

##### **General Duty**

45.26 The licensee, together with all other Relevant Suppliers, must take such steps and do such things as are within its power to ensure that:

- (a) the Central Delivery Body achieves its objectives; and
- (b) in achieving its objectives the Central Delivery Body acts in a manner which is transparent, impartial, cost-effective and represents value for money.

##### **The Domestic Performance Management Framework**

45.27 The licensee must, together with all other Relevant Suppliers, produce and maintain a performance framework (the **Domestic Performance Management Framework**) which meets the requirements of paragraphs 45.28 to 45.31.

45.28 The Domestic Performance Management Framework must:

- (a) set out the standards, including key performance indicators and targets, which have been determined by the Relevant Suppliers as standards against which they will measure the performance of the Central Delivery Body in achieving its objectives in respect of Energy Consumers at Domestic Energy Premises; and
- (b) include such provisions as will enable any person, including in particular the Relevant Suppliers, the Secretary of State and the Authority, to assess:
  - (a) the Central Delivery Body's performance against the specified standards;
  - (b) the effectiveness of the steps taken by the Central Delivery Body for the purpose of achieving the relevant objectives; and

- (c) the extent to which the Central Delivery Body has, in accordance with paragraph 45.16, amended the Consumer Engagement Plan to take into account information received in respect of its performance.

45.29 The Domestic Performance Management Framework must be produced by no later than 31 December 2013.

45.30 The licensee, together with all other Relevant Suppliers must keep the Domestic Performance Management Framework under review, and must make appropriate amendments to it from time to time so that it continues to be accurate, up to date, and fit for purpose.

45.31 In determining the standard to be set out, and the other provisions to be included, in the Domestic Performance Management Framework, the licensee, together with all other Relevant Suppliers, must consult with and take into account the views of, and information provided by, relevant interested parties, including in particular the Secretary of State.

#### **Co-operation**

45.32 The licensee must:

- (a) co-operate with the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and
- (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

#### **PART B. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A SMALL DOMESTIC SUPPLIER**

45.33 The licensee must, together with all Relevant Suppliers and other Small Domestic Suppliers, take such steps and do such things as are within its power to:

- (a) meet the Domestic Fixed Operating Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money; and

- (b) establish a mechanism to allocate between Relevant Suppliers and Small Domestic Suppliers the costs referred to in sub-paragraph (a), on the basis of their respective shares of the markets for gas and electricity supply to Domestic Premises.

45.34 The licensee must:

- (a) co-operate with:
  - (a) Relevant Suppliers for the purposes of ensuring the establishment of the Central Delivery Body in accordance with Part A1 of this condition; and
  - (b) the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and
- (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

**PART C. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A LARGE NON-DOMESTIC SUPPLIER**

**Costs of the Central Delivery Body**

45.35 The licensee must:

- (a) together with all other Large Non-Domestic Suppliers, take such steps and do such things as are within its power to meet all costs, excluding Non-Domestic Fixed Operating Costs, that are reasonably incurred by the Central Delivery Body in undertaking its activities in respect of Energy Consumers at Relevant Designated Premises and operating in an efficient and cost-effective manner that achieves value for money; and
- (b) together with all other Large Non-Domestic Suppliers and Small Non-Domestic Suppliers, take such steps and do such things as are within its power to meet all Non-Domestic Fixed Operating Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money.

45.36 For the purpose of meeting the requirements of paragraph 45.35, the licensee must apply the mechanism specified in a direction issued by the Secretary of State for allocating:

- (a) between Large Non-Domestic Suppliers the costs of the Central Delivery Body, as referred to in paragraph 45.35(a); and
- (b) between Large Non-Domestic Suppliers and Small Non-Domestic Suppliers the costs of the Central Delivery Body as referred to in paragraph 45.35(b),

in each case on the basis of their respective shares of the markets for gas and electricity supply to Designated Energy Premises.

**The Non-Domestic Performance Management Framework**

45.37 The licensee must, together with all other Large Non-Domestic Suppliers, produce and maintain a performance framework (the **Non-Domestic Performance Management Framework**) which meets the requirements of paragraphs 45.38 to 45.41.

45.38 The Non-Domestic Performance Management Framework must:

- (a) set out the standards, including key performance indicators and targets, which have been determined by the Large Non-Domestic Suppliers as standards against which they will measure the performance of the Central Delivery Body in achieving its objectives in respect of Energy Consumers at Relevant Designated Premises; and
- (b) include such provisions as will enable any person, including in particular the Large Non-Domestic Suppliers, the Secretary of State and the Authority, to assess:
  - (a) the Central Delivery Body's performance against the specified standards;
  - (b) the effectiveness of the steps taken by the Central Delivery Body for the purpose of achieving the relevant objectives; and
  - (c) the extent to which the Central Delivery Body has, in accordance with paragraph 45.16, amended the Consumer Engagement Plan to take into account information received in respect of its performance.

45.39 The Non-Domestic Performance Management Framework must be produced within the period that commences on [the date on which this paragraph first comes into force] and ends on [the date which is three months later].

45.40 The licensee, together with all other Large Non-Domestic Suppliers must keep the Non-Domestic Performance Management Framework under review, and must make appropriate

amendments to it from time to time so that it continues to be accurate, up to date, and fit for purpose.

- 45.41 In determining the standard to be set out, and the other provisions to be included, in the Non-Domestic Performance Management Framework, the licensee, together with all other Large Non-Domestic Suppliers, must consult with and take into account the views of, and information provided by, relevant interested parties, including in particular the Secretary of State.

#### **Co-operation**

- 45.42 The licensee must:

- (a) co-operate with the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and
- (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

#### **PART D. REQUIREMENTS APPLICABLE TO THE LICENSEE WHERE IT IS A SMALL NON-DOMESTIC SUPPLIER**

- 45.43 The licensee must, together with all Large Non-Domestic Suppliers and other Small Non-Domestic Suppliers, take such steps and do such things as are within its power to meet the Non-Domestic Fixed Operating Costs that are reasonably incurred by the Central Delivery Body operating in an efficient and cost-effective manner that achieves value for money.

- 45.44 For the purpose of meeting the requirements of paragraph 45.43, the licensee must apply the mechanism specified in a direction issued by the Secretary of State for allocating between Large Non-Domestic Suppliers and Small Non-Domestic Suppliers the costs of the Central Delivery Body on the basis of their respective shares of the markets for gas and electricity supply to Designated Energy Premises.

- 45.45 The licensee must:

- (a) co-operate with the Central Delivery Body for the purposes of enabling the Central Delivery Body to undertake its activities; and



- (b) take all reasonable steps to ensure that in carrying out its consumer engagement activities in relation to, and communicating with Energy Consumers about, Smart Metering Systems it does not act inconsistently with the activities of the Central Delivery Body.

## **PART E. INTERPRETATION AND DEFINITIONS**

45.46 In this condition:

<b>Designated Energy Premises</b>	means premises which (with respect to the supply of electricity) are Designated Premises, or (with respect to the supply of gas) satisfy the definition of 'Designated Premises' at standard condition 1 of the Gas Supply Licence.
<b>Domestic Energy Premises</b>	means premises which (with respect to the supply of electricity) are Domestic Premises, or (with respect to the supply of gas) satisfy the definition of 'Domestic Premises' at standard condition 6 of the Gas Supply Licence.
<b>Domestic Fixed Operating Costs</b>	<p>means the costs of:</p> <ul style="list-style-type: none"><li>(a) renting and maintaining premises;</li><li>(b) staff recruitment, salaries, and benefits; and</li><li>(c) purchasing and maintaining office equipment, including IT and telephony equipment,</li></ul> <p>insofar as those costs relate to the activities carried out by the Central Delivery Body in respect of Energy Consumers at Domestic Energy Premises.</p>
<b>Energy Consumer</b>	means a consumer of gas or electricity (or both).
<b>Energy Customer</b>	means a person who is (with respect to the supply of electricity) a Customer, or (with respect to the supply of gas) a 'Customer' in accordance with the definition at standard condition 1 of the Gas Supply Licence.
<b>Energy Meter Point</b>	<p>means:</p> <ul style="list-style-type: none"><li>(a) in relation to the supply of electricity, a</li></ul>

	Metering Point as defined in the Master Registration Agreement; or
	(b) in relation to the supply of gas, a Supply Meter Point as defined in the Uniform Network Code.
<b>Large Non-Domestic Supplier</b>	means a gas or electricity supplier which supplies gas, or electricity, or both to Energy Consumers at Designated Energy Premises via more than 100,000 Energy Meter Points.
<b>Micro Business Energy Consumer</b>	means an Energy Consumer that is a Micro Business Consumer in accordance with:  (a) the meaning given to the term Micro Business Consumer in standard condition 7A (Supply to Micro Business Consumers); or  (b) the meaning given to the term Micro Business Consumer in standard condition 7A of the Gas Supply Licence.
<b>Network Operator</b>	means any person holding:  (a) a licence granted under section 6(1)(b) or 6(1)(c) of the Electricity Act 1989; or  (b) a licence granted under section 7 of the Gas Act 1986.
<b>Non-Domestic Fixed Operating Costs</b>	means the costs of:  (a) renting and maintaining premises;  (b) staff recruitment, salaries, and benefits; and  (c) purchasing and maintaining office equipment, including IT and telephony equipment,  insofar as those costs relate to the activities carried out by the Central Delivery Body in respect of Energy Consumers at Designated Energy Premises.
<b>Non-Domestic-Only Supplier</b>	means a Non-Domestic Supplier which does not also supply gas or electricity to any Domestic Energy Premises.

<b>Non-Domestic Supplier</b>	means either a Large Non-Domestic Supplier or a Small Non-Domestic Supplier.
<b>Relevant Designated Premises</b>	means: <ul style="list-style-type: none"><li>(a) Designated Energy Premises at which the Energy Consumer is a Micro Business Energy Consumer; and</li><li>(b) such additional categories of Designated Energy Premises as may be specified in a direction issued by the Secretary of State.</li></ul>
<b>Relevant Supplier</b>	means a gas or electricity supplier which: <ul style="list-style-type: none"><li>(a) is authorised by its licence to supply gas or electricity to Domestic Energy Premises; and</li><li>(b) supplies either gas or electricity (or both) to more than 250,000 Energy Customers at Domestic Energy Premises.</li></ul>
<b>Small Domestic Supplier</b>	means a gas or electricity supplier which: <ul style="list-style-type: none"><li>(a) is authorised by its licence to supply gas or electricity to Domestic Energy Premises; and</li><li>(b) supplies gas or electricity to, in each case, no more than 250,000 Energy Customers at Domestic Energy Premises.</li></ul>
<b>Small Non-Domestic Supplier</b>	means a gas or electricity supplier which supplies gas or electricity (or both) to Designated Energy Premises and which is not a Large Non-Domestic Supplier.
<b>Uniform Network Code</b>	has the meaning given to it in accordance with the definition at standard condition 1 of the Gas Supply Licence.

**Condition 46. Security Controls in Relation to Smart Metering Systems**

**Introduction**

46.1 This condition requires the licensee to maintain a high level of security in accordance with good industry practice in relation to all:

- (a) Smart Metering Systems installed at premises which are from time to time supplied by it with electricity;
- (b) equipment used by it for the purpose of communicating with those Smart Metering Systems;
- (c) associated software and ancillary devices; and
- (d) related business processes,

excepting any Smart Metering Systems which fall within the scope of Condition 46A (Security Controls in Relation to Smart Metering Systems Enrolled with the DCC).

**PART A. APPLICATION**

46.2 This condition shall cease to have effect from any date specified by the Secretary of State in a direction issued to the licensee under this paragraph.

**PART B. THE GENERAL DUTY TO ENSURE A SECURE SYSTEM**

46.3 The licensee must take such steps and do such things as are within its power to provide that the Supplier End-to-End System is at all times Secure.

46.4 For the purposes of this condition, the Supplier End-to-End System comprises all of the equipment (together with any associated software and ancillary devices) which falls into one or more of the following categories:

- (a) equipment operated by or on behalf of the licensee for the purpose of enabling information to be communicated to or from Smart Metering Systems;
- (b) equipment which is a part of any electronic communications network by means of which such communication takes place;
- (c) equipment comprised within a Smart Metering System located at each premises that is from time to time supplied with electricity by the licensee,

but excluding any equipment comprised within a Smart Metering System which constitutes part of the Supplier and Enrolled Smart Metering System.

46.5 For the purposes of this condition, the Supplier End-to-End System is Secure if both the System and each individual element of it is designed, installed, operated and supported so as to ensure, to the Appropriate Standard, that it is not subject to the occurrence of a Security Incident.

46.6 For the purposes of this condition, a Security Incident is any event of interference with or misuse of the Supplier End-to-End System, or with any individual element of it, that (whether directly or indirectly):

- (a) causes any loss, theft or corruption of data;
- (b) results in any other unauthorised access to data; or
- (c) gives rise to any loss or interruption of electricity supply or to any other interference with the service provided to a Customer at any premises.

#### **PART C. SPECIFIC DUTIES IN RELATION TO A SECURE SYSTEM**

46.7 For the purpose of ensuring its compliance with the duty at Part B, the licensee must in particular:

- (a) comply with the following requirements of this Part C; and
- (b) retain, and produce to the Secretary of State or the Authority when requested to do so, documentary evidence sufficient to demonstrate its compliance with the duty at Part B and, in particular, the requirements of this Part C.

#### **Compliance with Standards**

46.8 The licensee must take all reasonable steps to ensure that, by no later than the Specified Date, it complies with the following standards of the International Organisation for Standards with respect to the resilience, reliability and security of the Supplier End-to-End System;

- (a) ISO 27001:2005 (entitled *Information Technology-Security Techniques- Information Security Management Systems*); and
- (b) any equivalent standard of the ISO that amends, replaces or supersedes that standard.

46.9 For the purposes of paragraph 46.8, the Specified Date is the date which falls 18 months after the date on which this condition comes into force.

#### **Information Security Policy**

46.10 The licensee must establish, maintain, and give effect to a policy (the Information Security Policy) which must:

- (a) be based on a risk assessment in relation to the security of the Supplier End-to-End System; and
- (b) set out the manner in which the licensee will operate the Supplier End-to-End System in order to ensure its compliance with the duty at Part B.

46.11 The Information Security Policy must in particular make appropriate provision for:

- (a) measures to mitigate the risk of the occurrence of any Security Incident;
- (b) restricting access to the Supplier End-to-End System, and to the data communicated over or stored on any element of it, to those who need it and are authorised to obtain it;
- (c) the effective management of any Security Incident; and
- (d) appropriate business continuity and disaster recovery procedures.

46.12 The licensee must keep the Information Security Policy under review so as to ensure that it remains appropriate and up to date.

46.13 The licensee must ensure that the Information Security Policy, and each amendment made to it, is brought to the attention of and considered by appropriate members of its senior management team.

46.14 The licensee must:

- (a) commit adequate levels of resource, including a sufficient number of appropriately qualified individuals; and
- (b) establish all appropriate physical and environmental security controls, to ensure that it at all times implements the Information Security Policy.

#### **Audit**

46.15 The licensee must:

- (a) by no later than six months after the date on which this condition comes into force;  
and
- (b) at least once in each subsequent period of 12 months,

ensure that a security audit of the Supplier End-to-End System is carried out, and has been completed, by a Competent Independent Organisation.

46.16 The licensee must ensure that any audit carried out for the purposes of paragraph 46.15:

- (a) includes an assessment of the licensee's compliance with the requirements of Part B and the other requirements of this Part C; and
- (b) is documented in a report which:
  - (i) is produced by the auditors and addressed to the licensee;
  - (ii) is provided by the auditors to the licensee within one month of the completion of the audit; and
  - (iii) shall include any recommendations that the auditors consider it appropriate to make as to actions that the licensee should take in order to ensure its compliance with those requirements.

46.17 The licensee must ensure that:

- (a) each report prepared in accordance with paragraph 46.16(b) is considered by appropriate members of its senior management team within four weeks of the report being provided by the auditors to the licensee; and
- (b) it keeps a documentary record of the decisions made and actions taken by it in response to that report.

#### **PART D. COMPLIANCE WITH DIRECTIONS**

46.18 The Secretary of State may from time to time issue a direction addressed to the licensee which may require it to:

- (a) take (or refrain from taking) such steps as may be set out in the direction for the purposes of:

- (i) establishing and maintaining a Secure Supplier End-to-End System for the purposes of any testing and trialling related to the installation or operation of Smart Metering Systems;
- (ii) establishing and maintaining a Secure Supplier End-to-End System at all other times;
- (iii) mitigating any known or anticipated risk to the security of the Supplier End-to-End System;
- (iv) preventing any potential failure of security in the Supplier End-to-End System;
- (v) remedying any actual failure of security in the Supplier End-to-End System;
- (vi) preparing to address the consequences of any potential failure, or addressing the consequences of any actual failure, in the security of the Supplier End-to-End System;

(b) do so by such a date as may be set out in the direction;

(c) report to the Secretary of State or the Authority on the steps that it has taken or will take to comply with the direction;

(d) produce documentary evidence sufficient to demonstrate its compliance with the direction.

46.19 Any direction issued under this Part D may be addressed to the licensee alone or to the licensee together with any one or more other Gas or Electricity Suppliers.

46.20 The licensee must comply with any direction issued under this Part D and addressed to it.

## **PART E. DEFINITIONS**

46.21 For the purposes of this condition:

**Appropriate Standard** means a high level of security that is in accordance with good industry practice within the energy industry in Great Britain, and is capable of verification as such by a Competent Independent Organisation.



**Information Security** has the meaning given in paragraph 46.10.

**Policy**

**Competent Independent** means a body which:

**Organisation**

- (a) is fully independent of the interests of the licensee;
- (b) is recognised as being qualified to conduct information security audits by virtue of:
  - (i) employing one or more consultants who are members of the CESG Listed Adviser Scheme (CLAS), or any successor to that scheme;
  - (ii) being accredited under the CESG CHECK (IT Health Check Service) Scheme, or any successor to that scheme;
  - (iii) being approved as a provider of CTAS (CESG Tailored Assurance Service) assessments or any successor to those assessments; or
  - (iv) any other membership, accreditation, approval, or similar form of validation that is substantially equivalent in its status and effect to one or more of the arrangements referred to at sub-paragraphs (i) to (iii), and
- (c) has engaged as its lead auditor, for the purposes of the security audit carried out in accordance with paragraph 46.15, an individual who is a member of CLAS or of any successor to or equivalent of that scheme.

For the purposes of this definition, CESG is the National Technical Authority for Information Assurance.

**Secure** has the meaning given in paragraph 46.5.

<b>Security Incident</b>	has the meaning given in paragraph 46.6.
<b>Supplier and Enrolled Smart Metering System</b>	has the meaning given in Condition 46A (Security Controls in Relation to Smart Metering Systems Enrolled with the DCC).
<b>Supplier End-to-End System</b>	has the meaning given in paragraph 46.4.

**Condition 46A: Security Controls in Relation to Smart Metering Systems Enrolled with the DCC**

**The General Duty to Ensure the Security of the System**

46A.1 This licensee must take all reasonable steps to ensure that the Supplier and Enrolled Smart Metering System is designed, developed, configured, tested, operated, maintained, decommissioned and disposed of in such a manner as to protect it from being Compromised.

**Definitions**

46A.2 For the purposes of this condition, the **Supplier and Enrolled Smart Metering System** shall comprise all of the equipment (together with any associated software and ancillary devices) which fall into one or more of the following categories:

- (a) the User Systems of the licensee that are used by it for the purposes of its User Role as Import Supplier;
- (b) any other systems relied upon by the licensee for the purpose of generating, initiating or processing communications sent to or received from the DCC by such User Systems;
- (c) any equipment which is:
  - (i) comprised within a Smart Metering System located at each premises that is from time to time supplied with electricity by the licensee; and
  - (ii) enrolled in accordance with the Enrolment Service,but excluding any communications hub provided by the DCC.

46A.3 For the purposes of this condition:

**Compromised**

means, in relation to the Supplier and Enrolled Smart Metering System, that the intended purpose or effective operation of that system is compromised by the occurrence of any event which has an adverse effect on the confidentiality, integrity or availability of the system or of any data that are stored on or communicated by

means of it.

**Enrolment Service** has the meaning given to it in the Smart Energy Code.

**Import Supplier** has the meaning given to it in the Smart Energy Code.

**User Role** has the meaning given to it in the Smart Energy Code.

**User Systems** has the meaning given to it in the Smart Energy Code on  
10 February 2016.

**Condition 47: Smart Metering — Matters Relating To Obtaining and Using Consumption Data**

**Application**

47.1 Part A of this condition applies only in respect of each Domestic Premises (the **relevant premises**):

- (a) to which electricity is supplied through an Electricity Meter which forms part of a Smart Metering System; or
- (b) to which electricity is supplied through a Remote Access Meter; and
- (c) in respect of which the quantity of electricity supplied is measured by that Electricity Meter.

47.2 Part B of this condition applies only in respect of each Designated Premises at which the Customer is a Micro Business Consumer (the **micro business premises**):

- (a) to which electricity is supplied through an Electricity Meter which forms part of a Smart Metering System; or
- (b) to which electricity is supplied through a Remote Access Meter; and
- (c) in respect of which the quantity of electricity supplied is measured by that Electricity Meter.

**PART A. APPLICATION TO RELEVANT PREMISES**

**Prohibition on obtaining consumption data**

47.3 Subject to paragraphs 47.4 and 47.7, the licensee must not, in respect of any relevant premises, obtain any Electricity Consumption Data which relates to a period of less than one month.

**Exception to Prohibition — Obtaining consumption data for periods of less than one month**

47.4 Paragraph 47.3 does not apply where:

- (a) the Electricity Consumption Data that is obtained relates to a period of less than one month but not less than one day; and

- (b) the requirements of either paragraph 47.5 or 47.6 are satisfied.

47.5 The requirements of this paragraph are that:

- (a) the licensee has given Notice to the Domestic Customer at the relevant premises informing the Domestic Customer:
  - (i) that the licensee intends to obtain Electricity Consumption Data which relates to any one or more periods of a length referred to in paragraph 47.4(a);
  - (ii) of the purposes (which purposes must not include Marketing) for which the licensee may use that Electricity Consumption Data; and
  - (iii) that the Domestic Customer may at any time object to the licensee obtaining that Electricity Consumption Data and of the process by which he may do so; and
- (b) the Domestic Customer has either:
  - (i) given explicit consent to the licensee obtaining that Electricity Consumption Data for the purposes set out in the Notice (and such consent has not been withdrawn); or
  - (ii) after at least seven days have elapsed from the date on which the Notice was given to him, not objected to the licensee obtaining that Electricity Consumption Data for the purposes set out in the Notice.

47.6 The requirements of this paragraph are that one of the following applies:

- (a) the licensee has reasonable grounds to suspect that there is an occurrence of theft or abstraction of electricity at the relevant premises, and it obtains Electricity Consumption Data which relates to any one or more periods of a length referred to in paragraph 47.4(a) only for the purposes of investigating that suspected theft or abstraction;
- (b) the licensee obtains Electricity Consumption Data which relates to a single period of a length referred to in paragraph 47.4(a) only for the purposes of:
  - (i) verifying the quantity of electricity supplied to the relevant premises since the last date in respect of which the licensee obtained Electricity Consumption

Data that was used for the purposes of sending a Bill or a statement of account to the Domestic Customer (the **Billing Date**); and

- (ii) calculating and sending an accurate and up to date Bill or statement of account (including a final Bill or statement of account) to the Domestic Customer in respect of the Charges for the Supply of Electricity to the relevant premises since the Billing Date;
- (c) the licensee obtains Electricity Consumption Data which relates to any one or more periods of a length referred to in paragraph 47.4(a) only for the purposes of responding to an enquiry from or a complaint made by, or on behalf of, the Domestic Customer at the relevant premises and relating to the supply of electricity by the licensee to the relevant premises;
- (d) the licensee obtains Electricity Consumption Data which relates to any one or more periods of a length referred to in paragraph 47.4(a), only following receipt of a request of the type referred to in, and for the purposes of complying with the requirement of, paragraph 51.4(b) of standard condition 51 (Smart Metering – Customer Access to Consumption Data); or
- (e) the Electricity Meter forming part of the Smart Metering System or Remote Access Meter at the relevant premises is a Prepayment Meter, and the Electricity Consumption Data:
  - (i) is obtained only by virtue of the Remote Access Meter or Smart Metering System registering an advance payment made by the Domestic Customer through that Prepayment Meter; and
  - (ii) relates to a single period of a length referred to in paragraph 47.4(a) which corresponds to the period since the previous advance payment made by the Domestic Customer through that Prepayment Meter.

**Exception to Prohibition — Obtaining consumption data for periods of less than a day**

47.7 Paragraph 47.3 does not apply where:

- (a) the Electricity Consumption Data that is obtained relates to a period of less than one day; and
- (b) the requirements of either paragraph 47.8 or 47.9 are satisfied.

47.8 The requirements of this paragraph are that:

- (a) the licensee has given Notice to the Domestic Customer at the relevant premises informing the Domestic Customer:
  - (i) that the licensee intends to obtain Electricity Consumption Data which relates to any one or more periods of less than one day;
  - (ii) of the purposes for which the licensee may use that Electricity Consumption Data;
  - (iii) that the licensee requires the Domestic Customer's consent to obtain that Electricity Consumption Data; and
  - (iv) that where the Domestic Customer gives consent he may withdraw it at any time and of the process by which he may do so; and
- (b) the Domestic Customer has given his explicit consent to the licensee obtaining that Electricity Consumption Data for the purposes set out in the Notice and such consent has not been withdrawn.

47.9 The requirements of this paragraph are that:

- (a) where:
  - (i) there is a Remote Access Meter and the Authority has approved the Trial; or
  - (ii) the Electricity Meter forms part of a Smart Metering System and the Secretary of State has approved the Trial; and
- (b) the relevant premises fall within that category;
- (c) the licensee has given at least 14 days advance Notice to the Domestic Customer at the relevant premises informing the Domestic Customer:
  - (i) of the nature and purpose of the Trial;
  - (ii) that he may at any time object to being included in the Trial;
  - (iii) of the process by which the Domestic Customer may object; and
- (d) the Domestic Customer has not objected to being included in the Trial.



**Prohibition on use of consumption data**

47.10 Subject to paragraph 47.11, the licensee must not use Electricity Consumption Data obtained in respect of any relevant premises other than for any of the following purposes:

- (a) calculating and sending a Bill or a statement of account to the Domestic Customer;
- (b) complying with a relevant condition or a relevant requirement;
- (c) where the requirements of paragraph 47.5 are satisfied, the purpose set out in the Notice given to the Domestic Customer under paragraph 47.5(a);
- (d) where any of the requirements of paragraph 47.6 are satisfied, the purpose for which the data was obtained in accordance with paragraph 47.6;
- (e) where the requirements of paragraph 47.8 are satisfied, the purpose set out in the Notice given to the Domestic Customer under paragraph 47.8(a);
- (f) where the requirements of paragraph 47.9 are satisfied, the purpose of the Trial.

**Exception to prohibition on use of consumption data**

47.11 The licensee may use Electricity Consumption Data for purposes other than the purposes specified in paragraph 47.10 where:

- (a) it has given at least seven days advance Notice informing the Domestic Customer that it intends to use Electricity Consumption Data for the purposes specified in the Notice; and
- (b) the requirements of paragraph 47.12 are satisfied.

47.12 The requirements of this paragraph are that:

- (a) where the Electricity Consumption Data relates to any period of less than one day, the Domestic Customer has given explicit consent for that Electricity Consumption Data to be used for the purposes specified in the Notice;
- (b) where the Notice given under paragraph 47.11(a) specifies that the licensee intends to use Electricity Consumption Data for Marketing, the Domestic Customer has given explicit consent for the Electricity Consumption Data to be used for Marketing; and

- (c) in all other cases, the Domestic Customer has not objected to the Electricity Consumption Data being used for the purposes specified in the Notice.

**Maintaining records and informing customers**

47.13 The licensee must, in respect of each of its Domestic Customers at relevant premises, at all times maintain an accurate and up to date record of:

- (a) the date of any Notice sent to the Domestic Customer under this condition and of the information contained in it;
- (b) the nature of the Domestic Customer's response (if any) to that Notice;
- (c) the time periods (by reference to length) in relation to which the licensee obtains or may obtain Electricity Consumption Data; and
- (d) where the licensee obtains Electricity Consumption Data by virtue of the requirements of paragraph 47.6(a) a statement setting out the reasons why such requirements are satisfied in the circumstances of the case.

47.14 The licensee must, in accordance with paragraph 47.15, inform the Domestic Customer in Writing of:

- (a) the time periods (by reference to length) in relation to which the licensee obtains or may obtain Electricity Consumption Data;
- (b) the purposes for which that Electricity Consumption Data is, or may be, used by the licensee; and
- (c) where any of the time periods is of less than one month, the Domestic Customer's right, if any, to object or withdraw consent (as the case may be) to the licensee obtaining or using (as the case may be) that Electricity Consumption Data.

47.15 The licensee shall inform the Domestic Customer of the matters set out in paragraph 47.14:

- (a) where it installs or arranges for the installation of the Remote Access Meter or Smart Metering System at the Domestic Premises, on, or at any time during the 14 days prior to, the date of installation or as soon as reasonably practicable after the date of installation; and

- (b) in all cases, at such intervals as are determined appropriate by the licensee for the purposes of ensuring that the Domestic Customer is regularly updated of such matters.

## **PART B. MICRO BUSINESS PREMISES**

### **Prohibition on obtaining consumption data**

47.16 Subject to paragraph 47.17, the licensee must not, in respect of any micro business premises, obtain any Electricity Consumption Data which relates to a period of less than one month.

### **Exception to prohibition on obtaining consumption data**

47.17 Paragraph 47.16 does not apply where the requirements of paragraphs 47.17A or 47.17B are satisfied.

47.17A The requirements of this paragraph are:

- (a) the licensee has given at least seven days advance Notice to the Micro Business Consumer at the micro business premises informing the Micro Business Consumer:
  - (i) that the licensee intends to obtain Electricity Consumption Data which relates to any one or more periods of less than one month;
  - (ii) of the purposes for which the licensee may use that Electricity Consumption Data; and
  - (iii) that the Micro Business Consumer may at any time object to the licensee obtaining that Electricity Consumption Data and of the process by which he may do so; and
- (b)
  - (i) the Micro Business Consumer has not objected to the licensee obtaining that Electricity Consumption Data for the purposes set out in the Notice; or
  - (ii) the Micro Business Consumer has objected to the licensee obtaining Electricity Consumption data, which relates to any one or more periods of less than one month and the licensee is unable to remotely configure the Remote Access Meter to prevent Electricity Consumption Data from being automatically sent to the licensee or third party, but as soon as reasonable practicable the licensee:

- (1) takes all reasonable steps to prevent the third party passing that Electricity Consumption Data to the licensee or any other third party;
- (2) takes all reasonable steps to ensure the third party permanently erases that Electricity Consumption Data; and
- (3) permanently erases any of that Electricity Consumption Data it has obtained.

47.17B The requirements of this paragraph are that the Electricity Consumption Data that is obtained relates to a period of less than one month but not less than one day, and that one of the following applies:

- (a) the licensee has reasonable grounds to suspect that there is an occurrence of theft or abstraction of electricity at the micro business premises, and it obtains Electricity Consumption Data which relates to any one or more periods of a length referred to in this paragraph 47.17B only for the purposes of investigating that suspected theft or abstraction;
- (b) the licensee obtains Electricity Consumption Data which relates to a single period of a length referred to in this paragraph 47.17B only for the purposes of:
  - (i) verifying the quantity of electricity supplied to the micro business premises since the last date in respect of which the licensee obtained Electricity Consumption Data that was used for the purposes of sending a Bill or a statement of account to the Micro Business Consumer (the **Billing Date**); and
  - (ii) calculating and sending an accurate and up to date Bill or statement of account (including a final Bill or statement of account) to the Micro Business Consumer in respect of the Charges for the Supply of Electricity to the micro business premises since the Billing Date;
- (c) the licensee obtains Electricity Consumption Data which relates to any one or more periods of a length referred to in this paragraph 47.17B only for the purposes of responding to an enquiry from or a complaint made by, or on behalf of, the Micro Business Consumer at the micro business premises and relating to the supply of electricity by the licensee to the micro business premises;

- (d) the licensee obtains Electricity Consumption Data which relates to any one or more periods of a length referred to in this paragraph 47.17B only following receipt of a request of the type referred to in, and for the purposes of complying with the requirement of, paragraph 51.12 of standard condition 51 (Smart Metering – Customer Access to Consumption Data); or
- (e) the Electricity Meter forming part of the Smart Metering System or Remote Access Meter at the micro business premises is a Prepayment Meter, and the Electricity Consumption Data:
  - (i) is obtained only by virtue of the Remote Access Meter or Smart Metering System registering an advance payment made by the Micro Business Consumer through that Prepayment Meter; and
  - (ii) relates to a single period of a length referred to in this paragraph 47.17B which corresponds to the period since the previous advance payment made by the Micro Business Consumer through that Prepayment Meter.

#### **Use of consumption data**

47.18 The licensee must not use Electricity Consumption Data obtained in respect of any micro business premises other than for any of the following purposes:

- (a) calculating and sending a Bill or a statement of account to the Micro Business Consumer;
- (b) complying with a relevant condition or a relevant requirement;
- (c) where the requirements of paragraph 47.17A are satisfied, the purpose set out in the Notice given to the Micro Business Consumer under paragraph 47.17A(a);
- (d) where any of the requirements of paragraph 47.17B are satisfied, the purpose for which the data was obtained in accordance with paragraph 47.17B.

#### **Interpretation and Definitions**

47.19 In this condition, any reference:

- (a) to Electricity Consumption Data being 'obtained' by the licensee shall be read as incorporating a reference to the licensee requesting any other person to obtain that

Electricity Consumption Data on its behalf (and references to 'obtain' and 'obtaining' shall be construed accordingly);

- (b) to the licensee obtaining Electricity Consumption Data which 'relates to' a specified period, shall be read as incorporating a reference to the licensee obtaining any data which would allow it to calculate Electricity Consumption Data in respect of that period (and references to Electricity Consumption Data being 'in relation to' a period of time shall be construed accordingly).

47.20 For the purposes of this condition:

<b>Electricity Consumption Data</b>	means, in respect of a relevant premises or a micro business premises, the quantity of electricity measured by the Electricity Meter as having been supplied to the relevant premises or the micro business premises.
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<b>Marketing</b>	means: <ul style="list-style-type: none"><li>(a) any activities of the licensee or its Representatives which are directed at or incidental to identifying and communicating with Domestic Customers for the purpose of promoting the provision of goods or services by any person and includes entering into contracts for the provision of goods or services with such customers;</li><li>(b) the licensee or its representatives disclosing Electricity Consumption Data to any other person for the purposes of that person undertaking activities which are directed at or incidental to identifying and communicating with Domestic Customers for the purpose of promoting the provision of goods or services by any person, including the entering into contracts for the provision</li></ul>
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of goods or services with such customers,

but for these purposes 'goods or services' shall be taken to exclude the supply of electricity by the licensee.

**Micro Business Consumer**

has the meaning given to it in standard condition 7A (Supply to Micro Business Consumers).

**Remote Access Meter**

means an Electricity Meter that, either on its own or with an ancillary device:

- (a) provides measured Electricity Consumption Data for multiple time periods and is able to provide such data for periods of less than one month;
- (b) is able to provide the licensee with remote access to such data; and
- (c) is not a Smart Metering System or part of a Smart Metering System.

**Trial**

means proposals submitted by the licensee for obtaining Electricity Consumption Data which relates to any one or more periods of less than one day, in respect of a particular category of relevant premises and for a particular purpose (in each case as specified in the proposal), on a trial basis.

**Condition 48: The Smart Energy Code**

**Party to the Code**

48.1 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**

48.2 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 48.3, 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.

48.3 The Authority may issue, and may from time to time revise, guidance regarding the manner in which it will exercise its powers under paragraph 48.2.

48.4 The guidance issued in accordance with paragraph 48.3 may, in particular, set out:

- (a) the process for requesting the Authority to grant a derogation under paragraph 48.2;
- (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 48.2.

**DCC User – Large Energy Suppliers**

48.5 Paragraph 48.6 applies where the licensee:

- (a) is a party to the Smart Energy Code in accordance with paragraph 48.1;
- (b) supplies electricity to Domestic Premises; and
- (c) supplied, or together with its Affiliate Licensees jointly supplied, (whether with electricity, or gas, or both) at least 250,000 Domestic Energy Premises on 15 February 2015.



48.6 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).

**DCC User – Other Energy Suppliers**

48.7 Paragraph 48.8 applies where the licensee:

- (a) is a party to the Smart Energy Code in accordance with paragraph 48.1;
- (b) supplies electricity to Domestic Premises or Designated Premises; and
- (c) is not subject to the requirements of paragraph 48.6.

48.8 Where this paragraph applies and either:

- (a) the licensee supplies electricity to any 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); or
- (b) the licensee supplies electricity to any Designated Premises on or after 31 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 48.9.

48.9 The requirement in paragraph 48.8 does not apply where:

- (a) the licensee does not supply electricity to any Domestic Premises; and
- (b) each of the Designated Premises supplied with electricity by the licensee is a premises in respect of which:
  - (i) any one (or more) of paragraphs 39.3, 39.4, 39.5 or 39.6 of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance) apply; or
  - (ii) any one (or more) of paragraphs 39.10, 39.11, 39.12 or 39.13 of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance) apply.

### **Interpretation**

48.10 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**

48.11 In this Condition:

<b>Commencement Date</b>	means:  (a) the date which is the SEC Designated Date; or  (b) the date on which the licensee first starts to supply electricity to any Domestic Premises or Designated Premises under this licence,  whichever is the later.
<b>DCC User</b>	means a User in the User Role of Import Supplier (where 'User', 'User Role' and 'Import Supplier' all have the meanings given to them from time to time in the Smart Energy Code).
<b>Domestic Energy Premises</b>	means premises which:  (a) with respect to the supply of electricity, are Domestic Premises; or  (b) with respect to the supply of gas, satisfy the definition of 'Domestic Premises' at standard condition 6 of the Gas Supply Licence.
<b>SEC Designated Date</b>	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.

Electricity Supply Licence – January 2020 Consultation – BEIS Conclusions for laying in Parliament  
– Draft 23 March 2020

**Condition 49: Smart Metering Systems and In-Home Displays — Operational Requirements**

**Application of Part A**

49.1 Part A of this Condition applies to the licensee in respect of any Domestic Premises and any Designated Premises of Micro Business Consumers at which:

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

49.2 Part A of this Condition applies from:

- (a) the Effective Date in respect of any relevant premises where:
  - (i) the Installation Date of the Smart Metering System is a date after the Effective Date; or
  - (ii) the Installation Date of the Smart Metering System is a date on or prior to the Effective Date and the Smart Metering System is enrolled in accordance with the Enrolment Service; and
- (b) the date specified in paragraph 39.1 of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance) in respect of any relevant premises which are Domestic Premises and where:
  - (i) the Installation Date of the Smart Metering System is a date on or prior to the Effective Date; and
  - (ii) the Smart Metering System is not enrolled in accordance with the Enrolment Service.

**Application of Part B**

49.3 Part B of this Condition applies to the licensee from the Effective Date in respect of any Domestic Premises at which:

- (a) it is the Relevant Electricity Supplier;
- (b) there is installed a Smart Metering System; and

- (c) the Installation Date of the Smart Metering System is a date on or after the Effective Date,

(a relevant IHD premises).

## **PART A: SMART METERING SYSTEMS**

### **Smart Metering System — Operational Requirement**

49.4 In respect of each relevant premises, the licensee must take all reasonable steps to ensure that:

- (a) a connection is established that enables the exchange of information between the Smart Metering System at those premises and the licensee's Communications System (either directly to the licensee's Communications System or indirectly through the DCC's Communications System or another Communications System);
- (b) where the connection established in accordance with paragraph (a):
  - (i) is not through the DCC's Communications System, it maintains that connection;
  - (ii) is through the DCC's Communications System, it does not act in a manner that compromises the maintenance of that connection;
- (c) the Smart Metering System is configured, and where necessary the Alt HAN Services (or any other services of equivalent purpose and effect which have been acquired by the licensee) are utilised, so that:
  - (i) the HAN extends into at least one part of the relevant premises which:
    - (A) if the relevant premises is a Domestic Premises, is a part located within the main dwelling area of the premises;
    - (B) if the relevant premises is a Designated Premises of a Micro Business Consumer, is a part located within the main business area of the premises; and
  - (ii) where a connection is established in accordance with paragraph (d), the Smart Metering System, together where necessary with the Alt HAN Equipment (or other equipment of equivalent purpose and effect) which is

being used by the licensee in respect of the relevant premises, enables the Customer Information referred to in paragraph (e) to be sent to the Relevant Consumer Device for the purposes referred to in paragraph (e);

- (d) on request of the Customer at the relevant premises, it both establishes and thereafter maintains a connection through the HAN Interfaces between the Smart Metering System and each Relevant Consumer Device that is located within a part of the premises to which the HAN extends and is the subject of the request; and
- (e) the connection established in accordance with paragraph (d) enables that Customer to access (at any time and, in the case of a Domestic Customer, free of charge) by means of each Relevant Consumer Device, the Customer Information that:
  - (i) is capable of being stored in or held by the Smart Metering System (or any part of it); and
  - (ii) the Smart Metering System (or any part of it) is capable of sending to the Relevant Consumer Device.

49.5 Where, in respect of any premises, the licensee uses Alt HAN Equipment or any other equipment of equivalent purpose and effect for the purposes of paragraph 49.4(c), it shall ensure that it does not seek to recover costs from a Domestic Customer in relation to the provision, installation, operation, maintenance, modification, decommissioning or replacement of that equipment except to the extent that they are borne by the licensee's Domestic Customers generally as an increment of charges for electricity or gas supplied to them.

49.6 Where, in respect of any relevant premises, the licensee does not use Alt HAN Equipment but uses other equipment of equivalent purpose and effect for the purposes of paragraph 49.4(c), it shall ensure that:

- (a) the equipment that is being used by it does not interfere with the location, operation or maintenance of any Alt HAN Equipment which has previously been installed in respect of those premises;
- (b) neither that equipment nor any arrangements under which it is provided, installed, operated or maintained interfere with effective competition between Gas Suppliers and Electricity Suppliers or between persons engaged in commercial activities that are connected with the supply of gas or electricity; and

- (c) where it (or any Representative) is installing that equipment for the first time, it takes all reasonable steps to communicate to the Customer at those premises in plain and intelligible language a statement to the effect that if that Customer changes their Electricity Supplier they may not be able to receive the same services in respect of the functionality of the Smart Metering System installed at those premises without the installation of additional equipment.

49.7 The obligations in paragraph 49.4 are subject to paragraphs 49.8, 49.9, 49.12, 49.13, 49.15, 49.16, 49.17 and 49.18.

**Exception to SMS Operational Requirement – All Premises**

**Proactive Install and Leave**

49.8 The obligations in paragraph 49.4 do not apply in respect of a relevant premises where:

- (a) the Smart Metering System at the relevant premises:
  - (i) is installed or arranged to be installed by the licensee; and
  - (ii) meets the requirements of a Version of the SME Technical Specification, other than a Version with a Principal Version number of 1;
- (b) the Electricity Meter forming part of the Smart Metering System is:
  - (i) a New Electricity Meter; or
  - (ii) a Mandatory Replacement Electricity Meter; and
- (c) the SM WAN Coverage Database indicates that the SM WAN is not (or will not be) available in respect of the relevant premises on the Installation Date of the Smart Metering System but will be available in respect of such premises on a date that is prior to 1 January 2021.

49.9 The exception in paragraph 49.8 applies only until the date from which the SM WAN is available in respect of the relevant premises (as indicated by the SM WAN Coverage Database).

49.10 Where the exception in paragraph 49.8 applies in respect of a relevant premises, the licensee shall not take the steps described in paragraph 49.4(c) in respect of that relevant premises unless it ascertains, at any time during the 30 days prior to the Applicable Date,

that the SM WAN Coverage Database indicates that the SM WAN is (or will be) available in respect of the relevant premises on the Applicable Date.

49.11 Paragraph 49.12 applies where:

- (a) pursuant to paragraph 49.10 the licensee takes, or attempts to take, the steps described in paragraph 49.4(c) on the Applicable Date; and
- (b) the SM WAN is not available in respect of the relevant premises on the Applicable Date.

49.12 Where this paragraph applies, the licensee must:

- (a) as soon as reasonably practicable, and in accordance with the relevant provisions of the Smart Energy Code, notify the DCC that the SM WAN was not available in respect of the relevant premises on the Applicable Date; and
- (b) where it has not taken the steps described in paragraph 49.4(c) in respect of that relevant premises prior to the Notified Date, take all reasonable steps to fulfil the obligation at paragraph 49.4(c) in respect of the relevant premises as soon as reasonably practicable after the Notified Date.

#### **Reactive Install and Leave**

49.13 The obligations in paragraph 49.4 do not apply in respect of a relevant premises where:

- (a) the Smart Metering System at the relevant premises:
  - (i) is installed or arranged to be installed by the licensee; and
  - (ii) meets the requirements of a Version of the SME Technical Specification, other than a Version with a Principal Version number of 1;
- (b) the licensee ascertains, at any time during the 30 days prior to the Installation Date of the Smart Metering System, that the SM WAN Coverage Database indicates that the SM WAN is (or will be) available in respect of the relevant premises on the Installation Date; and
- (c) the SM WAN is not available in respect of the relevant premises on the Installation Date.



49.14 Where the exception in paragraph 49.13 applies in respect of a relevant premises the licensee must, as soon as reasonably practicable and in accordance with the relevant provisions of the Smart Energy Code, notify the DCC that the SM WAN was not available in respect of the relevant premises on the Installation Date of the Smart Metering System.

49.15 The exception in paragraph 49.13 applies only until the Notified Date.

49.16 Where:

- (a) paragraph 49.13 applies in respect of a relevant premises; and
- (b) the licensee has not taken the steps described in paragraph 49.4(c) in respect of that relevant premises prior to the Notified Date,

the licensee must take all reasonable steps to fulfil the obligation at paragraph 49.4(c) in respect of the relevant premises as soon as reasonably practicable after the Notified Date.

**Exception to SMS Operational Requirement — Premises of Micro Business Consumers**

49.17 The obligations in paragraph 49.4 do not apply in respect of a Designated Premises of a Micro Business Consumer where the Smart Metering System at the premises is not enrolled in accordance with the Enrolment Service.

**Exception to SMS Operational Requirement — Domestic Premises**

49.18 Subject to paragraph 49.19, the obligations in paragraph 49.4 do not apply in respect of a Domestic Premises where:

- (a) the Smart Metering System at the premises was not installed or arranged to be installed by the licensee; or
- (b) the licensee replaces any apparatus forming part of the Smart Metering System pursuant to paragraph 50.9 of standard condition 50 (Smart Metering – Continuation of Arrangements on Change of Supplier).

49.19 The exceptions in paragraph 49.18 apply only until the earlier of:

- (a) the date that the Smart Metering System installed at the premises is enrolled in accordance with the Enrolment Service; or
- (b) the date specified in paragraph 39.1 of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).

### **Customer Information**

49.20 In this Condition, ‘**Customer information**’ is information which provides details of or relates to:

- (a) the quantity of electricity measured by the Electricity Meter as having been supplied by the licensee to the customer at the relevant premises;
- (b) where applicable, the quantity of electricity measured by the Export Meter as having been Exported from the relevant premises or an installation at the relevant premises onto a distribution system or transmission system;
- (c) Charges for the Supply of Electricity (including the standing charge (where applicable) and the unit rate (expressed where applicable in pence per kWh);
- (d) where the Electricity Meter forming part of the Smart Metering System is a Prepayment Meter:
  - (i) the amount of credit (by reference to sums of money) that at any given time remains available for use by the customer;
  - (ii) the amount of Outstanding Charges (if any and by reference to sums of money being recovered through calibration of the Prepayment Meter), the level of such Outstanding Charges, and the period within which such Outstanding Charges are to be recovered.

### **PART B: IN-HOME DISPLAYS**

#### **In-Home Display — Operational Requirement**

49.21 The licensee must:

- (a) ensure that any In-Home Display provided by it, pursuant to its obligations in standard condition 40 (Provision of an In-Home Display), to a Domestic Customer at any relevant IHD premises is during the Relevant Period configured to operate in such a manner as to comply with the requirement of paragraph 49.23;
- (b) take all reasonable steps to ensure that it both establishes and thereafter maintains a connection through the HAN between the Smart Metering System and any In-Home Display provided by it to the Domestic Customer at the relevant IHD premises that is located within a part of the premises to which the HAN extends; and

- (c) where the In-Home Display is of a type that is capable of being connected through the HAN to the Smart Metering System at the premises at the Specified Frequency Band, ensure that the connection is established and thereafter maintained at the Specified Frequency Band.

49.22 The obligation in paragraph 49.21 is subject to paragraph 49.25.

49.23 Subject to paragraph 49.24, the requirement of this paragraph is that the Domestic Customer can, at any time during the Relevant Period and free of charge, access by means of the In-Home Display all information:

- (a) which is communicated to it from the Smart Metering System across the HAN; and
- (b) which the In-Home Display is required to be capable of displaying in accordance with the requirements of the Version of the IHD Technical Specification in accordance with which the In-Home Display is maintained pursuant to the requirements of paragraph 40.13 of standard condition 40 (Provision of an In-Home Display) .

49.24 Except where the Electricity Meter forming part of the Smart Metering System is a Prepayment Meter, the In-Home Display need not be configured to operate so as to enable the Domestic Customer to access information which provides details of or relates to:

- (a) the amount of credit (by reference to a sum of money) that may be, or is, available to the Domestic Customer; or
- (b) Outstanding Charges.

#### **Exception to IHD Operational Requirement**

49.25 Where the Smart Metering System at the relevant IHD premises:

- (a) was not installed or arranged to be installed by the licensee, the obligation in paragraph 49.21 applies only from such date as is specified in a direction issued by the Secretary of State under this paragraph;
- (b) was installed or arranged to be installed by the licensee, the obligation in paragraph 49.21 applies from the date the licensee is required to fulfil the obligations in paragraph 49.4(c).

#### **PART C: DEFINITIONS**

**Definitions and Interpretation**

49.26 In this Condition:

**Alt HAN Equipment**

means any equipment which:

- (a) satisfies the definition of 'Alt HAN Equipment' in standard condition 55 (Smart Metering – The Alt HAN Arrangements); and
- (b) is installed and maintained at premises under and in accordance with the arrangements set out at Section Z of the Smart Energy Code.

**Alt HAN Services**

means any services which:

- (a) satisfy the definition of 'Alt HAN Services' in standard condition 55 (Smart Metering – The Alt HAN Arrangements); and
- (b) are provided to the licensee under and in accordance with the arrangements set out at Section Z of the Smart Energy Code.

**Applicable Date**

means, in respect of a relevant premises, the date on which the licensee arranges to fulfil the obligation in paragraph 49.4(c).

**Consumer Device**

means either:

- (c) an In-Home Display located at the relevant premises; or
- (d) any other device located at those premises which:
  - (i) is capable of providing the Customer with access (whether directly or indirectly) to Customer Information; and

- (ii) is capable of connecting through the HAN to a device forming part of the Smart Metering System, and that capability has been so enabled.

<b>Customer Information</b>	has the meaning given in paragraph 49.20.
<b>Communications System</b>	means a system (or part of it) that can generate, send, receive, store, or otherwise process electronic communications from and to the Smart Metering System.
<b>Effective Date</b>	means 14 July 2013.
<b>Enrolment Service</b>	means the service operated by the DCC pursuant to the requirements of paragraphs 17.14 and 17.15 of Part D of Condition 17 of the DCC Licence for the purposes of enrolling a Smart Metering System in accordance with the provisions of the Smart Energy Code.
<b>Mandatory Replacement Electricity Meter</b>	means an Electricity Meter that replaces an Electricity Meter previously installed at the relevant premises (the 'first meter') where the replacement of the first meter is required for the purposes of complying with any statutory requirement or any provision (other than a provision in standard condition 39) of an Electricity Supply Licence.
<b>Micro Business Consumer</b>	has the meaning given to it in standard condition 7A (Supply to Micro Business Consumers).
<b>New Electricity Meter</b>	has the meaning given to it in standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).
<b>Notified Date</b>	means, in respect of a relevant premises, the date the licensee receives confirmation from the DCC that the SM WAN is available in respect of the relevant premises.

**Relevant Consumer Device** means a Consumer Device to which devices forming part of the Smart Metering System are capable of being connected by virtue of the technical capability and functionality of those devices.

**Relevant Period** means:

- (a) the period which commences on the Installation Date of the Smart Metering System at the relevant IHD premises and ends 12 months after that date; or
- (b) where the HAN Date is later than the Installation Date of the Smart Metering System, the period which commences on the HAN Date and ends 12 months after that date.

**Condition 50 Smart Metering - Continuation of Arrangements on Change of Supplier**

**Application**

- 50.1 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**

- 50.2 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.

- 50.3 Where paragraph 50.2 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;

- (iii) the Meter Point Administration Number core (being the final 13 digits of that number) of each Electricity Meter; and
- (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**

50.4 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.

50.5 Where:

- (a) paragraph 50.4 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.

50.6 Where:

- (a) paragraph 50.4 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**

50.7 Where pursuant to either paragraph 50.5 or 50.6 (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 .

50.8 Where paragraph 50.7 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**

50.9 This paragraph applies where the licensee:

- (a) supplies electricity 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 50.7, any apparatus to a Meter Asset Provider; and
- (d) installs, or arranges the installation of, Replacement Apparatus.

50.10 Subject to paragraph 50.11, where paragraph 50.9 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.

50.11 The requirement in paragraph 50.10 does not apply in respect of Replacement Apparatus which:

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

50.12 Paragraphs 50.9, 50.10 and 50.11 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 39.9 of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).

### **Definitions**

50.13 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 Electricity Supplier that became the Relevant Electricity 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 Electricity Supplier that was, immediately prior to the most recent Supplier Transfer, the Relevant Electricity 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

50.7, to a Meter Asset Provider.

**Specified Period** means the period specified in paragraph 50.5(b) or 50.6(b) (whichever is applicable).

**Supplier Transfer** has the meaning given to it in standard condition 14A (Customer transfer).

**Condition 51. Smart Metering – Customer Access to Consumption Data**

**Application**

- 51.1 Parts A and D of this Condition apply to the licensee in respect of any Domestic Premises at which:
- (a) it is the Relevant Electricity Supplier; and
  - (b) there is installed a Smart Metering System,
- (the **relevant premises**)
- 51.2 Parts B and D of this Condition apply to the licensee in respect of any Domestic Premises at which:
- (a) it is, pursuant to the Master Registration Agreement, registered as being responsible for a metering point at which there is Export (the **export supplier**); and
  - (b) there is installed a Smart Metering System,
- (the **relevant export premises**).
- 51.3 Parts C and D of this Condition apply to the licensee in respect of any Designated Premises and (to the extent to which they are not Designated Premises) any Micro Business Premises at which:
- (a) it is the Relevant Electricity Supplier; and
  - (b) there is installed a Smart Metering System,
- (the **relevant designated or micro business premises**).

**PART A - OBLIGATIONS IN RESPECT OF RELEVANT PREMISES**

**Customer Access to Relevant Consumption Data**

- 51.4 In respect of each relevant premises, the licensee must:
- (a) within a reasonable period of time after the Effective Date, notify the Domestic Customer at the premises that the licensee can, if requested, make available Relevant Consumption Data such that it can be accessed by the Domestic Customer in accordance with paragraph (b) below; and

- (b) as soon as is reasonably practicable after receiving any request to do so from the Domestic Customer at those premises, make available (free of charge and in a readily understandable format) Relevant Consumption Data such that it can be accessed, at any time, by the Domestic Customer via:
  - (i) the internet; or
  - (ii) where the licensee does not provide access via the internet, a Consumer Device provided, free of charge, by the licensee to the Domestic Customer for the purposes of meeting the Domestic Customer's request.

51.5 The requirements of paragraph 51.4 are subject to paragraph 51.8.

#### **Retention of Consumption Data**

51.6 Paragraph 51.7 applies where:

- (a) the licensee makes available Relevant Consumption Data such that it can be accessed by the Domestic Customer in accordance with paragraph 51.4(b); and
- (b) the Smart Metering System (or any part of it) at the relevant premises does not retain consumption data for the Relevant Period.

51.7 Where this paragraph applies:

- (a) the licensee must establish arrangements which enable consumption data to be retained for the Relevant Period; and
- (b) until such date as consumption data is retained for the Relevant Period, the reference to 24 months in the definition of Relevant Consumption Data shall be construed as a reference to the period for which consumption data is retained.

#### **Exception**

51.8 The requirements in paragraph 51.4 do not apply:

- (a) where:
  - (i) either:
    - (A) the Smart Metering System at the relevant premises was not installed or arranged to be installed by the licensee; or

- (B) the licensee replaces any apparatus forming part of the Smart Metering System pursuant to paragraph 50.9 of standard condition 50 (Smart Metering – Continuation of Arrangements on Change of Supplier); and
  - (ii) a connection that enables the exchange of information between the Smart Metering System and the licensee's Communications System has not at any time been established (whether directly to the licensee's Communications System or indirectly through the DCC's Communications System); or
- (b) where:
- (i) the Smart Metering System at the relevant premises was installed or arranged to be installed by the licensee; and
  - (ii) the obligations in paragraph 49.4 of standard condition 49 (Smart Metering Systems and In-Home Displays – Operational Requirements) do not apply in respect of the relevant premises by virtue of the exception at either paragraph 49.8 or paragraph 49.13 of that standard condition.

## **PART B – OBLIGATIONS IN RESPECT OF RELEVANT EXPORT PREMISES**

### **Access to Relevant Export Data**

51.9 In respect of any relevant export premises at which the Smart Metering System measures the quantity of Export, the licensee must:

- (a) within a reasonable period of time after the Effective Date or the Export Date (whichever is the later), notify the Domestic Customer at the premises that the licensee can, if requested, make available Relevant Export Data such that it can be accessed by the Domestic Customer in accordance with paragraph (b) below; and
- (b) as soon as is reasonably practicable after receiving any request to do so from the Domestic Customer at those premises, make available (in a readily understandable format) Relevant Export Data such that it can be accessed by the Domestic Customer.

51.10 The requirements of paragraph 51.9 are subject to paragraph 51.11.

### **Exception**

51.11 The requirements in paragraph 51.9 do not apply where a connection that enables the exchange of information between the Smart Metering System at the relevant export premises

and the licensee's Communications System has not at any time been established (whether directly to the licensee's Communications System or indirectly through the DCC's Communications System).

## **PART C – OBLIGATIONS IN RESPECT OF RELEVANT DESIGNATED PREMISES OR MICRO BUSINESS**

51.12 In respect of each relevant designated or micro business premises, the licensee must, on request of the Customer at the premises, ensure that the Customer or that Customer's nominated agent has timely access to the half-hourly consumption data which is held by or stored in the Smart Metering System at such premises.

51.13 In the case of Smart Metering Systems at Non-Domestic Premises which are enrolled under the Smart Energy Code, the requirements of paragraph 51.12 shall only apply from the date (if any) on which the licensee becomes a DCC User (as defined in standard condition 54 (Enrolment of Smart Metering Systems)).

51.14 Paragraph 51.15 shall apply until the licensee becomes a DCC User (as defined in standard condition 54 (Enrolment of Smart Metering Systems)).

51.15 Before the licensee enters into a Non-Domestic Supply Contract, the licensee must take (and ensure that any Representative takes) all reasonable steps to:

- (a) ascertain whether a Smart Metering System enrolled under the Smart Energy Code is installed at the Non-Domestic Premises; and
- (b) where such a Smart Metering System is installed at the premises, communicate to the Customer in plain and intelligible language an explanation of the nature and effect of any potential variations to the services related to the functionality of such a Smart Metering System that might be to the disadvantage of the Customer and which would arise if the Customer enters into the contract.

## **PART D - DEFINITIONS**

### **Definitions**

51.16 In this Condition:

**Consumer Device** means any device located at the relevant premises which:

- (a) is capable of providing the Domestic Customer with access (whether directly or indirectly) to Relevant Consumption Data; and
- (b) is capable of connecting through the HAN to a device forming part of the Smart Metering System at the relevant premises.

**DCC** has the meaning given to it in standard condition 49 of this licence.

**DCC Communications System** has the meaning given to it in standard condition 49 (Smart Metering Systems and In-Home Displays — Operational Requirements).

**Effective Date** means:

- (a) in respect of any Domestic Premises which is a relevant premises on the date this Condition takes effect, the date this Condition takes effect;
- (b) in respect of any Domestic Premises which is a relevant premises only from a date after the date on which this Condition takes effect, the date on which that Domestic Premises first becomes a relevant premises.

**Export** has the meaning given to it in Schedule A to standard condition 33 (Feed-in Tariffs).

**Export Date** means the date on which the Smart Metering System installed at the relevant premises first starts to measure the quantity of Export.

**Micro Business Consumer** has the meaning given to it in standard condition 7A (Supply to Micro Business Consumers).



**Micro Business Premises** means premises at which the Customer is a Micro Business Consumer.

**Relevant Consumption Data** means, in respect of any relevant premises, detailed data as to the quantity of electricity supplied to the premises in each day, week, month, and year for the period:

- (a) of 24 months prior to the date on which the Domestic Customer at the premises accesses the data;
- (b) starting from the date on which the Domestic Customer became the Customer at the premises and ending on the date on which the Domestic Customer accesses the data;
- (c) starting from the date on which the licensee became the Relevant Electricity Supplier at the relevant premises and ending on the date on which the Domestic Customer accesses the data; or
- (d) starting from the date the Smart Metering System was installed at the relevant premises and ending on the date on which the Domestic Customer accesses the data,

whichever is the shorter period on the date on which the Domestic Customer accesses the data.

**Relevant Export Data** means, in respect of any relevant premises at which the Smart Metering System measures Export, detailed data as to the quantity of Export in each day, week, and month for the period:

- (a) for which that data is held by, or stored in the Smart Metering System on the date on which the Domestic Customer accesses the data
- (b) starting from the date on which the Domestic Customer became the Customer at the premises and ending on the date on which the Domestic Customer accesses the data;

- (c) starting from the date on which the licensee became the export supplier and ending on the date on which the Domestic Customer accesses the data; or
- (d) starting from the date the Smart Metering System was installed at the relevant export premises and ending on the date on which the Domestic Customer accesses the data,

whichever is the shorter period on the date on which the Domestic Customer accesses the data.

**Relevant Period**

means the period of 24 months prior to the date on which the Domestic Customer at the premises accesses consumption data.

**Condition 52: Smart Metering Systems – Requirements for Specified Optional Equipment**

**PPMID**

- 52.1 This Condition applies only in respect of Prepayment Meter Interface Devices which form part of a SMETS2+ Smart Metering System.
- 52.2 Where the licensee is the Relevant Electricity Supplier at any Domestic Premises or Designated Premises at which there is installed a Prepayment Meter Interface Device, it must take all reasonable steps to ensure that the Prepayment Meter Interface Device installed at the premises is maintained so that at all times, where it is connected through the HAN to a device forming part of the SMETS2+ Smart Metering System at the premises, it satisfies the requirements of a Version of the PPMID Technical Specification which is:
- (a) a Version with a Principal Version number that is greater than 1;
  - (b) within its Maintenance Validity Period;
  - (c) the same Version in respect of all devices comprised within that Prepayment Meter Interface Device;
  - (d) Compatible with the Version of the SME Technical Specification which includes the Metering Equipment Section in accordance with which that SMETS2+ Smart Metering System is maintained by the licensee; and
  - (e) where the SMETS2+ 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.
- 52.3 The requirement in paragraph 52.2 is subject to paragraph 52.4.
- 52.4 Where on any given date a Prepayment Meter Interface Device is maintained by the licensee such that it satisfies the requirements of a particular Version of the PPMID Technical Specification with a Principal Version number that is greater than 1, the licensee must take all reasonable steps to ensure that the Prepayment Meter Interface Device 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 PPMID Technical Specification notwithstanding that any such earlier Version may otherwise meet the requirements of paragraph 52.2.

**HCALCS**

52.5 Where the licensee is the Relevant Electricity Supplier at any Domestic Premises or Designated Premises at which there is installed a HAN Connected Auxiliary Load Control Switch, it must take all reasonable steps to ensure that the HAN Connected Auxiliary Load Control Switch installed at the premises is maintained so that at all times, where it is connected through the HAN to a device forming part of the SMETS2+ Smart Metering System at the premises, it satisfies the requirements of a Version of the HCALCS Technical Specification which is:

- (a) a Version with a Principal Version number that is greater than 1;
- (b) within its Maintenance Validity Period;
- (c) the same Version in respect of all devices comprised within that HAN Connected Auxiliary Load Control Switch;
- (d) Compatible with the Version of the SME Technical Specification which includes the Metering Equipment Section in accordance with which that SMETS2+ Smart Metering System is maintained by the licensee;
- (e) where the SMETS2+ 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.

52.6 The requirement in paragraph 52.5 is subject to paragraph 52.7.

52.7 Where on any given date a HAN Connected Auxiliary Load Control Switch is maintained by the licensee such that it satisfies the requirements of a particular Version of the SME Technical Specification with a Principal Version number that is greater than 1, the licensee must take all reasonable steps to ensure that the HAN Connected Auxiliary Load Control Switch 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 HCALCS Technical Specification notwithstanding that any such earlier Version may otherwise meet the requirements of paragraph 52.5.

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– Draft 23 March 2020

**Condition 53: Not Used**

**Condition 54. Enrolment of Smart Metering Systems**

**Application**

54.1 This condition applies where the licensee is a DCC User.

**Part A: SMETS1 SMART METERING SYSTEMS**

**General Duty – SMETS1 Smart Metering Systems**

54.2 Paragraph 54.3 applies in respect of each Domestic Premises and Designated Premises at which:

- (a) the licensee is the Relevant Electricity Supplier;
  - (b) there is a SMETS1 Smart Metering System that is not Enrolled; and
  - (c) the SMETS1 Smart Metering System is not Eligible for Enrolment,
- (the **relevant SMETS1 premises**).

54.3 Where this paragraph applies the licensee shall take all reasonable steps to facilitate the SMETS1 Smart Metering System at the relevant SMETS1 premises becoming Eligible for Enrolment as soon as is reasonably practicable.

**Enrolment Duty - SMETS1 Smart Metering Systems Eligible for Enrolment**

54.4 Paragraph 54.5 applies in respect of each Domestic Premises and Designated Premises at which:

- (a) the licensee is the Relevant Electricity Supplier;
  - (b) there is a SMETS1 Smart Metering System that is not Enrolled; and
  - (c) the SMETS1 Smart Metering System is Eligible for Enrolment,
- (the **SMETS1 premises**).

54.5 Where this paragraph applies the licensee must take all reasonable steps to ensure that within 12 months (or such longer period as the Secretary of State may direct) of the Eligibility Date or the date the licensee became the Relevant Electricity Supplier for the SMETS1 premises (whichever is the later), the Electricity Meter and Communications Hub

Function that form part of the SMETS1 Smart Metering System at the SMETS1 premises are Commissioned and the SMETS1 Smart Metering System Enrolled.

**Duty relating to SMETS1 Smart Metering Systems that are not Enrolled**

54.6 Paragraph 54.7 applies in respect of each Domestic Premises and Designated Premises at which:

- (a) the licensee is the Relevant Electricity Supplier; and
- (b) there is a SMETS1 Smart Metering System that is not Enrolled,

(the **non-enrolled SMETS1 premises**).

54.7 Where this paragraph applies the licensee must take all reasonable steps to ensure that a SMETS2+ Smart Metering System is installed on or before 31 December 2021 (or such later date as the Secretary of State may specify in a direction issued to the licensee under this paragraph) at the non-enrolled SMETS1 premises.

Deleted: 2020

**PART B: SMETS2+ SMART METERING SYSTEMS**

**Enrolment Duty – SMETS2+ Smart Metering Systems**

54.8 Paragraph 54.9 applies in respect of each Domestic Premises and Designated Premises at which:

- (a) the licensee is the Relevant Electricity Supplier; and
- (b) there is a SMETS2+ Smart Metering System,

(the **SMETS2+ premises**).

54.9 Where this paragraph applies the licensee must take all reasonable steps to ensure that the Electricity Meter and Communications Hub Function that form part of the SMETS2+ Smart Metering System at the SMETS2+ premises are Commissioned and the SMETS2+ Smart Metering System Enrolled.

**PART C: ENROLLED SMART METERING SYSTEMS**

54.10 Paragraph 54.11 applies in respect of each Domestic Premises and Designated Premises at which:

- (a) the licensee is the Relevant Electricity Supplier;
- (b) there is a Smart Metering System; and
- (c) the Smart Metering System is Enrolled,

(the **smart metering premises**).

54.11 Where this paragraph applies the licensee must take all reasonable steps to ensure that at all times at which it is the Relevant Electricity Supplier at the smart metering premises any Electricity Meter and Communications Hub Function forming part of a Smart Metering System at the smart metering premises are Commissioned.

#### **PART D: DEFINITIONS**

54.12 In this Condition:

<b>Commissioned</b>	has the meaning given to it from time to time in the Smart Energy Code.
<b>Communications Hub Function</b>	has the meaning given to it from time to time in the Smart Energy Code.
<b>DCC User</b>	means a User in the User Role of Import Supplier (where 'User', 'User Role' and 'Import Supplier' all have the meanings given to them from time to time in the Smart Energy Code).
<b>Eligibility Date</b>	means, in respect of a SMETS1 Smart Metering System at a SMETS1 premises, the date on which that SMETS1 Smart Metering System is first Eligible for Enrolment.
<b>Eligible for Enrolment</b>	means, in respect of any SMETS1 Smart Metering System, eligible to be Enrolled in accordance with the relevant provisions of the Smart Energy Code.
<b>Enrolled</b>	means Enrolled under and as described in the Smart Energy Code.



**Condition 55. Smart Metering – The Alt HAN Arrangements**

**Introduction**

55.1 This condition provides for specified holders of electricity and gas supply licences (acting collectively) to ensure the availability of services to facilitate the installation and operation of equipment that will enable the extension of the HAN at relevant premises such that it:

- (a) extends into a relevant part of the premises; and
- (b) enables communications to be made between the parts of one or more SMETS2+ Smart Metering Systems at those premises,

where one or both of those things cannot otherwise be achieved, after taking reasonable steps to do so, by means of equipment provided by the DCC in accordance with the Smart Energy Code.

**Principal Obligations**

55.2 Where the licensee is a Relevant Supplier it must, in conjunction and co-operation with all other Relevant Suppliers, ensure that:

- (a) the Alt HAN Activities are carried out; and
- (b) the Alt HAN Services are made available to all Relevant Suppliers and are provided on reasonable terms to any Relevant Supplier which has elected to acquire them.

55.3 For the purposes of paragraph 55.2(a), the Alt HAN Activities may be carried out by means of one of the following (or a combination of both of them):

- (a) those activities being undertaken by or on behalf of all Relevant Suppliers; and/or
- (b) the acquisition, by or on behalf of all Relevant Suppliers, of services which comprise or form a part of those activities.

55.4 For the purposes of paragraph 55.2(b), the Alt HAN Services may be made available and provided to a Relevant Supplier by means of one of the following (or a combination of them):

- (a) the acquisition of the capability to provide those services, and their provision to that Relevant Supplier, by or on behalf of all Relevant Suppliers;

- (b) the procurement, by or on behalf of all Relevant Suppliers, of the availability of those services from a third party, and their subsequent provision by that third party to the Relevant Supplier; and/or
- (c) the entering into, by or on behalf of all Relevant Suppliers, of such arrangements for the financing of the costs of the services as are reasonably required for the purposes of ensuring the availability and provision of those services.

55.5 Where the licensee is a Relevant Supplier it must:

- (a) take all reasonable steps to ensure that the Alt HAN Activities are carried out and the Alt HAN Services provided:
  - (i) by means of its participation in the arrangements set out at Section Z of the Smart Energy Code; and
  - (ii) in a manner that is both economic and efficient; and
- (b) ensure that the costs of the Alt HAN Activities and Alt HAN Services (by whatever means they are carried out, made available and provided) are recovered by means of the provisions for their recovery set out at Section Z of the Smart Energy Code.

#### **Alt HAN Activities**

55.6 For the purposes of this condition, the **Alt HAN Activities** means activities which:

- (a) are designed to determine which premises or groups of premises may benefit from the installation of Alt HAN Equipment;
- (b) involve the establishment and maintenance of a database of such premises;
- (c) are designed to establish which types of Alt HAN Equipment are likely to be the most cost-effective;
- (d) comprise the development, design, design assurance, prototype production, testing and configuration of Shared Solution Alt HAN Equipment;
- (e) comprise:
  - (i) the development, design and design assurance of Point-to-Point Alt HAN Equipment; and

- (ii) to the extent to which it is economic and efficient to do so, the prototype production, testing and configuration of Point-to-Point Alt HAN Equipment;
- (f) may, for the purposes of paragraphs (a) to (e), involve the undertaking of pilot projects in relation to Alt HAN Equipment at premises;
- (g) involve the establishment and maintenance of a database which includes data in respect of:
  - (i) Alt HAN Equipment which has been installed at premises in accordance with the arrangements set out at Section Z of the Smart Energy Code, and of the MPANs and MPRNs associated with SMETS2+ Smart Metering Systems (whether already installed or to be installed) which are capable of using such equipment;
  - (ii) all other Alt HAN Equipment which has been installed at premises, and of the MPANs and MPRNs associated with SMETS2+ Smart Metering Systems (whether already installed or to be installed) which are capable of using such equipment; and
  - (iii) where Alt HAN Equipment of the type referred to in sub-paragraph (ii) has been installed at premises, whether, at any given time, an Energy Supplier has elected to use that equipment;
- (h) include such arrangements for the financing of the costs of any of the activities referred to in paragraphs (a) to (g) as are reasonably required for the purposes of ensuring the undertaking of, or acquiring of services which comprise or form part of, those activities; and
- (i) include the obtaining of such legal, managerial, technical, financial, risk management or other professional services as are reasonably required for the purpose of:
  - (i) undertaking, or acquiring services which comprise, any of the activities referred to in paragraphs (a) to (h); and
  - (ii) making available and providing the Alt HAN Services (including in particular the obtaining of services for the purpose of putting in place financing arrangements of the type referred to in paragraph 55.4(c)).

#### **The Alt HAN Services**

55.7 For the purposes of this condition, the **Alt HAN Services** means:

- (a) the manufacture, provision, installation, operation, maintenance, modification and decommissioning of Shared Solution Alt HAN Equipment;
- (b) to the extent to which it is economic and efficient to do so, the manufacture, provision, installation, operation, maintenance, modification and decommissioning of Point-to-Point Alt HAN Equipment;
- (c) the provision of information and support in relation to each of the services referred to in paragraphs (a) to (b).

#### **The Alt HAN Equipment**

55.8 For the purposes of this condition, the **Alt HAN Equipment** means such equipment and apparatus as would be required by a Relevant Supplier in order to ensure that, in relation to any SMETS2+ Smart Metering System at a Relevant Premises, the HAN:

- (a) extends into at least one part of that Relevant Premises as described in standard condition 49.4(c)(i) (Smart Metering System – Operational Requirement); and
- (b) permits communications to be made between the parts of one or more SMETS2+ Smart Metering Systems at that Relevant Premises,

where the Relevant Supplier would otherwise be unable, having taken all reasonable steps, to achieve either or both of those things by means of the equipment provided by the DCC in accordance with the Smart Energy Code.

#### **Relevant Premises**

55.9 For the purposes of this condition, **Relevant Premises** means, in respect of a Relevant Supplier, any premises:

- (a) at which it is the Relevant Electricity Supplier or Relevant Gas Supplier (as the case may be);
- (b) at which there is, or is to be, installed a SMETS2+ Smart Metering System; and
- (c) which is not Exempt Premises.

#### **Exempt Premises**

55.10 For the purposes of this condition, **Exempt Premises** means such premises (if any) as may be specified in, or fall within a description of premises specified in, the Exempt Premises List.

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55.11 Where the licensee is a Relevant Supplier;

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(a) it may, in conjunction and co-operation with all other Relevant Suppliers, establish the Exempt Premises List in accordance with this condition; and

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(b) where the Exempt Premises List is established, it must, in conjunction and co-operation with all other Relevant Suppliers, maintain that Exempt Premises List in accordance with this condition.

### Exempt Premises List

55.12 For the purposes of this condition, the **Exempt Premises List** means a list which specifies premises or descriptions of premises in respect of which, for one of the reasons specified in paragraph 55.13, the HAN need not either:

- (a) extend into at least one part of the premises as described in standard condition 49.4(c)(i) (Smart Metering System – Operational Requirement); or
- (b) permit communications to be made between the parts of a SMETS2+ Smart Metering System, or between part of a SMETS2+ Smart Metering System and another SMETS2+ Smart Metering System at the premises.

55.13 The reasons specified in this paragraph are that the HAN need not have the specified capabilities because:

- (a) it would be technically impracticable for it to do so; or
  - (b) though technically practicable, it could only be achieved at disproportionate cost,
- in either case in consequence of the physical or other characteristics of, or any other relevant consideration with respect to, the specified premises.

55.14 Where the licensee is a Relevant Supplier, and where it, in conjunction and co-operation with all other Relevant Suppliers, chooses at any time to establish the Exempt Premises List, it must for that purpose;

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**Deleted:** and prior to making available or providing any Alt HAN Services:

- (a) provide a draft of the Exempt Premises List to the Secretary of State;
- (b) together with that draft, provide to the Secretary of State information as to:

- (i) the different service levels capable of being achieved by Alt HAN Equipment of different types or qualities;
- (ii) the respective costs of manufacturing, providing, installing, operating, maintaining, modifying and decommissioning such different types or qualities of Alt HAN Equipment;
- (c) provide to the Secretary of State all such further information related to the Alt HAN Activities or Alt HAN Services as she may request;
- (d) make such changes to the draft Exempt Premises List as the Secretary of State may (following consultation with such persons as she considers appropriate) direct; and
- (e) obtain the approval of the Secretary of State to the Exempt Premises List.

55.15 The Exempt Premises List shall be treated as established for the purposes of this condition only when it has been approved by the Secretary of State.

55.15A The provisions of paragraphs 55.16 to 55.19 shall apply only where the Exempt Premises List has been established in accordance with this condition.

55.16 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, by means of participation in the arrangements set out at Section Z of the Smart Energy Code:

- (a) review the Exempt Premises List at least once in each year following the Secretary of State's approval; and
- (b) propose to the Secretary of State such revisions of the Exempt Premises List (if any) as may be necessary or appropriate in the light of the review.

55.17 The Secretary of State may, whether after receiving proposed revisions from the Relevant Suppliers or at any other time, and following consultation with all Relevant Suppliers and such other persons as she considers appropriate, revise the Exempt Premises List in such manner, with effect from such time, and to such extent as she may specify.

55.18 The Secretary of State may, by means of a direction in accordance with this paragraph issued to the Authority and all Relevant Suppliers, provide that:

- (a) any duty of the licensee under paragraph 55.14 or 55.16 expressed to be by reference to the Secretary of State and identified in the direction; or

- (b) any function of the Secretary of State under paragraph 55.14, 55.16 or 55.17 identified in the direction,

shall, from such date as she may specify, be treated as a duty expressed by reference to, or a function exercisable by, the Authority in substitution for the Secretary of State.

55.19 The licensee must provide a copy of the Exempt Premises List to any person who requests it.

55.20 For the purposes of the approval of the Exempt Premises List or any subsequent revision of it by the Secretary of State or Authority in accordance with this condition, any question arising under paragraph 55.13 as to whether the HAN could have the specified capabilities only at disproportionate cost shall be determined by the Secretary of State or Authority (as the case may be) in such manner and by reference to such factors as she or it considers appropriate.

#### Definitions

55.21 In this condition:

<b>Alt HAN Activities</b>	has the meaning given to it in paragraph 55.6
<b>Alt HAN Equipment</b>	has the meaning given to it in paragraph 55.8.
<b>Alt HAN Services</b>	has the meaning given to it in paragraph 55.7.
<b>Energy Supplier</b>	means a person Authorised by an Electricity Supply Licence to supply electricity or a Gas Supply Licence to supply gas.
<b>Exempt Premises</b>	has the meaning given to it in paragraph 55.10.
<b>Exempt Premises List</b>	has the meaning given to it in paragraph 55.12.
<b>Point-to-Point Alt HAN Equipment</b>	means equipment which fulfils the function of Alt HAN Equipment in respect of only one Relevant Premises.
<b>Relevant Premises</b>	has the meaning given to it in paragraph 55.9.
<b>Relevant Supplier</b>	means an Energy Supplier which is required in accordance with standard condition 39 of an Electricity Supply Licence or standard condition 33 of a Gas Supply Licence to install a Smart Metering System at any premises.

Electricity Supply Licence – January 2020 Consultation – BEIS Conclusions for laying in Parliament  
– Draft 23 March 2020

**Shared Solution Alt HAN Equipment** means equipment which fulfils the function of Alt HAN Equipment in respect of more than one Relevant Premises.