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### Review of Gas Transporter traditional metering licence conditions

Dear Shaun

National Gas Metering (NGM) is a wholly-owned subsidiary of National Gas Transmission (NGT), providing traditional metering services to the traditional Domestic and Industrial & Commercial gas meters owned by NGT. In addition, NGT also carries the National Meter Manager (NMM) obligation for traditional gas meters in the transition to smart metering. National Gas supports the drive to Net Zero, the decarbonisation of the gas network, and the deployment of hydrogen as a future fuel.

NGM provides this consultation response on behalf of NGT.

**Q1: Do you agree with our proposed extension of the sunset conditions set out in Appendix 1 to 31 December 2025?**

We agree that the MPoLR and BMPoLR Licence conditions continue to provide beneficial support to energy suppliers' "All Reasonable Steps" obligation during the transition to smart metering. Whilst offering an alternative metering solution where a smart meter may not currently be suitable, they also preserve consumer choice should they reserve the right not to accept a smart meter, given that smart metering is not yet mandatory.

Despite the sunset conditions end dates not being extended during the Covid-19 pandemic, as energy suppliers' smart metering obligations were, we support the extension proposal in order to align end dates, maintain support arrangements, remove complexity, and operate traditional and smart metering licence conditions compatibly.

**Q2: Do you agree with our proposal to modify the licence conditions in Appendix 2 such that they cease to apply as of 01 January 2026?**

We support Ofgem's proposal to disapply the remaining traditional metering licence conditions. These conditions were implemented more than 20 years ago – the metering market is now substantially different and far more diverse, with multiple additional meter providers and asset managers now competing in the market. There are already more smart meters in situ than traditional meters and this will only increase as the transition to smart metering continues. It therefore seems disproportionate to maintain regulation which restricts only a few market participants, and who operate in the already minority market of traditional metering.

**Q3: Where a GDN continues to hold traditional metering stock, what are your views on the ways in which these assets could or should be managed, and charges levied, following expiry of the sunset conditions and the deactivation of the licence conditions set out in Appendix 2? Do you have concerns with the proposed removal of the tariffs within those licence conditions and if so, what and why?**

We do not believe that sunset and deactivation of the licence conditions necessitates any change in operational arrangements. Residual traditional metering stocks can still be managed through existing mechanisms and relationships. Broader industry processes and protocols remain in place and maintenance of qualification against the Retail Energy Code (REC) will ensure market operations continue to be correctly undertaken. At present, only those parties regulated by the Transportation and Distribution Licences are required to comply with both these obligations and those of the REC, unlike other market participants. We do not believe that these licence conditions therefore provide any additional meaningful consumer or market benefit that would justify their continuation.

Tariff caps apply only to those market participants bound by the Transportation and Distribution Licences – other providers are already at liberty to independently determine the rates they charge. We would suggest that general competition and commercial market forces are already sufficiently established to determine future rates for a meter population that will continue to decline. At the same time, we are mindful that continuation of tariffs could maintain a perverse incentive not to install a smart meter instead.

**Q4: Do you have any other comments or views on our proposals?**

We support Ofgem's proposals in full. We believe all market participants will benefit from the clarity that alignment of traditional and smart metering licence conditions to 31 December 2025 will provide, but that traditional metering should no longer be subject to regulation from 01 January 2026. We feel that the remaining traditional metering conditions are no longer necessary, given that they relate to a minority activity, do not equally apply to all traditional meter providers and operators, and no longer provide tangible consumer benefit that is not already available without the need for regulation.

If you have any further questions regarding this consultation response, please contact Abigail Cardall on 07866 840703 or via email at [Abigail.Cardall@nationalgas.com](mailto:Abigail.Cardall@nationalgas.com).

Yours sincerely,

By email

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