



OVO Energy  
1 Rivergate  
Temple Quay  
Bristol BS1 6ED  
[policy@ovoenergy.com](mailto:policy@ovoenergy.com)  
[www.ovoenergy.com](http://www.ovoenergy.com)

Shaun Mcraith  
Retail Market Operations  
[Smartmetering@ofgem.gov.uk](mailto:Smartmetering@ofgem.gov.uk)

By Email Only

02 September 2024

Dear Shaun,

**OVO response to Ofgem's Review of Gas Transporter traditional metering licence conditions**

Thank you for the opportunity to respond to this consultation.

We support the proposed extension of the sunset conditions to 31 December 2025 as this would align to the end date of the current smart target framework phase of the smart meter rollout.

The approach proposed by Ofgem continues to afford protection to consumers during the ongoing transition of the smart rollout whilst suppliers are replacing traditional gas meters with smart gas meters. We welcome Ofgem's comments that given there is currently no defined post-2025 smart meter rollout policy at this time, there may be a need to undertake a further review in the future.

Our detailed responses to the consultation questions are provided in Appendix A. Should you have any questions please contact [policy@ovoenergy.com](mailto:policy@ovoenergy.com).

Kind regards,

Samantha Cannons  
Regulation Manager, OVO

## Appendix A: OVO responses to consultation questions

### Sunset Condition

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

OVO agrees with the proposed extension of the sunset conditions to 31 December 2025 as this would align the end date to the current target's framework phase of the smart meter rollout. We believe this approach continues to afford protection to consumers in the ongoing transition of the smart rollout whilst suppliers are replacing traditional gas meters with smart gas meters.

### Proposed withdrawal of associated MPOLR and BMPOLR licence conditions

#### **Question 2: Do you agree with our proposal to modify the licence conditions in Appendix 2 such that they cease to apply as of 1 January 2026?**

OVO agrees with the proposal to cease to apply the last resort licence conditions from 1 January 2026. We note Ofgem's comments that this will not prevent GDN Licensees from providing, installing or maintaining traditional gas meters on a commercial basis with energy suppliers. However we are concerned that there is a risk that GDNs will no longer offer this service on a commercial basis and Ofgem should consider whether there is scope for GDNs to be compelled to provide this service on a commercial basis with some protection to ensure that there is no unreasonable escalation of costs.

#### **Question 3: 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?**

As noted in our response to question two we are concerned that once the relevant licence conditions cease to apply there will be no incentive on GDNs to negotiate commercial agreements with different suppliers if there is no obligation to do so. Ofgem should therefore consider whether there is scope to ensure GDNs provide this service on a commercial basis with some form of cost protection for suppliers.

#### **Question 4: Do you have any other comments or views on our proposals?**

Nil response.