

National Gas Transmission (NTS),
Gas Distribution Network
Operators and Other Interested
Parties

Date: 05 November 2024

Dear Stakeholders,

Decision on modifications to the Special Conditions and Standard Special Conditions (SSCs) of the Gas Transporter licence held by National Gas Transmission Plc and the Gas Distribution Network Operators (GDNs).

This letter and the associated notice sets out our decision further to our statutory consultation¹ on 26 September 2024 on proposed modifications to the Gas Transporter licences held by National Gas Transmission Plc in respect of the National Transmission System, Cadent Gas Limited, Northern Gas Networks Limited, Scotland Gas Networks Limited, Southern Gas Networks Limited and Wales and West Utilities Limited.

In this letter we set out our decision and the rationale, summarises the background to our decision, the responses received and our views on those responses, and next steps. Schedule 1 published in the notice alongside this letter contains a summary of modifications to the relevant licence conditions. Alongside this letter we have published a notice of the modifications

Background

In December 2019⁴ we made the decision to extend the end date of the Sunset Conditions to 31 December 2024 in line with the proposed end date of the current Targets Framework stage of the smart meter rollout. Following the Covid-19 pandemic and the extension to All

¹ [Statutory Consultation and conclusions on the Review of Gas Transporters traditional metering licence conditions in the Special and Standard Special conditions of the Gas Transport Licence](#)

Reasonable Steps obligation for suppliers to rollout smart meters to their customers resulted in a delayed start to the Targets Framework which gave suppliers binding targets to install smart meters and is currently due to end on 31 December 2025. Due to this the dates of the Sunset Conditions and the smart meter rollout became misaligned.

We consider that it is important to ensure the protections for consumers remain in place for the duration of the current phase of the smart meter rollout and these remain in their existing format. This should also help provide Energy Suppliers and Licensees with the reassurance and clarity on what their obligations are for the duration of the rollout.

In September 2024 we published the conclusions to our policy consultation on the future of these obligations and the need to extend the end date of the following licence conditions to 31 December 2025:

In respect of National Gas Transmission Plc (NTS):

- Standard Special Condition B7 (Provision of Meters) and Standard Special Condition B8 (Provision of Terms) detailed in Schedule 1
- Special Condition 9.16 (Restriction of prices in respect of Tariff Capped Metering Activities) detailed in Schedule 1

In respect of Cadent Gas Limited, Northern Gas Network Limited, Scotland Gas Networks Plc, Southern Gas Networks Plc, and Wales & West Utilities Limited:

- Standard Special Condition D17 (Provision and Return of Meters) and Standard Special Condition D18 (Provision of Metering and Meter Reading Services) detailed in Schedule 1
- Special Condition 9.10 (Restriction of prices in respect of Tariff Capped Metering Activities) detailed in Schedule 1

Responses to Consultation

We received four non-confidential responses to our September statutory consultation². These responses are published on our website.

[Responses to proposed licence modification to extend the conditions to 31 December 2025](#)

The majority of respondents agreed that the proposed modification to the licence conditions set out in our September 2024 statutory consultation was suitable and overall no respondents raised any objection to the proposed modification or the proposed text. One respondent noted that the proposed modification and text were in line with the proposed

² [Statutory Consultation and conclusions on the Review of Gas Transports traditional metering licence conditions in the Special and Standard Special conditions of the Gas Transport Licence](#)

intent and rationale of the modifications set out in our response to our September consultation.

Comments relating to the future of the licence conditions

Respondents welcomed our decision to consult further on the future of the Meter Operator of Last Resort (MPOLR) and Backstop Meter Operator of Last Resort (BMPOLR) obligations following the conclusions to our August 2024 consultation and supported our decision to take into account post 2025 smart metering policy once known, in any future analysis we carry out in relation to these conditions, per our conclusions set out in our 26 September 2024 publication

We agree on the need to consult further on MPOLR and BMPOLR obligations and are mindful that the current targets framework phase³ of the smart meter rollout is due to end on 31 December 2025 and remain committed to engaging with stakeholders at the earliest opportunity following the publication of post 2025 smart metering policy.

Our Decision and next steps

Having carefully considered all responses that we received to our statutory consultation, we have decided to proceed with the proposed modifications to the Gas Transporter standard and special licence conditions as set out in Schedule 1 of the decision notice published on our website alongside this letter. The licence changes will come into effect on 01 January 2025.

Michael Walls
Head of Retail Market Operations and Smart Metering
Duly authorised on behalf of the Gas and Electricity Markets Authority

05/11/2024

³ [Smart meter policy framework post 2020: minimum annual targets and reporting thresholds for energy suppliers](#)