

ENERGY ACT 2008

EXPLANATORY NOTES

Part 5: Miscellaneous

Gas and Electricity Meters Commentary on Sections

Section 94 and Schedule 5: Power to amend licence conditions: gas

524. In transferring these legal metrology functions, it is necessary to ensure that the NWML can recover the costs of carrying out the transferred functions. To make this possible, licence payment conditions need to be modified to allow the Authority to recover funds from the licence fee and pass them to the NWML.
525. This section therefore gives the Secretary of State the power to modify gas transporter licence conditions under sections 7 and 8 of the [Gas Act 1986 \(c.44\)](#). Section 7 covers the requirements for licensing gas transporters, whilst section 8 covers standard conditions of such licences.
526. The effect of the section is that, following licence modifications made by the Secretary of State, the Authority will be able to recover from gas transporters costs incurred by the NWML in respect of functions in relation to gas meters, and pay those costs into the Consolidated Fund.
527. There are a number of checks and balances built into the section by virtue of *subsections (4) to (9)*. They require the Secretary of State to consult licence holders, the Authority and any other persons as appropriate before making licence modifications. The Secretary of State must also publish the modifications, and ensure that the modifications made apply to all future licences.
528. *Subsection (9)* has the effect that modifications can only be made to licence conditions by the Secretary of State for six months after *subsection (1)* comes into force. The deadline is to provide certainty to the gas transporters that the power will only be used once for the purpose of allowing the Authority to recover funds and pass them onto NWML. Given the technical nature, it is not considered appropriate to detail the licence modification on the face of the Act.
529. *Paragraph 14* of Schedule 5 makes amendments to the [Utilities Act 2000 \(c.27\)](#) which are consequential on the transfer of functions from the Authority to the Secretary of State.