

FAQ sheet Number 2 – Tenant Metering

“I have a number of commercial tenants that require metering but I am not sure what type of electricity meter I should fit. I have been offered panel mounted sub-meters by a supplier but I am not sure if they are suitable. What is the position with tenant metering and what kind of meter should I install?”

This is a subject that seems to cause a great deal of confusion amongst asset managers, consultants and contractors but the position is clear.

In accordance with Schedule 7 of the 1989 Electricity Act, only approved meters can be used for the measurement of an electricity supply. (Any new meter requiring approval must be submitted to the Office of the Gas and Electricity Markets (Ofgem), the sole organisation in the UK with the authority to approve meters).

According to Ofgem, the statutory position on billing meters is as follows:

“In the commercial environment, the landlord may take a supply as a customer of an electricity supplier. Where the landlord installs a sub-meter for re-supply to his tenants, he becomes the authorised electricity supplier under Schedule 7(1)(10) of the Electricity Act. He is authorised by exemption (Class B: Resale – schedule 4 of the exemptions order, SI 3270/2001) and his tenants become his customers.

Generally, no meter shall be used for ascertaining the quantity of electricity supplied by an authorised supplier to a customer unless the meter is -

- a. of an approved pattern or construction and is installed in an approved manner according to the regulations; and*
- b. is certified by a meter examiner or other person authorised to certify meters”*

The landlord can be exempt from **b.** the requirement for certification if the landlord has agreement in writing with his tenant before the meter is used (Schedule 7(2)(2)). However, there is no exemption for **a.** as *“It is an offence for an authorised supplier to supply electricity through a meter that is not of an approved pattern”*.

What are the implications?

You cannot use a panel mounted meter for tenant billing as no panel meter has Ofgem approval. The approval process is very much more complicated than simply testing the accuracy of the meter. It involves the construction of the device, a statistical analysis of its design life and reliability, how its accuracy stands up to a whole range of environmental influences such as temperature and humidity. It is important not to confuse the terms “approved” and “certified”. Certification is where an approved meter is tested for accuracy at a meter test station. You can get agreement from your tenant that the meter you fit has not been “certified” but you still have to use an “approved” meter that has been accuracy tested by the manufacturer.

How can you be sure a meter is approved?

You need to be careful here because it is not unknown for some suppliers to claim approval when they don't have it. The simple way you can be sure is to ask for a copy of their “Certificate of Approval” (See the example on the right).

If in doubt contact a reputable supplier or Ofgem. Using new approved meters may cost a little more but they are designed to provide long and reliable service and often have communications built in as standard so they can be readily integrated into an automatic billing system. More importantly they protect the landlord from any accusations of impropriety.

