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PAB DEROGATION REPORT – NEXT GENERATION UTILITIES/BESPOKE METERING SOLUTIONS – TRANSFER OF SEALING PLIERS

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FOR DECISION	This paper sets out a report to the Performance Assurance Board (PAB) on a Derogation Application received on 13 October 2025 from Next Generation Utilities Ltd. The Derogation relates to permitting the transfer of the existing sealing pliers from Bespoke Metering Solutions Ltd to Next Generation Utilities Ltd. Both companies are owned by the same individual. This is due to the organisations undergoing restructuring. The Code Manager requests the PAB to: • **APPROVE** the Derogation Applications as set out below, including the timescales and recommended conditions.

1 BACKGROUND

Sealing pliers are used to seal a meter after works have been carried out. This supports prompt identification of meter tampering. The pliers have dies within them that stamp a reference on the seal, which identifies the operative who completed the work. This traceability back to an individual is important for safety and counter-theft activities.

Organisations are required to qualify under the REC to gain access to sealing pliers, with a register maintained by the Code Manager of individuals who are responsible for each set of pliers. Consolidated Metering Code of Practice (CoMCoP) Appendix 19 Paragraph 25 states that, "Dies shall not be transferred between CoMCoP Parties".

1.1 NEXT GENERATION UTILITIES DEROGATION APPLICATION

Next Generation Utilities Ltd (NGU) submitted a Derogation Application on 13 October 2025 regarding the transfer of ownership of sealing pliers.

Bespoke Metering Solutions Ltd (Company No. 10670768) and Next Generation Utilities Ltd (Company No. 12337789) are metering businesses owned by the same individual. Both Parties are Qualified Electricity Metering Operatives (EMO) and Approved Meter Installers (AMI).

As of 28 February 2025, Bespoke Metering Solutions Ltd (BMSL) ceased trading due to insolvency. Business assets have been sold to Utilita Field Services, as well as Next Generation Utilities Ltd. Utilita Field Services acquired goodwill, tangible assets (mobile phones, tooling and equipment) and 1 contract, with 2 employees transferring. NGU purchased goodwill and tangible assets (plant and machinery).

BMSL retains possession of a significant quantity of sealing pliers coded "BMS." These tools remain in usable condition and cannot be sold to another Party. During market exit due to insolvency we may request the administrator destroys dies, as has taken place recently.

BMSL propose to transfer the use and ownership of the sealing pliers from BMSL to NGU.

A summary of the Derogation and recommendations for the PAB to consider are set out below.

1.2 DEROGATION SUMMARY

The below information has been compiled by the Code Manager in relation to the Derogation Application:

	DEROGATION DETAILS
Summary of the issue	A Derogation is required to permit the transfer of the sealing pliers from Bespoke Metering Services to Next Generation Utilities, to enable ongoing activities with clients to continue and allow the business restructure to be completed.
Summary of the proposed Derogation and impacted REC obligations	CoMCoP Appendix 19 Paragraph 25 states that, "Dies shall not be transferred between CoMCoP parties".
Related Derogations or applications	RECDER_24 allowed a temporary (two months) transfer of sealing pliers to allow agents to use pliers whilst new ones were purchased following a TUPE of staff. RECDER_25 allowed transfer of sealing pliers between Parties that were undergoing organisation restructure.

	Please note – these reorganisations were voluntary not due to insolvency.
Impacted REC Parties and Service Providers	Bespoke Metering Solutions Ltd Next Generation Utilities Ltd
Impacts on Retail Risks	Retail Risk II has metering processes as a relevant scope area. The risk determination in this area is very high, hence the CoMCoP accreditation processes in place, including around sealing plier registration and management.
Legal advice obtained in relation to the application	N/A
Technical advice obtained in relation to the application	• There are no identified REC System impacts or Enquiry Services impacts; • There is no identified need for a technical Impact Assessment from any REC Service Providers; • There is no identified need for any system monitoring or reporting to help inform future REC Changes.
Length of the Derogation	One-off Derogation to permit the transfer detailed above to take place for Next Generation Utilities Ltd.
Conditions to any Derogation	Next Generation Utilities Ltd will confirm to REC PAB that the transfer of dies has been accurately recorded, and that systems continue to operate in accordance with REC qualification and accreditation standards. Next Generation Utilities Ltd will be responsible for maintaining and documenting the chain of ownership of sealing pliers being transferred. These should not be exchanged between operatives. This shall be inspected as part of the next CoMCoP audit of the recipient, due in April 2027.
Ofgem consent	N/A

2 RECOMMENDATIONS

This is the third Derogation that has been submitted within the last six months against this clause. The reasons for these transfers have been based on commercial restructures. Whilst the intent of the clause remains to ensure clear identification of the last Party to attend a site, the PAB should consider whether future requests of a similar nature should continue to be submitted and managed as Derogations. The Code Manager recommends that a REC Issue should be raised into the Change process to determine the appropriate criteria that would allow for the Code Manager to approve a transfer, and which require greater scrutiny, for example the approval of PAB or the Metering Expert Panel (MEP).

3 PAB ACTIONS

PAB DECISION

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The Code Manager recommends the PAB to **APPROVE** the Derogation Application as set out above, including the timescales and recommended conditions.

The Code Manager recommends a REC Issue is raised to determine the criteria where the Code Manager can approve transfer of dies, without recourse to a REC Committee, and when a REC Committee decision would be required.