

Appendix 10 – Supplementary document for electricity supply licence standard conditions

10.1 This appendix sets out the draft supplementary document that we intend to publish with the revised electricity supply standard licence conditions.

10.2 Further background information on this draft supplementary document can be found in Chapter 3 of this document.

Standard conditions of electricity supply licence

Supplementary document

Introduction

- 1 This supplementary document relates to the standard conditions of the Electricity Supply Licence (“the standard conditions”). It has been prepared by the Office of Gas and Electricity Markets (“Ofgem”) to assist the reader in understanding the standard conditions. It does not form part of the standard conditions, is not binding on the Authority, does not fetter the Authority’s discretion and has no legal effect. It may be amended from time to time.
- 2 The supplementary document needs to be read in conjunction with the standard conditions, located at: [INSERT LINK]. It is not, and is not meant to be, a comprehensive description of the standard conditions. Where a standard condition or part of it does not seem to require any explanation or comment, none is given.
- 3 Words and expressions defined in the standard conditions begin with capital letters and have the same meaning in this supplementary document.

Summary and background

- 4 Under the Electricity Act 1989 (“Act”), a person who supplies electricity to any premises is guilty of an offence unless he is authorised to do so by a licence (or benefits from an exemption under the Act). The Authority may grant a licence, known as an Electricity Supply Licence. Such a licence may include standard conditions which are common to all Electricity Suppliers. (Not all standard conditions necessarily have effect in all Electricity Supply Licences.)
- 5 The standard conditions of the Electricity Supply Licence are set out in that licence in two sections. Section A contains standard conditions which have effect for all Electricity Suppliers. Section B contains standard conditions which have effect for all Electricity Suppliers that are authorised to supply electricity to Domestic Premises.
- 6 A commentary follows on each of the standard conditions in Section A and Section B of the Electricity Supply Licence. Bold numerals at the start of a paragraph indicate the paragraph of the relevant standard condition to which the particular comments apply.

SECTION A: STANDARD CONDITIONS FOR ALL SUPPLIERS

Condition 1. Definitions for standard conditions

Purpose

- 7 Standard condition 1 sets out defined words and expressions used in the standard conditions of the Electricity Supply Licence.

Particular information

- 8 **General:** The effect of paragraph 1 of standard condition 2 is that, unless the context otherwise requires, any word or expression defined in the Act, the Utilities Act 2000 or the Energy Act 2004 has the same meaning when used in the standard conditions of this licence. In some cases the standard conditions define a word or expression where it is unnecessary to do so (for example, “Working Day”) because it is also defined in the Act. Generally, this has been done where a word or expression is commonly used in order to assist the licensee and any other person interpreting the standard conditions.
- 9 **“Distribution Services Area”:** The relevant part of the standard condition mentioned in this definition is sub-paragraph 5(b).
- 10 **“Writing”:** This definition is intentionally broad. For example, it will include writing sent or received by Electronic Communication. The definition of the latter term is intended to allow any person, including an Electricity Supplier, the Authority and a Customer, in appropriate cases, to send or receive text in an electronic form. However, the person receiving that text must have expressed a willingness, to the person sending it, to receive the text in that form. That form may, for example, be by email or a text message sent to the person’s mobile telephone.

Condition 2. Interpretation of standard conditions

Purpose

- 11 Standard condition 2 contains information about the way in which the standard conditions are to be interpreted.

Particular information

- 12 **2.7, 2.8:** Section 49 of the Act requires the Authority to keep a register of particular matters including every modification or revocation of, and every direction or consent given or determination made under, an Electricity Supply Licence.

Condition 3. Application of Section B of standard conditions

Purpose

- 13 Standard condition 3 includes information about when Section B of the standard conditions will have effect in the licensee’s Electricity Supply Licence, the

process to achieve this and the process to vary the terms under which Section B has effect or to stop it having effect.

Particular information

- 14 **3.1(a):** A scheme made under schedule 7 to the Utilities Act 2000 was necessary to ensure the continuity of licensing for those holding licences granted under the Act at the time that the Utilities Act 2000 came into effect. It also provided the vehicle by which the standard conditions of licences, which were determined and published by the Secretary of State under section 33(1) of the Utilities Act 2000, were incorporated into such licences with effect from 1 October 2001.
- 15 **3.3:** At the date of this supplementary document, the relevant regulations (called the Application Regulations in the Electricity Supply Licence) are the Electricity (Applications for Licences, Modifications of an Area and Extensions and Restrictions of Licences) (No 2) Regulations 2004 (SI 2004/2952). An application for Section B to have effect in the licensee's Electricity Supply Licence will be an application for an extension of an Electricity Supply Licence under these regulations.

Condition 4. Licensee's payments to Authority

Purpose

- 16 Standard condition 4 requires the licensee to make particular payments to the Authority in respect of Competition Commission references.

Condition 5. Provision of Information to Authority

Purpose

- 17 Standard condition 5 requires the licensee to provide Information to the Authority in particular circumstances.

Particular information

- 18 **5.1:** The Authority's power to require the licensee to provide it with Information is intentionally broad. However, the Authority must reasonably require that Information or it must be necessary to enable the Authority to perform any of its functions under legislation. Such legislation includes, but is not limited to, the Act, the Utilities Act 2000, the Energy Act 2004 [and the Consumers, Estate Agents and Redress Act 2007].

- 19 **5.2(a):** The Authority’s functions under section 47 of the Act are, in summary:
- to keep under review the carrying on in Great Britain and elsewhere of relevant activities, including activities connected with the supply of electricity and the generation of electricity by microgeneration; and
 - to collect information with respect to those activities and the persons by whom they are carried on, with a view to facilitating the exercise of the Authority’s functions under Part 1 of the Act.
- 20 **5.3:** Section 48 of the Act allows the Authority to publish advice and information that would promote the interests of consumers in relation to electricity. Where a licensee gives comments on text in accordance with the requirement in this paragraph, the Authority is likely to have confidence in its accuracy.

Condition 6. Classification of premises

Purpose

- 21 Standard condition 6 is intended to include all relevant information about the classification of premises as Domestic Premises or Non-Domestic Premises.

Particular information

- 22 **6.2:** A Non-Domestic Premises may be a premises occupied on a commercial basis, including a hotel, nursing home or local authority housing.
- 23 **6.4:** The effect of this paragraph is that the licensee is not required to enter into a Domestic Supply Contract or to supply electricity pursuant to a Deemed Contract for Domestic Premises before the end of the Non-Domestic Supply Contract or Deemed Contract for Non-Domestic Premises that was in force before the change of use. If the licensee continues to supply the Customer’s premises after the end of that Non-Domestic Supply Contract or Deemed Contract, it must do so under the appropriate type of Contract or Deemed Contract.

Condition 7. Terms of Contracts and Deemed Contracts

Purpose

- 24 Standard condition 7 requires that certain terms about termination and continuity must be included in all Contracts and Deemed Contracts, that the terms of Deemed Contracts must not be unduly onerous and that the licensee must take all reasonable steps to provide information to Customers about Deemed Contracts. It also contains requirements about the calculation of electricity consumption under Deemed Contracts and the effect of a Last Resort Supply Direction on Deemed Contracts.

Particular information

- 25 **7.1:** The purpose of this paragraph is to ensure that the Contract or Deemed Contract with the Electricity Supplier that had been supplying a Customer's premises (before the Last Resort Supply Direction has effect) will end so that a Deemed Contract with the new Electricity Supplier can begin when the Last Resort Supply Direction has effect.
- 26 **7.2:** This paragraph is intended to clarify that the references to ending a Domestic Supply Contract in paragraph 7.1 relate only to the supply of electricity and not to the provision of any other good or service. This reflects the particular characteristics of the supply of electricity (for example, that a Customer's premises may be supplied by only one Electricity Supplier at a time). The contract may continue in respect of the other goods or services (for example, energy efficiency products) for which the Customer would remain liable to the old Electricity Supplier.
- 27 **7.3, 7.4:** The steps required to be taken will depend on all the circumstances of the case. One example of the way in which terms would be unduly onerous is described in paragraph 7.4.
- 28 **7.7:** The steps required to be taken will depend on all the circumstances of the case. Such steps are likely to be required to be taken after the licensee has become aware that it is supplying the Customer's premises under a Deemed Contract.
- 29 **7.8:** The relevant time period will depend on all the circumstances of the case. In most cases, the licensee would be expected to send the copy of the Deemed Contract no later than five Working Days after it receives the request.
- 30 **7.10:** Provisions in standard condition 8 (Obligations under Last Resort Supply Direction) place obligations on an Electricity Supplier that has been given a Last Resort Supply Direction in relation to amounts it may charge for the supply of electricity and a requirement to inform the Customer that he may enter into a Contract with the licensee or any other Electricity Supplier.

Condition 8. Obligations under Last Resort Supply Direction

Purpose

- 31 Standard condition 8 sets out when the Authority may give the licensee a Last Resort Supply Direction, what the licensee must do if it receives such a direction and the restrictions on the amounts it may charge for the supply of electricity to Customers it supplies under the direction.

Particular information

- 32 **8.5:** The relevant time period will depend on all the circumstances of the case, including the quality of information provided about the premises affected by the direction and the number of such premises. In some cases, that period may be no more than five Working Days.

Condition 9. Claims for Last Resort Supply Payment

Purpose

- 33 Standard condition 9 describes when the licensee may make a claim for compensation from a Relevant Distributor for costs related to supplying premises after receiving a Last Resort Supply Direction and how much it may claim.

Particular information

- 34 **9.2:** In making a decision about which Electricity Supplier it will give a Last Resort Supply Direction to, the Authority will consider all relevant matters including whether an Electricity Supplier has stated that it will not make a claim for a Last Resort Supply Payment.

Condition 10. Restriction or revocation of licence

Purpose

- 35 The purpose of standard condition 10 is to require the licensee to take all reasonable steps to ensure that premises continue to be supplied with electricity by an Electricity Supplier or a person exempt from holding an Electricity Supply Licence if the licensee's Electricity Supply Licence is restricted or revoked.

Particular information

- 36 **Background:** Each Electricity Supply Licence authorises a licensee to supply electricity to any premises, only to particular premises or to premises situated in a specified area. Most Electricity Supply Licences authorise an Electricity Supplier to supply electricity to any premises in Great Britain. (Other matters affect the Customers to whom the licensee can supply electricity, such as whether Section B has effect in its licence.) An Electricity Supplier may make an application under the Application Regulations to the Authority to restrict the premises to which it may supply electricity.

Standard condition 10 applies where the licensee makes such an application or makes an application to the Authority to revoke its Electricity Supply Licence. In such cases, the condition requires the licensee to take all reasonable steps to provide for the Customers affected by the restriction or the revocation.

- 37 **10.3:** It is likely that the Authority will give a direction relieving the licensee of the requirement to comply with paragraph 10.1 (which contains requirements about the continuity of supply of electricity) only in limited circumstances.

Condition 11. Compliance with codes

Purpose

- 38 This conditions relates to the licensee’s obligations in respect of the Grid Code, Distribution Code, Master Registration Agreement (MRA), Distribution Connection and Use of System Agreement (DCUSA), Connection and Use of System Code (CUSC) and Balancing and Settlement Code (BSC), collectively defined as the Industry Codes in standard condition 1 (Definitions for standard conditions).

Particular information

- 39 **11.1:** The Authority may give the relevant direction as neither the Distribution Code nor the Grid Code has a mechanism for relieving a licensee from its obligations under it. The Authority is likely to give such a direction only in exceptional circumstances.
- 40 **11.2:** To become a party to the Master Registration Agreement, the licensee must have a completed accession application form accepted by the MRA Executive Committee (known as MEC). To become a party to the Distribution Connection and Use of System Agreement, the licensee must be a party to the DCUSA Accession Agreement. To be a party to the Connection and Use of System Agreement and the Balancing and Settlement Code, the licensee must be a party to the relevant framework agreement. Further information on accession to industry codes can be found in the document called, “Application Handbook 3 – Electricity Supply” published by Ofgem in January 2005, located at: [INSERT].

Unlike the Grid Code and the Distribution code, these codes and agreements contain provisions by which a party can be relieved of its obligations under them. So, where a licensee has been relieved of any obligation under such a code or agreement, it will not have to comply with that obligation in order to comply with that code or agreement. Accordingly, it will not have to do so in order to comply with this standard condition.

- 41 **11.3:** The steps required to be taken by the licensee will depend on all the circumstances of the case. Such steps may require the licensee to propose a Consequential Change where, in its view, such a change is necessary unless it has already been proposed by another relevant person.
- 42 **11.5:** This paragraph ensures that the Fuel Security Code is common to all Electricity Suppliers and that it may be modified in the same way as other standard conditions under section 11A of the Act. (The Fuel Security Code may also be modified in a number of other ways which are provided for in the code itself.)

Condition 12. Matters relating to Electricity Meters

Purpose

- 43 Standard condition 12 relates to Electricity Meters. In particular, it requires licensees to take all reasonable steps to detect and prevent theft, establishes an inspection regime for Non-Half-Hourly Meters, limits the power consumed by apparatus on the Customer's side of an Electricity Meter without the Customer's consent and requires licensees that previously held a public electricity supply licence to continue to provide prepayment meter services for prepayment meters operated by the use of tokens and cards for a certain period of time within their Supply Services Area.

Particular information

- 44 **12.1:** The steps required to be taken by the licensee will depend on all the circumstances of the case. In relation to the detection of theft, the Authority is likely to expect the licensee to seek to identify suspected or actual cases of theft. This may be done through agents of the Electricity Supplier who attend Customers' premises recognising theft and reporting it, by receiving and recording reports from other sources or through analysis highlighting unusual consumption patterns. Detection may be accidental, arising from routine visits for other purposes, or it may be proactive.

In relation to the prevention of theft, the Authority is likely to expect the licensee to stop the continuation of theft once it has been detected and confirmed by investigation. Generally it may involve measures to deter theft from taking place, such as publicity about the dangers of and penalties for interference with Electricity Meters.

- 45 **12.4, 12.8:** These paragraphs only applies to licensees that previously held public electricity supply licences and, subsequently, had Section D of the standard conditions in effect in their Electricity Supply Licences.
- 46 **12.11:** The Authority is likely to expect the licensee to give reasons, in its Notice, why stopping to offer to provide or procure the provision of the relevant prepayment meter services will not, in the licensee's opinion, be detrimental to the interests of Customers.
- 47 **12.14:** The person carrying out an inspection for the purposes of this paragraph is likely to be a Representative of the licensee. It should be noted that the requirements of condition 13 will apply to such a Representative, when he visits the Customer's premises for the purposes of inspecting a Non-Half-Hourly Meter.

Condition 13. Arrangements for site access

Purpose

- 48 Standard condition 13 places obligations on licensees to ensure that they exercise their statutory rights to enter premises responsibly.

Particular information

- 49 **13.1:** The steps required to be taken will depend on all the circumstances of the case. They may include:
- having regard to relevant information about criminal offences, subject to the Rehabilitation of Offenders Act 1974;
 - providing the appropriate training for Representatives;
 - being able to provide accurate and up-to-date information appropriate to the purpose of the visit;
 - ensuring Representatives carry identity cards, showing the name of the company they are representing, the name and signature of the Representative and their photograph. Identity cards should also have an expiry date and contact telephone number on them to enable Customers to verify the identity of Representatives and the purpose of their visit;
 - making suitable arrangements for visiting Customers who are blind, partially sighted, of Pensionable Age, disabled or chronically sick. These should include a password scheme and, where practicable, the provision of Braille and large print substitutes for identity cards. Arrangements for identity cards and passwords should include arrangements for keeping them secure.
- 50 **13.2(b):** The effect of this requirement is that the information should not be difficult to find on the licensee's Website.

Condition 14. Customer transfer blocking

Purpose

- 51 Standard condition 14 contains a general prohibition preventing the licensee from blocking the transfer of a Customer to another Electricity Supplier and exceptions to that prohibition.

Particular information

- 52 **14.3:** The relevant time period will depend on all the circumstances of the case. In most cases, the licensee would be expected to give or send the Notice no more than one Working Day after the request is made.
- 53 **14.4(d):** The direction issued by the Authority deals with an energy services trial and can be located at [INSERT WEBLINK].
- 54 **14.5(b):** The steps that the licensee will have been required to take will depend on all the circumstances of the case. Such steps are likely to be the same as those required to be taken for the purpose of paragraph 2 of standard condition 28 (Prepayment meters), discussed further below. If, having made reasonable attempts to contact the Customer, the licensee reasonably believes that the Customer is purposely preventing the licensee from accessing the premises to

recalibrate the prepayment meter, the licensee is likely to be able to make a request to prevent a Proposed Supplier Transfer in accordance with subparagraph 14.4(a).

- 55 **14.6:** The relevant time period will depend on all the circumstances of the case. In most cases, the licensee would be expected to give or send the Notice to the Domestic Customer no more than one Working Day after the request is made.
- 56 **14.7(b):** The relevant time period will depend on all the circumstances of the case. In most cases, the licensee would be expected to give or send the relevant information to the proposed new Electricity Supplier no more than one Working Day after the request is made.

Condition 15. Assistance for areas with high distribution costs scheme: payments to System Operator

Purpose

- 57 Standard condition 15 relates to a scheme made by the Secretary of State to assist consumers in an area of the north of Scotland with particular distribution costs and funding arrangements for an Energy Administration Order.

Particular information

- 58 **Background:** The Secretary of State made an order under section 184 of the Energy Act 2004 called the Energy Act 2004 (Assistance for Areas with High Distribution Costs) Order 2005 (SI 2005/528). It introduced a requirement that each Electricity Supplier contribute to a scheme for the benefit of consumers in an area in the north of Scotland, where the costs of distributing electricity are significantly higher (calculated on a per Customer basis) than in other areas of Great Britain. Standard condition 15 requires the licensee to contribute to the scheme through payments made to the System Operator, who is under a separate licence obligation to pass on those payments to the Relevant Distributor to subsidise its distribution costs.

Standard condition 15 also contains a mechanism that would require the licensee, should a network operator ever become insolvent, to make payments to the System Operator in order to make good any unrecovered costs arising from the statutory administration regime that would need to be put in place to rescue that company.

- 59 **15.9:** This paragraph sets out all the defined words and expressions used in the condition and their corresponding definitions. This approach has been adopted for ease of reference here as this condition uses a large number of defined terms that are unique to it.

Conditions 16 to 19

- 60 Not used

Condition 20. Enquiry service and Supply Number

Purpose

- 61 Standard condition 20 requires the licensee to provide information to Customers about the Licensed Distributor's Enquiry Service and their Supply Number.

Condition 21. Fuel mix disclosure arrangements

Purpose

- 62 The purpose of standard condition 21 is to require the licensee to publish specified information about Energy Sources from which the electricity supplied by it has been generated and the environmental impact of generating electricity from those sources.

Particular information

- 63 **Background:** The Secretary of State, in exercise of powers conferred by section 2(2) of the European Communities Act 1972, made the Electricity (Fuel Mix Disclosure) Regulations 2005 (SI 2005/391). They amended the standard conditions in Electricity Supply Licences to give effect to Article 3.6 of Directive 2003/54 of the European Community concerning common rules for the internal market in electricity. Article 3.6 of that Directive requires Member States to ensure that each Electricity Supplier specifies on or with its Bills and in Promotional Materials made available to Customers, certain information about the contribution of each Energy Source to the supplier's overall fuel mix over the preceding year. Standard condition 21 gives effect to that Article.
- 64 **21.15:** This paragraph sets out all the defined words and expressions used in the condition and their corresponding definitions. This approach has been adopted for ease of reference here as this condition uses a large number of defined terms that are unique to it.

SECTION B: STANDARD CONDITIONS FOR DOMESTIC SUPPLIERS

Condition 22. Duty to offer and supply under Domestic Supply Contract

Purpose

- 65 Standard condition 22 sets out what the licensee is required to do in relation to offering a Domestic Supply Contract and the duty to supply under it. It also requires the licensee to provide copies of the forms of Domestic Supply Contracts to Customers and to anyone else requesting them.

Particular information

- 66 **22.5:** The Secretary of State has made the Electricity Act 1989 (Uniform Prices in the North of Scotland) Order 2005 (SI 2005/490). In particular, it provides that an Electricity Supplier must ensure that the prices which it charges, in respect of a comparable supply of electricity to a Domestic Customer at any Domestic Premises within a designated area of the north of Scotland (that area is

described in the order) do not take into account the geographical location of the premises within that area.

- 67 **22.6(a):** At the date of this supplementary document, the relevant regulations are the Electricity Safety, Quality and Continuity Regulations 2002 (SI 2002/2665). They impose requirements about the installation and use of electrical networks and equipment owned or operated by generators, distributors (which include transmitters) and meter operators and about the participation of electricity suppliers in providing electricity to consumers (all such persons are collectively referred to as “duty holders”). Agents, contractors and sub-contractors of duty holders also have duties under these regulations.
- 68 **22.6(b):** The licensee is unlikely to be able to rely on the exception in this subparagraph to refuse to offer a Domestic Supply Contract and supply under it for the sole reason that there is no Electricity Meter at the premises. The licensee may be required to arrange for an Electricity Meter to be installed to enable it to supply the premises.
- 69 **22.7:** In most cases, this paragraph requires the licensee to provide a copy of standard forms of Domestic Supply Contracts, on request. There may be more than one such form of Contract. Further, the relevant time period for providing it to the Domestic Customer will depend on all the circumstances of the case. In most cases, it is not expected to be more than five Working Days.

Condition 23. Notification of Domestic Supply Contract terms

Purpose

- 70 Standard condition 23 requires the licensee to provide notification to a Domestic Customer of the terms of Domestic Supply Contracts and Deemed Contracts in particular circumstances.

Particular information

- 71 **23.1:** The steps required to bring the Principal Terms to the attention of the Domestic Customer will depend on all the circumstances of the case. For example, the Principal Terms of a Domestic Supply Contract may be read to a person during a telephone conversation that the licensee wishes will lead to the making of a Domestic Supply Contract.
- 72 **23.2:** The purposes of this requirement are to ensure that Domestic Customers are aware of the terms of the Deemed Contract that will apply to the supply of electricity to their premises if they do not enter into a Domestic Supply Contract with the licensee or another Electricity Supplier and that they have sufficient time to evaluate their options, including a transfer to another Electricity Supplier.
- 73 **23.3(b):** Examples of variations, other than an increase in charges, that are to the significant disadvantage of the Customer may include: an increase in the length of a fixed term Domestic Supply Contract, an increase of the Termination Fee or any other change to the termination arrangements or any increase in the

customer's liability (or reduction of the licensee's liability) under the Domestic Supply Contract.

74 **23.3:** The Notice must be given directly to a person in Writing. A mass media communication of the variation would not satisfy this requirement.

75 **23.4(a):** The Notice may be given at any reasonable time before the end of 65 Working Days after the date on which the unilateral variation has effect. This allows for the Notice to be given either before or after the variation has effect, as the licensee chooses. However, it is unlikely that Notice given one year before the unilateral variation is to have effect would be reasonable.

76 **23.5:** This paragraph allows the Domestic Customer to notify the licensee at any time after he becomes aware of the variation but no later than 10 Working Days after he receives the Notice from the licensee about the variation. The customer may become aware of the variation by any means (for example, by way of a news item on a television or radio broadcast). The effect of this may be that a Domestic Customer will have more than a period of 10 Working Days within which he may notify the licensee that he is ending the Domestic Supply Contract.

The notice may be given to the licensee in any form, such as orally or in writing. As a consequence of receiving the notice, the licensee may be required to pay back to the Customer the amount of the increase in charges.

77 **23.6:** The purpose of this paragraph is to ensure that if the Domestic Customer does not switch to another Electricity Supplier within a reasonable period of time, the licensee is not required to treat the variation as ineffective. Such a period will depend on all the circumstances of the case. In most cases, that period is expected to be less than 40 Working Days.

78 **23.7:** The Authority is likely to give the relevant approval only in very limited and exceptional circumstances.

Condition 24. Termination of Domestic Supply Contracts

Purpose

79 Standard condition 24 requires a licensee to include certain terms in its Domestic Supply Contracts relating to the termination of those contracts and sets out restrictions on the licensee's right to charge Termination Fees.

Particular information

80 **24.1(b)(ii):** The purpose of referring to the relevant date is to establish a final point after which a Domestic Customer who has stopped owning or occupying premises is not liable to pay for electricity taken by another person at those premises or any other relevant ongoing charge (for example, a standing charge).

81 **24.4:** The Authority may consider making a direction under this paragraph if, for example, an industry ombudsman is empowered to make binding decisions about

termination fees provided for in Domestic Contracts of indefinite lengths in relation to every Electricity Supplier.

Condition 25. Marketing electricity to Domestic Customers

Purpose

82 Standard condition 25 relates to the Marketing Activities of the licensee in respect of a supply or a proposed supply of electricity to Domestic Premises.

Particular information

83 **25.1:** The steps that a licensee could be reasonably expected to take in order to comply with this paragraph will depend on all the circumstances of the case. They may include, as a minimum:

- **(a):** having regard to relevant information about criminal offences, subject to the Rehabilitation of Offenders Act 1974;
- **(c)(i):** ensuring staff carry identity cards, showing the name of the company they are representing, a contact telephone number, the name, signature and photograph of the holder, and an expiry date; and
- **(c)(ii):** ensuring staff leave appropriate paperwork which clearly sets out that a contract has been entered into, when a Domestic Customer has agreed to be supplied by the licensee.

84 **25.9:** The Authority is likely to give the relevant approval only in very limited and exceptional circumstances.

85 **25.10:** This paragraph is likely to require the licensee to have in place procedures to ensure its own compliance with this condition and to ensure that any agents and sub-contractors also have such procedures in place. The licensee must take steps to ensure that those procedures are being followed, performance is monitored and that remedial action is taken, where necessary, against its employees, agents or sub-contractors.

Condition 26. Services for specific Domestic Customer groups

Purpose

86 This condition relates to the licensee's services for Domestic Customers who are of Pensionable Age, disabled or chronically sick.

Particular information

87 **26.1:** Whether it is reasonably practicable and appropriate to provide the service requested will depend on the circumstances of any request. In most cases it will be reasonably practicable and appropriate to do so.

- 88 **26.1 (a) and (b):** It is likely to always be reasonably practicable and appropriate to provide a password or to send the Bill or statement of account to another person when requested.
- 89 **26.2:** This paragraph requires the licensee to provide information in a form that is readily accessible to blind or partially sighted Domestic Customers in general. For example, information may be provided in Braille, large print or in audio tape. The licensee is not required to tailor the form of the information to the particular needs of an individual customer.
- 90 **26.3(a):** To satisfy this requirement, the licensee may provide facilities such as a telephone service and information in Braille or large print.
- 91 **26.3(b):** To satisfy this requirement, the licensee may provide facilities such as an adapted telephone service (that is, a textphone or mini-com) and provide for information to be sent and received by fax or email.
- 92 **26.7(b):** A Domestic Customer is likely to require advance notice of any interruption to supply where he is blind, partially sighted, deaf or hearing impaired as well as where he is dependant on electricity for medical equipment. A licensee may have reason to believe that a Domestic Customer requires advance notice depending on the reasons given by or on behalf of that customer when requesting registration on the Priority Services Register. A licensee may know or have reason to believe that a Domestic Customer requires advance notice even if the Domestic Customer has not asked to be registered on the Priority Services Register.
- 93 **26.8(b):** The effect of this requirement is that the information should not be difficult to find on the licensee's Website.

Condition 27. Payments, Security Deposits and Disconnections

Purpose

- 94 Standard condition 27 relates to payment methods under a Domestic Supply Contract, Security Deposits and steps to be taken by the licensee for Domestic Customers in payment difficulty or who have not paid Charges for the Supply of Electricity.

Particular information

- 95 **27.1(a)(i):** A place that is reasonable in all the circumstances is likely to include a shop, bank or post office which has a branch local to the Domestic Customer and either has extended opening hours during the week or is open one day of the weekend.
- 96 **27.3(b):** It may be unreasonable in all the circumstances of the case to require a Domestic Customer to pay a Security Deposit (for example, if that customer has a payment history showing regular prompt payment of Charges for the Supply of Electricity or where the customer has demonstrated a reasonable credit history).

- 97 **27.4:** The amount of a security deposit will depend on all the circumstances of the case. In most cases it is not expected to exceed one and a half times the value of the average quarterly consumption of electricity reasonably expected at the relevant premises. There may be circumstances in which that amount may be lower and circumstances in which it may be higher.
- 98 **27.5:** The licensee is likely to become aware or have reason to believe that a Domestic Customer is having or will have difficulty paying charges if an agent or an employee is informed by the customer or another reliable person that that is the case. The licensee may also have reason to believe that that is the case if the customer does not make an instalment payment or fails to pay the amount after it is demanded by the licensee.
- 99 **27.5, 27.6, 27.9:** The licensee is required to offer all the services set out in 27.6 to a Domestic Customer in the relevant circumstances. The customer may choose to pay Charges for the Supply of Electricity by any of the facilities referred to in sub-paragraph 27.6(a), where available to him. If the customer chooses to pay the outstanding charges by using a means by which payments may be deducted at source from a social security benefit (27.6(a)(i)) or by regular instalments (27.6(b)) and later fails to pay the charges using that facility, the licensee must not Disconnect the customer's premises unless it has first taken all reasonable steps to recover those charges by means the service to be offered under 27.6(a)(iii).
- 100 **27.6(a)(iii):** For the purpose of this sub-paragraph, it is likely that what is safe and reasonably practicable should be considered from the Domestic Customer's perspective. Relevant factors are likely to include whether the customer is able to understand and operate the prepayment meter and visit top-up points to add more credit are likely to be relevant. It may not be reasonably practicable to provide a prepayment meter if a Domestic Customer needs to travel over two miles to top up the credit. However, there are likely to be limited circumstances where what is safe and reasonably practicable can be considered from the licensee's perspective. An example of such a circumstance may be where the customer has had a history of theft or meter tampering.
- 101 **27.8:** This paragraph is likely to require the licensee to, as a minimum, attempt to enter into a dialogue with the Domestic Customer or his representative to assess what he can afford. Such attempts may involve the licensee writing to the customer with a proposed instalment plan. When setting instalments to be paid through a prepayment meter, the affordability of the total value of all charges to be recovered by this means must be assessed.

Where a Domestic Customer is in receipt of social security benefits, the licensee should almost certainly presume that instalments greater than the amount set by central government that can be deducted at source from a benefit will be beyond the customer's ability to pay. At the date of this supplementary document, the system for making such deductions is known as Fuel Direct and the amount of deductions is determined by the Department for Work and Pensions. The licensee should not set instalments greater than this amount unless there is clear

evidence that this is affordable (for example, if the Domestic Customer agrees to pay higher instalments).

- 102 **27.12(b)**: The effect of this requirement is that the information should not be difficult to find on the licensee's Website.

Condition 28. Prepayment meters

Purpose

- 103 Standard condition 28 requires the licensee to do certain things where it offers to accept or accepts payment through prepayment meters from Domestic Customers for Charges for the Supply of Electricity.

Particular information

- 104 **28.1(a)**: Information about the advantages and disadvantages of the prepayment meter is likely to include information about any difference in the charges payable through the prepayment meter compared to those payable under other payment methods, the possible difficulties of topping up the prepayment meter and the consequences (in particular, self-disconnection) of not having sufficient credit on the meter. If the licensee uses prepayment meter technology which does not automatically update to reflect changes in the licensee's charges, the information is likely to include any disadvantages for the customer of a time lag between the price change and the recalibration.
- 105 **28.1(c)**: Other relevant information about the licensee's procedures may include information about when the Domestic Customer can change to a credit meter, any costs associated with doing so and what would happen if the licensee fails to meet such timescales.
- 106 **28.2(a)**: Where prices were changed before [date on which these conditions come into effect] and the prepayment was not already been reset to reflect the new price all reasonable steps must be taken to reset the price. All reasonable steps to reset the price must be taken within a reasonable period of time from [date on which these conditions come into effect], not from when the change to gas prices was made.
- 107 **28.2**: The steps required to be taken will depend on all the circumstances of the case, including whether access to the prepayment meter is required to reset it and whether changes were made before or after [date on which these conditions come into effect]. In cases where access to the prepayment meter is required, the licensee is likely to be required to promptly and proactively contact the Domestic Customer to arrange for the meter to be reset at a time convenient to him. This communication is likely to be required to include written communication as well as cyclical visits by meter operators. It is likely that the written communication should explain that the prepayment meter needs to be reset, ask the customer to contact the licensee to arrange to do so and explain the consequences of a failure to reset the prepayment meter, in particular the likely build up of debt or credit. If a customer makes contact requesting an appointment to reset the meter, an appointment is likely to be required to be

given within a reasonable period of time. That period will depend on all the circumstances of the case but is generally unlikely to be longer than one month.

- 108 **28.3(b)**: The effect of this requirement is that the information should not be difficult to find on the licensee's Website.

Conditions 29 to 30

- 109 Not used

Condition 31. General information for Domestic Customers

Purpose

- 110 Standard condition 31 requires the licensee to provide information to Domestic Customers about the Consumer Council (known as energywatch at the date of this supplementary document) and the efficient use of electricity. It also relates to a procedure which the licensee must use to deal with complaints.

Particular information

- 111 **31.2(b)**: The information the licensee is required to maintain is likely to include clear signposting to the advice and information available to Domestic Customers through the Energy Saving Trust.
- 112 **31.3(c)**: The effect of this requirement is that the information should not be difficult to find on the licensee's Website.

Condition 32. Reporting on performance

Purpose

- 113 Standard condition 32 requires the licensee to provide certain information to the Authority and the Consumer Council when it has been directed to do so.

Particular information

- 114 **32.3**: The relevant direction is likely to require the licensee to produce information at regular time intervals, such as quarterly or annually. The Authority may amend the direction or revoke and replace it when it considers it appropriate to do so.

Version	Date of Change	Pages Affected	Description of Change