

Appendix 11 – Supplementary document for gas supply licence standard conditions

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

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

Standard conditions of gas supply licence

Supplementary document

Introduction

- 1 This supplementary document relates to the standard conditions of the Gas 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 Gas Act 1986 (“Act”), a person who supplies to any premises gas which has been conveyed to those premises through pipes 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 a Gas Supply Licence. Such a licence may include standard conditions which are common to all Gas Suppliers. (Not all standard conditions necessarily have effect in all Gas Supply Licences.)
- 5 The standard conditions of the Gas Supply Licence are set out in that licence in two sections. Section A contains standard conditions which have effect for all Gas Suppliers. Section B contains standard conditions which have effect for all Gas Suppliers that are authorised to supply gas to Domestic Premises.
- 6 A commentary follows on each of the standard conditions in Section A and Section B of the Gas 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 Gas 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 **“Relevant Gas Transporter”:** This expression introduces the concept of premises being Directly Connected. In particular cases, the licensee only has obligations where the Gas Transporters’ pipeline systems are Directly Connected to relevant premises. In such cases, it does not have any obligations in respect of Gas Transporters whose pipeline systems are not so connected.
- 10 **“Relevant Gas Transporter’s Enquiry Service”:** The relevant part of the standard condition and standard special condition mentioned in this definition is sub-paragraph 2(e).
- 11 **“Relevant Payment”:** At the date of this supplementary document, the relevant regulations are the Gas (Standards of Performance) Regulations 2005 (SI 2005/1135).
- 12 **“Transportation Services Area”:** The relevant part of the standard condition mentioned in this definition is sub-paragraph 5(b).
- 13 **“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 a Gas 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

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

Particular information

- 15 **2.7, 2.8:** Section 36 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, a Gas Supply Licence.

Condition 3. Application of Section B of standard conditions

Purpose

- 16 Standard condition 3 includes information about when Section B of the standard conditions will have effect in the licensee's Gas 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

- 17 **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 81(2) of the Utilities Act 2000, were incorporated into such licences with effect from 1 October 2001.
- 18 **3.3:** At the date of this supplementary document, the relevant regulations (called the Application Regulations in the Gas Supply Licence) are the Gas (Applications for Licences and Extensions and Restrictions of Licences) (No 2) Regulations 2004 (SI 2004/2983). An application for Section B to have effect in the licensee's Gas Supply Licence will be an application for an extension of a Gas Supply Licence under these regulations.

Condition 4. Licensee's payments to Authority

Purpose

- 19 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

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

Particular information

- 21 **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.
- 22 **5.2(a):** The Authority's functions under section 34 of the Act are, in summary:
- to keep under review the carrying on both within and outside Great Britain of relevant activities, including the supply to premises of gas which has been conveyed to those premises through pipes and ancillary activities; and
 - to collect information with respect to those activities and the persons by whom they are carried on, with a view to its becoming aware of and ascertaining the circumstances relating to matters with respect to which its functions are exercisable.
- 23 **5.3:** Section 35 of the Act allows the Authority to publish advice and information that would promote the interests of consumers in relation to gas conveyed through pipes. 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

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

Particular information

- 25 **6.2:** A Non-Domestic Premises may be a premises occupied on a commercial basis, including a hotel, nursing home or local authority housing.
- 26 **6.4:** The effect of this paragraph is that the licensee is not required to enter into a Domestic Supply Contract or to supply gas 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

- 27 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 gas consumption under Deemed Contracts and the effect of a Last Resort Supply Direction on Deemed Contracts.

Particular information

- 28 **7.1:** The purpose of this paragraph is to ensure that the Contract or Deemed Contract with the Gas 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 Gas Supplier can begin when the Last Resort Supply Direction has effect.
- 29 **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 gas and not to the provision of any other good or service. This reflects the particular characteristics of the supply of gas (for example, that a Customer's premises may be supplied by only one Gas 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 Gas Supplier.
- 30 **7.3:** 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.
- 31 **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.
- 32 **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.
- 33 **7.10:** Provisions in standard condition 8 (Obligations under Last Resort Supply Direction) place obligations on a Gas Supplier that has been given a Last Resort Supply Direction in relation to amounts it may charge for the supply of gas and a requirement to inform the Customer that he may enter into a Contract with the licensee or any other Gas Supplier.

Condition 8. Obligations under Last Resort Supply Direction

Purpose

- 34 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 gas to Customers it supplies under the direction.

Particular information

- 35 **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

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

Particular information

- 37 **9.2:** In making a decision about which Gas Supplier it will give a Last Resort Supply Direction to, the Authority will consider all relevant matters including whether a Gas Supplier has stated that it will not make a claim for a Last Resort Supply Payment.

Condition 10. Restriction or revocation of licence

Purpose

- 38 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 gas by a Gas Supplier or a person exempt from holding a Gas Supply Licence if the licensee's Gas Supply Licence is restricted or revoked.

Particular information

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

Standard condition 10 applies where the licensee makes such an application or makes an application to the Authority to revoke its Gas 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.

- 40 **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 gas) only in limited circumstances.

Condition 11

- 41 Not used

Condition 12. Matters relating to Gas Meters

Purpose

- 42 Standard condition 12 relates to Gas Meters. It requires meters to be installed or inspected by an approved Meter Installer, establishes a Gas Meter inspection regime, deals with the examination of Gas Meters on request from Customers, makes provision in relation to Gas Meters at Secondary Premises and requires the licensee to use a Meter Asset Manager when arranging for the provision of a Gas Meter at Domestic Premises.

Particular information

- 43 **12.6:** This paragraph provides that paragraph 12.5 does not apply in relation to Secondary Premises, unless the Customer agrees to bear the expenses incurred in removing, examining and re-installing the Gas Meter, and fixing a substitute meter, if the meter is found to be in proper order. It therefore, effectively mirrors the provisions of sub-paragraph 3(6) of Schedule 2B to the Act, which does not apply in relation to Secondary Premises (because gas is not conveyed to such premises by a Gas Transporter).
- 44 **12.7:** This paragraph requires the licensee to fix a substitute meter on any Secondary Premises where a Gas Meter is removed in accordance with paragraph 12.5. It therefore, effectively mirrors the provisions of sub-paragraph 3(5)(b) of Schedule 2B to the Act, which does not apply in relation to Secondary Premises (because gas is not conveyed to such premises by a Gas Transporter).
- 45 **12.12:** The person carrying out an inspection for the purposes of paragraph 12.8 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 Gas Meter and associated installation.
- 46 **12.17:** Paragraph 4 of Schedule 2B to the Act provides that the register of the Gas Meter is to be prima facie evidence of the quantity of gas supplied; and provides for circumstances in which a meter is found to have registered incorrectly. This paragraph is intended to provide a level of protection for Customers at Secondary Premises, in relation to whom the provisions of

paragraph 4 of Schedule 2B to the Act would not otherwise apply (because gas is not conveyed to such premises by a Gas Transporter).

- 47 **12.19:** A Meter Installer approved by the Authority is commonly referred to as an Ofgem Approved Meter Installer (or OAMI). The OAMI scheme (run by Corgi) is intended to ensure that connections are safe and appropriate. Each OAMI complies with Codes of Practice 1/a, 1/b or 1/c, published by Ofgem, depending on the type of work it intends to carry out. Such codes set out the processes that a Meter Installer must follow when installing a Gas Meter. The OAMI scheme is also intended to ensure that a Meter Installer is trained to an appropriate standard.

A Meter Asset Manager (MAM) is responsible for the whole life cycle of the meter. One thing that the Authority will take into account when approving a MAM is whether or not he is compliant with the Meter Asset Manager Code of Practice.

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.

- 51 **13.3:** This requirement is necessary because Schedule 2B of the Act does not provide statutory rights of entry in relation to Secondary Premises as gas is not conveyed to such premises by a Gas Transporter.

Condition 14. Customer transfer blocking

Purpose

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

Particular information

- 53 **14.2(c):** This refers to a modification of the Gas Supply Licence that had effect on 5 January 2004 and, for Contracts entered into on or after that date, provided that the licensee may ask or allow the Relevant Gas Shipper to prevent a Proposed Supplier Transfer where a provision of the Contract with the customer allows the licensee to prevent that transfer. This change also maintained the licensee's ability to prevent a Proposed Supplier Transfer in the circumstances set out in 14.2(c)(i) and 14.2(c)(ii) for Contracts entered into before 5 January 2004.
- 54 **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.
- 55 **14.4(d):** The direction issued by the Authority deals with an energy services trial and can be located at [INSERT WEBLINK].
- 56 **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).
- 57 **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.
- 58 **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 Gas Supplier no more than one Working Day after the request is made.

Condition 15

59 Not used

Condition 16. Security and emergency arrangements

Purpose

60 Standard condition 16 relates to security and emergency arrangements. In particular, it requires the licensee to comply with requests made by a Gas Transporter in particular situations where the safety of people or property (which may include the transporter's pipeline system) could be at risk and to include certain terms in Contracts in relation to such situations.

Condition 17. Mandatory exchange of information

Purpose

61 Standard condition 17 requires the licensee to give information to a Gas Transporter and a Gas Shipper in particular circumstances.

Particular information

62 **17.5(a):** The relevant notice is one that must be given before a person connects a Gas Meter with a service pipe through which gas is conveyed to any premises by a Gas Transporter or disconnects a Gas Meter from such a pipe. It must contain information about the time and place of the proposed connection or disconnection and any other prescribed information. "Prescribed" means prescribed by regulations made, unless the context otherwise requires, by the Secretary of State: see the Gas Meters (Information on Connection and Disconnection) Regulations 1996 (SI 1996/450).

63 **17.5(b):** The relevant information is details of the time and place of a proposed connection or disconnection of a Gas Meter and any other prescribed information and must be given within 48 hours after the connection or disconnection.

64 **17.6, 17.11:** The relevant period of time will depend on all the circumstances of the case. In most cases, it is expected to be consistent with the provisions of the relevant Network Code that requires the Relevant Gas Shipper to pass this information to the Relevant Gas Transporter.

Condition 18. Undertakings to Relevant Gas Transporters

Purpose

65 Standard condition 18 relates to undertakings in respect of security and payment that the licensee must give to every Relevant Gas Transporter about the end of arrangements between the transporter and any Gas Shipper for the conveyance of gas to premises supplied by the licensee.

Condition 19. Payments to Customers

Purpose

- 66 Standard condition 19 relates to amounts to be passed on by the licensee to Customers to compensate them for a failure by the Relevant Gas Transporter to meet particular standards of performance.

Particular information

- 67 **19.2:** It is likely that significant numbers of Customers could be affected by a failure to convey gas by a Gas Transporter. Setting off that amount is likely to be an economical way of passing on the Relevant Payment to Customers where significant numbers of Customers have been affected.

Condition 20. Safety of gas supplies and Meter Point Reference Number

Purpose

- 68 Standard condition 20 requires the licensee to provide information to Customers about their Meter Point Reference Number and an emergency and enquiry service for reporting actual or suspected escapes of gas.

Particular information

- 69 **20.1(b):** At the date of this supplementary document, the telephone number is the National Gas Emergency Number (0800 111 999). That number is required to be established, operated and maintained by all Gas Transporters under standard condition 6 (Emergency Services and Enquiry Service Obligations) or standard special condition A8 (Emergency Services and Enquiry Service Obligations) of the Gas Transporter Licences.
- 70 **20.4:** Gas Transporters are required to take steps to inform users of any new National Gas Emergency Number as soon as practicable before the change becomes effective under standard condition 6 (Emergency Services and Enquiry Service Obligations) or standard special condition A8 (Emergency Services and Enquiry Service Obligations) of the Gas Transporter Licences.

SECTION B: STANDARD CONDITIONS FOR DOMESTIC SUPPLIERS

Condition 21

Not used

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

Purpose

- 71 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 and sets out the manner in which the number of kilowatt hours supplied must be calculated.

Particular information

- 72 **22.5(c):** 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 Gas Meter at the premises. The licensee may be required to arrange for such a Gas Meter to be installed to enable it to supply the premises.
- 73 **22.6:** At the date of this supplementary document, the manner for calculating the relevant number of kilowatt hours is prescribed by the Gas (Calculation of Thermal Energy) Regulations 1996 (SI 1996/439).
- 74 **22.7:** 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

- 75 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

- 76 **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.
- 77 **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 gas to their premises if they do not enter into a Domestic Supply Contract with the licensee or another Gas Supplier and that they have sufficient time to evaluate their options, including a transfer to another Gas Supplier.
- 78 **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 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.
- 79 **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.

80 **23.4(a):** The Notice may be given at any reasonable time before the end of 60 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.

81 **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.

82 **23.6:** The purpose of this paragraph is to ensure that if the Domestic Customer does not switch to another Gas 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.

83 **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

84 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

85 **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 gas taken by another person at those premises or any other relevant ongoing charge (for example, a standing charge).

86 **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 Gas Supplier.

Condition 25. Marketing gas to Domestic Customers

Purpose

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

Particular information

88 **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.

89 **25.9:** The Authority is likely to give the relevant approval only in very limited and exceptional circumstances.

90 **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

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

Particular information

92 **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.

93 **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.

- 94 **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 on audio tape. The licensee is not required to tailor the form of the information to the particular needs of an individual customer.
- 95 **26.3(a):** To satisfy this requirement, the licensee may provide facilities such as a telephone service and information in Braille or large print.
- 96 **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.
- 97 **26.7(b):** This sub-paragraph is likely to require the licensee to provide to the Relevant Gas Transporter the addresses of all customers who are registered on the Priority Services Register. It is unlikely to be necessary to provide the Relevant Gas Transporter with all the information held on the register.
- 98 **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

- 99 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 Gas.

Particular information

- 100 **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.
- 101 **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 Gas or where the customer has demonstrated a reasonable credit history).
- 102 **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 gas 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.
- 103 **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.

- 104 **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 Gas 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 of the service to be offered under 27.6(a)(iii).
- 105 **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.
- 106 **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).

- 107 **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

- 108 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 Gas.

Particular information

- 109 **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.
- 110 **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.
- 111 **28.2(a):** Where changes to gas prices were made before [date on which these conditions come into effect] and the prepayment meter has 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.
- 112 **28.2(b):** 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.
- 113 **28.3(b):** The effect of this requirement is that the information should not be difficult to find on the licensee's Website.

Condition 29. Gas Safety

Purpose

- 114 Standard condition 29 requires a licensee to provide free gas safety checks to certain Domestic Customers on request and to provide all Domestic Customers with information on gas safety issues.
- 115 **29.2(b):** At the date of this supplementary document Pension Credit, Income Support, Housing Benefit, Council Tax Benefit and Jobseeker's Allowance (Income-based) are examples of means tested benefits.
- 116 **29.3:** The purpose of the gas safety check is for the licensee to examine the safety of the Customer's gas installation. This is likely to detect whether there are any conditions which may cause any excessive levels of carbon monoxide.
- 117 **29.5(b):** Information on the dangers of carbon monoxide poisoning should include that it can result in death or lasting neurological damage in victims. Further information on the dangers of carbon monoxide poisoning can be found in Chief Medical Officer letters on the Department of Health website <http://www.dh.gov.uk/en/PublicationsAndStatistics/LettersAndCirculars/ProfessionalLetters/ChiefMedicalOfficerLetters>, and from the Health Protection Agency website http://www.hpa.org.uk/chemicals/compendium/carbon_monoxide/default.htm
- 118 **29.6(b):** The effect of this requirement is that the information should not be difficult to find on the licensee's Website.

Condition 30. Supply Point Administration Agreement

Purpose

- 119 Standard condition 30 requires the licensee to be a party to, comply with and maintain the Supply Point Administration Agreement (SPAA). It also requires the licensee to perform other functions relating to the SPAA.

Particular information

- 120 **30.2:** Whether any steps to prevent or delay the relevant modifications are unreasonable will depend on all the circumstances of the case. Such steps may include steps that will cause a delay to the making of any consequential modification to a relevant industry document.
- 121 **30.4:** The steps required to be taken will depend on all the circumstances of the case. If a modification proposal is not designed to facilitate the achievement of the relevant objectives set out in paragraph 30.5 or removes any of the matters referred to in paragraph 30.6, the licensee is likely to be required to object to it.

Condition 31. General information for Domestic Customers

Purpose

- 122 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 gas. It also relates to a procedure which the licensee must use to deal with complaints.

Particular information

- 123 **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.
- 124 **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

- 125 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

- 126 **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