

Decision on strengthening milestone assessments and additional reporting requirements

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This document sets out our Decision to implement changes to existing rules governing milestone assessments and additional reporting requirements (covering trade sales/purchases, Relevant Merger Situations and senior personnel changes) having consulted on proposals in December 2021.

The document summarises stakeholder feedback received in response to our statutory consultation and addresses the key points raised. Non-confidential responses have been published on our website. It also sets out the next steps for implementing our Decision, including actions required by industry participants.

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1. Context

1.1. In the past year we introduced new requirements for suppliers aimed at improving standards in financial resilience and consumer protection. In November 2020, we published our Decision and Guidance on introducing milestone assessments as part of the Supplier Licensing Review (SLR) reforms. To cater for when suppliers reach certain customer number thresholds, milestone assessments were introduced to ensure that suppliers are adequately prepared and resourced to serve customers and meet additional regulatory and statutory obligations as they grow.¹

1.2. In March 2021, we published our Guidance on the Financial Responsibility Principle² aimed at ensuring suppliers act in a more financially responsible manner and take steps to bear an appropriate share of their risk. The introduction of these requirements allows us to request further information from suppliers to ensure they are acting responsibly financially, reducing the risk of potential consumer harm and poor financial practice having a negative effect on the GB energy market.

1.3. Following the unprecedented and unexpected rise in gas and electricity prices over recent months, we published an Open Letter³ on 29 October 2021. In this letter we announced that we would take further steps to ‘raise the bar’ in terms of what we expect from suppliers with regards to financial risk management. This was in order to reduce the risks facing consumers going forward, and to ensure the energy sector is resilient against potential continued global market volatility.

1.4. In December 2021, we published a suite of documents concerning our proposed actions to strengthen the financial resilience of suppliers.⁴ These documents outlined how we will further strengthen our regulatory regime to minimise consumers’ exposure to financial risks. We also confirmed our decision to extend the assessment window for new supply licence applications as we continue to strengthen the requirements for new suppliers looking to enter the retail energy market.

¹ Ofgem (2020) [Decision on the Supplier Licensing Review: Ongoing requirements and exit arrangements | Ofgem](#)

² Ofgem (2021) [Guidance on the Financial Responsibility Principle \(ofgem.gov.uk\)](#)

³ Ofgem (2021) [Rising wholesale energy prices and implications for the regulatory framework | Ofgem](#)

⁴ Ofgem (2021) [Building energy market resilience | Ofgem](#)

1.5. As part of the suite of documents published in December 2021, we consulted on proposals to strengthen our milestone assessment regime and more closely monitor significant commercial developments (trade sales/purchases and Relevant Merger Situations) and senior personnel changes proposed by suppliers.⁵ This document sets out our final Decision having reviewed and considered the responses to our consultation proposals.

⁵ In this document “commercial developments” refers to trade sales/purchases and Relevant Merger Situations as defined in Standard Licence Condition 19AA while “senior personnel” refers to Persons with Significant Control and Persons with Significant Managerial Responsibility or Influence, also as defined in standard licence condition 19AA.

2. Our proposals and rationale for intervention

Milestone assessments

2.1. In our statutory consultation, we set out that we want to ensure suppliers can demonstrate their business models are financially sound, that they have appropriate risk management strategies in place, and are adequately resourced for their size to enable sustainable growth in line with the new Financial Responsibility Principle.⁶ We referred to our 29 October 2021 Open Letter where we announced that we will conduct more regular assessments of supplier finances and take a more robust approach to assessing suppliers' operational capacity and strategies as they reach the 50,000 and 200,000 domestic customer milestones⁷ to limit financially unsustainable actions in the market.

2.2. Building on this, we proposed introducing a new standard licence condition (SLC) requiring a supplier to pause domestic customer onboarding once it reaches the 50,000 and 200,000 domestic customer milestones for each of the relevant gas and electricity supply licences until such time as we have completed any necessary milestone assessment and the supplier has had sufficient time to take any necessary action. We said that, were we to proceed with implementing this new licence condition, we envisaged developing a set timeframe for completing milestone assessments and setting the timeframe out in Guidance to be published alongside our Decision. We described how we thought that it may take 30-60 days to complete a rigorous assessment, provide feedback and for any necessary action to be taken. To help inform our thinking on the optimum timeframe, we included a consultation question seeking views on this specific element of our proposal.

2.3. We noted that this measure would temporarily constrain a supplier's ability to grow and compete. We stated our view that imposing this temporary, timebound constraint is proportionate, especially considering recent events, as it will guard against consumers being exposed to the mutualised costs that can arise with unchecked growth where that is unsustainable. For financially resilient suppliers that plan well in advance, we described how this requirement should not represent a significant new burden as they would already have the plans and information in place that we would request from them to inform our assessment and will in practice be keen to engage proactively with us well before they

⁶ Ofgem (2020), Appendix 3 of the Decision document [Decision on the Supplier Licensing Review: Ongoing requirements and exit](#)

⁷ Ofgem (2020) [Milestone assessment guidance \(ofgem.gov.uk\)](#)

reach the relevant milestone. We noted that if a supplier identifies that it is likely to reach a milestone soon and provided the necessary plans and information in advance of reaching that milestone, we will have the power to switch off the requirement to pause domestic customer onboarding if appropriate.

2.4. In our consultation we set out how the proposed measure is designed to ensure that companies with weak business models and poor business practices do not grow unchecked. We stated our view that it should help prompt these companies to identify weaknesses in their positioning and put themselves on a more stable footing before they expanded further. We explained how we saw this reducing the risks poorly financed suppliers pose to consumers and would go towards helping prevent, for example, significant costs associated with supplier failures.

2.5. We also noted how as we continue to build our proposed actions to strengthen the financial resilience of suppliers, including enhanced entry requirements, we would build an increasingly developed picture of the most likely points along a supplier's growth path where risks may become most acute. We explained how this enhanced intelligence may suggest the need for additional milestone assessment points, or for the existing thresholds to be adjusted. With this in mind we also consulted on adding flexibility to the current milestone assessment requirements such that, in future, the existing thresholds can be adjusted, and additional milestones created.

Significant commercial developments and personnel changes

2.6. We currently have requirements in the SLCs governing significant commercial developments (covering trade sales/purchases and Relevant Merger Situations) and senior personnel changes. These SLCs require suppliers to, for example, notify Ofgem prior to entering into binding trade sale/purchase agreements and notify us of changes in senior personnel. In 2020 we also introduced specific provisions preventing trade sales in specified circumstances.

2.7. Building on these existing requirements, we consulted on requiring that suppliers notify the Gas and Electricity Markets Authority (the Authority) about significant planned commercial developments and senior personnel changes a defined period in advance of them occurring to allow the Authority time to carry out an assessment of the impacts these changes may have on consumers and for any necessary action to be taken. We proposed that the assessment period would be timebound, and that the precise timeframe for completing the assessment would be set out in Guidance. We set out our thinking that it may take 30-60 days for a rigorous assessment to take place; and for feedback to be

provided and actioned. To help inform our thinking on the optimum timeframe, we included a consultation question seeking views on this specific element of our proposal.

2.8. In our consultation we recognised that the potential for a significant commercial development such as a trade sale/purchase to subvert or distort the supplier of last resort process⁸; result in mutualised cost or otherwise lead to consumer harm is heightened during a time when a large number of suppliers are facing severe financial challenges. We also noted that the risks to consumers of a significant commercial development proceeding where consumers' interests have not been sufficiently accounted for has the potential to be very significant in a single case.

2.9. We described how changes in senior personnel – in particular, the appointment of unfit and improper persons to important roles within a company – can have equally significant impacts on the running of a business and ultimately on consumers where, for example, the business fails.

2.10. With these factors in mind, we set out our view that strengthened reporting requirements are needed to ensure that significant commercial developments and senior personnel changes are carefully scrutinised, and action taken if necessary before they proceed.

⁸ Under Standard Licence Condition 19D (Electricity) and 19F (Gas).

3. Stakeholder views and evidence

3.1. We received 16 responses to our statutory consultation, several of which were marked as confidential, part-confidential, or with unknown confidentiality. In reaching our Decision we have considered all points raised by stakeholders in these responses. We have also considered additional views provided to us in meetings with stakeholders. We have only referred specifically to non-confidential information in this document. In some cases, therefore, the publicly available evidence we have drawn on is limited. All non-confidential responses have been published on our website. Throughout the document we have commented on key issues raised by stakeholders and our summaries of responses do not represent an exhaustive list of issues raised.

Milestone assessments

Stakeholder views and evidence

3.2. The majority of stakeholders broadly support our proposal to strengthen milestone assessments. Typically, they note that pausing domestic customer onboarding while an assessment is conducted will help mitigate the risks to consumers posed by the unsustainable growth of less robust suppliers. Citizens Advice for example note that pausing acquisitions may provide a useful touchpoint to identify risks in supplier business practices that may ultimately impact consumers. The minority who oppose our proposal believe the new requirements would have significant practical implications and may unfairly restrict the growth of some small suppliers.

Assessment criteria

3.3. Several stakeholders note that it is crucial for suppliers to have full sight of the assessment criteria and the granularity of information they will be expected to provide. For example, Octopus state that they would be keen to learn more about the level of assessment involved.

Assessment design and application

3.4. Stakeholders are generally in favour of allowing proactive suppliers to have their milestone assessments conducted in advance of reaching any threshold to avoid a period of paused onboarding. For example, Utilita note that this may help proactive suppliers avoid a hiatus to onboarding in times where growth is improving.

3.5. Some stakeholders believe the proposals create a lack of clarity for suppliers who fluctuate around milestones or are likely to drop under a threshold as they feel suppliers should not need to undergo multiple assessments in these circumstances. For example, Ombudsmen Services note that there is a need to implement a practical solution for these suppliers to ensure transparency and to minimise impact on legitimate supplier behaviour.

Assessment timeframe

3.6. We have received mixed views regarding the appropriateness of the 30-60 day assessment timeframe proposed in our consultation. For example, Good Energy do not support this timeframe as they feel it is too long and penalises prudently run suppliers for the failures of previous market participants. Conversely, EDF Energy feel that the timeframe proposed appears reasonable as it would allow the Authority to undertake a comprehensive and robust assessment. A number of suppliers note that they would want more information about the design of the assessment to help inform their view on the timeframe.

Significant commercial developments and senior personnel changes

Stakeholder views and evidence

3.7. Stakeholders hold mixed views concerning this component of our proposals. Some are broadly supportive, noting the proposals complement and strengthen existing obligations by requiring a set time period for assessment of the activity and its impact on consumers. Citizens Advice, for example, suggest that assessments will strengthen our ability to intervene with unsustainable suppliers and prevent consumer harm from commercial developments.

3.8. Some stakeholders support the proposed modifications in principle but have raised some concerns. Other stakeholders oppose the proposals and have explained their reasons for this and raised concerns that they have. In summary, stakeholders raising concerns have: asked for further information on the reasons why a regulatory intervention is required; sought additional details on how and based on what information / criteria the assessments will be carried out; and/or are concerned that the design and application of the assessment may adversely impact suppliers.

Consultation process and rationale for regulatory change

3.9. Some stakeholders feel that the proposals should have gone through a two-stage consultation process. For example, Energy UK state that carrying out a policy consultation ahead of a statutory consultation would have allowed more time for stakeholders to fully assess the proposals.

3.10. Others feel there is insufficient justification for our proposals. For example, while outlining their support in principle for the introduction of additional reporting requirements introduced in 2021⁹, EDF Energy call for more detail on the rationale for, and expected benefits of, building upon the current requirements, and the risks these proposals seek to mitigate. Other suppliers, such as Utilita, suggest there is a lack of evidence to suggest that further requirements governing trade sales/purchases and Relevant Merger Situations are necessary and insufficient indication of consumer detriment due to these developments.

Assessment criteria

3.11. The majority of suppliers request further detail on the assessment criteria for both trade sales/purchases and Relevant Merger Situations and senior personnel changes. For example, Energy UK request further clarity on how Ofgem will assess individual commercial developments and senior personnel changes (and also what potential action would be taken if any concerns are identified). Similarly, Utilita note that our statutory consultation did not include assessment criteria or Guidance on the types of information required by Ofgem to complete an assessment.

Assessment design and application

3.12. Some stakeholders suggest that a risk-based approach be implemented for assessments. For example, Octopus advocate implementing a tier-based approach to trade sale/purchase/Relevant Merger Situation assessments, where the level of scrutiny applied should be proportionate to the size and risk of the intended transaction to allow for more specific and targeted timeframes for assessment on a case-by-case basis.

3.13. Octopus also suggest a similar risk-based approach should be implemented for changes to senior personnel. Some stakeholders have concerns that the proposals and assessment period could negatively impact the recruitment process of senior personnel.

⁹ Ofgem (2020) [Decision on the Supplier Licensing Review: Ongoing requirements and exit arrangements | Ofgem](#)

Good Energy, for example, note that requiring advanced notification of changes to, and approval of, senior personnel will add complexity to the recruitment process. Energy UK suggest this could potentially deter viable and well-qualified candidates from entering the energy industry.

Assessment timeframe

3.14. Few stakeholders have commented on the appropriateness of the time period we consulted on (30-60 days). Those that have typically seek more information on the assessment process to enable them to provide more informed responses.

3.15. Others note caution around setting a timeframe that runs for any longer than necessary, citing the impacts delays to commercial developments could have. Drax, for example, note that the commercial processes, decisions and personnel changes within the scope of the proposed assessments are often time critical, and suggest any obstruction to procedures would unduly delay business critical outcomes, negatively impacting both suppliers and consumers. They advocate a maximum timeframe for assessments to be completed and for any feedback to be provided to suppliers be limited to 30 calendar days where any proposals are introduced.

4. Our Decision

Milestone assessments

Assessment criteria

4.1. Our existing Guidance, published on 26 November 2020,¹⁰ sets out the criteria we use when making a milestone assessment. We are not seeking to change that through the introduction of these SLC modifications. Nonetheless, to help make the process as smooth as possible for suppliers, we will further develop templates used to conduct milestone assessments to date and make them available to suppliers.

Assessment design and application

4.2. Proactive and constructive engagement by individual suppliers will have a significant bearing on the timetabling for an assessment. Where a supplier approaches us proactively and provides us with clear and accurate information ahead of reaching a threshold, we will be best placed to undertake any assessment without the need for customer onboarding to be paused, or for any pause to be minimised. Taking this approach will minimise, and in some cases, entirely negate the need for business growth to be paused for those suppliers that have suitable financial arrangements in place and effectively communicate these with us. This approach minimises the impact of these proposals on suppliers and, we consider, means that any pause to a supplier's growth will be proportionate given the potential risk to consumers that these proposals will mitigate.

4.3. Please see the updated Guidance published alongside this document for more details on engaging with Ofgem in advance of reaching a milestone. The Guidance also contains further detail on the information we will need and the criteria we will apply when carrying out assessments.

4.4. We note the concerns raised around suppliers whose customer numbers may regularly exceed, and then drop back below the thresholds. Our existing Guidance makes reference to scenarios where a supplier has already undergone a dynamic assessment or a milestone assessment due to, among other things, passing the threshold for another fuel.

¹⁰ Milestone Assessment guidance from 26 November 2020 is accessible here:
https://www.ofgem.gov.uk/sites/default/files/docs/2020/11/milestone_assessment_guidance.pdf

In these cases, per the existing Guidance, the Authority will have the flexibility to decide whether a milestone assessment is required and the scope of any assessment if performed.

Assessment timeframe

4.5. We consider that a period of 40 working days will provide sufficient time for a rigorous assessment to be completed and the findings reported to the supplier, while not disproportionately interfering with supplier growth. This period has been informed by our experience of the time it has taken us to conduct milestone assessments to date and, as set out above, suppliers can help minimise any pause in growth by notifying us and providing us with information in advance of reaching a threshold.

4.6. We recognise that as we conduct further assessments over time it may become clear that the parameters for this period need to be adjusted and if this is necessary, we will consult on updating the time period as appropriate.

Significant commercial developments and senior personnel changes

Consultation process and justification for regulatory change

4.7. As set out in our statutory consultation, we consider that, especially in market circumstances where a large number of suppliers are facing severe financial challenges, trade sales/ purchases, Relevant Merger Situations and senior personnel changes have the potential to subvert or distort the supplier of last resort process; result in mutualised cost or otherwise lead to consumer harm.

4.8. Unlike the current licence conditions, our original proposals required suppliers to notify us of commercial developments and senior personnel changes in advance and not to proceed until we have carried out an assessment. This would provide us with the opportunity to consider whether the proposed development might give rise to circumstances that would breach existing relevant conditions or requirements. This means we could take steps (such as compliance engagement or enforcement action) to prevent or minimise any consumer harm before that harm occurs. Our original proposals also required suppliers to have regard to the findings of the assessment. This will allow us to proactively engage with suppliers in advance of the development or personnel change to help them prevent or minimise consumer harm where this could arise.

4.9. Our approach to policy development is informed in each case by a range of factors. These include, but are not limited to, the nature of any proposed changes and their urgency. In this instance, we have opted to consult on our proposals via a public statutory consultation and to supplement feedback from written responses with information from meetings with stakeholders where stakeholders requested these. As set out above, our original proposals required advance notification and a pause providing us with the opportunity to take action to prevent or minimise consumer harm before it happens. Especially given current market circumstances, having the power to prevent and minimise harm is one that is required urgently. The consultation process followed was in line with legislative and other requirements and appropriate in the circumstances in light of the Authority's principal objective to protect the interests of consumers

4.10. All our proposals involve extending existing requirements. Suppliers are already required to notify us about significant commercial developments and senior personnel changes under SLC 19AA. We believe that specifying more clearly when these notifications must be made will provide clarity for suppliers and avoid ambiguity when it comes to compliance with these important provisions.

Assessment criteria

Trade sales/purchases and Relevant Merger Situations

4.11. Our existing guidance concerning trade sales/purchases sets out a range of matters we expect suppliers to consider when conducting these commercial transactions. Many of the features listed in this guidance are equally applicable to Relevant Merger Situations. For domestic suppliers, our existing milestone assessment guidelines provide a further, largely overlapping, set of criteria we assess in the context of supplier growth. We believe some of the features included in this guidance should be considered in the context of trade sales/purchases and Relevant Merger Situations as these commercial developments will often result in very rapid growth. We have therefore expanded our existing guidance on trade sales/purchases and drawn on our existing guidance for milestone assessments to create a revised guidance note covering trade sales/purchases and Relevant Merger Situations.

4.12. Taking this approach will mean that suppliers are only required to provide us with information that they are already required to provide to us and are already familiar with. To help guide suppliers further, we will make available templates for use when notifying us of prospective trade sales/purchases and Relevant Merger Situations.

Senior personnel

4.13. For certain senior personnel, existing SLC 4C sets out 'fit and proper person' requirements that apply to all suppliers. Our checks for new entrants seeking to obtain a supply licence contain similar requirements. In the Guidance published alongside this document, we have drawn from these sources to create a checklist of information we will require from suppliers ahead of senior personnel changes.

4.14. Taking this approach means that suppliers are only required to provide us with information that they can reasonably be expected to already be obtaining as part of the recruitment process and during ongoing checks for senior staff. We will make available a template checklist for use when notifying us of prospective senior personnel changes.

Assessment design and application

Trade sales/purchases and Relevant Merger Situations

4.15. Trade sales/purchases and Relevant Merger Situations are relatively uncommon events, yet each has the potential to cause significant consumer harm. We will therefore apply the same approach to all of these events at the point of initial notification. The need for, and timetabling of, a formal assessment will however be dependent on the circumstances of the case. For example, a trade sale involving a domestic supplier with over a million customer accounts purchasing a book containing only several hundred customer accounts is less likely to require a detailed assessment than will be the case in other situations. We comment further on the assessment timeframe later in this chapter.

Senior personnel

4.16. We believe it is vital that all senior personnel working for energy suppliers are fit and proper persons. We also recognise that Ofgem automatically assessing each senior personnel change can be seen to have disbenefits, noting the concerns raised by some stakeholders on this component of our proposals. We have therefore decided to adjust our proposal to account for stakeholder feedback.

4.17. Suppliers will be required to submit a simple employee checklist alongside their notification to us of a prospective senior personnel change.

4.18. Where this checklist does not identify the person as bearing any of the risk factors listed in the checklist – for example, previously been a person with Significant Managerial

Responsibility or Influence at a current or former licensed Gas Supplier or Electricity Supplier in respect of whose Customers' premises the Authority issued a Last Resort Supply Direction - the assessment period will be waived.

4.19. Where one or more risk factors is identified on the checklist, the supplier will need to inform us of this when making its notification and we will conduct an assessment.

4.20. Any personal data we request / obtain during an assessment will be processed in line with our legal obligations under the Data Protection Act 2018 and other applicable legal obligations.

Assessment timeframe

Trade sales/purchases and Relevant Merger Situations

4.21. We consider that a period of 40 working days will provide sufficient time for a rigorous assessment of a proposed trade sale/purchase or Relevant Merger Situation to be completed and the findings to be reported to the supplier, while not disproportionately interfering with a supplier's planned commercial developments. Suppliers will therefore be required to inform us of a prospective trade sale/purchase or Relevant Merger Situation at the latest 40 working days ahead of the date when the transaction is due to be finalised. This time period has been informed by our experience of the time it has taken us to review prospective trade sales/purchases that we have become aware of to date.

4.22. Proactive and constructive engagement by individual suppliers will have a significant bearing on whether a full commercial development assessment is required at all and if so, the timetabling for that assessment. Where a supplier approaches us proactively and provides us with clear and accurate information ahead of concluding a trade sale/purchase or Relevant Merger Situation, we will be best placed to undertake any assessment wholly or largely in parallel with the timeline for the finalisation of the transaction. Taking this approach will minimise, and in some cases entirely negate, the need for a trade sale/purchase or Relevant Merger Situation to be paused for those suppliers that have suitable financial and operational arrangements in place and effectively communicate these with us. This approach minimises the impact of these proposals on suppliers and we consider means that any delay to a trade sale/purchase or Relevant Merger Situation is proportionate given the potential consumer risk that delay will mitigate. We consider that this approach will more effectively and fairly minimise supplier impact than the risk-based approach suggested by some stakeholders.

4.23. Please see the updated Guidance published alongside this document for more details on engaging with Ofgem where information concerning trade sales/purchases and Relevant Merger Situations is required. The Guidance also contains further detail on the information we will need and the criteria we will apply when carrying out assessments.

Senior personnel

4.24. For those changes where an assessment is required, we consider that a period of 20 working days will provide sufficient time for a rigorous assessment of a proposed senior personnel change to be completed and the findings to be reported to the supplier. Suppliers will therefore continue to be required to provide us with advance notification of prospective changes and are advised that in these cases confirmation of the appointment may need to be delayed for up to 20 working days.

4.25. We recognise that as we conduct further assessments of senior personnel at existing suppliers over time, it may become clear that the parameters for this period need to be adjusted and if this is necessary, we will consult on updating the time period as appropriate.

4.26. Please see the Guidance published alongside this document for more details on engaging with Ofgem where information concerning prospective senior personnel changes is required.

5. Implementation

5.1. The amended licence conditions set out in the Appendices of this document will take effect on and from 1 April 2022.

5.2. Alongside this document we have published new Guidance for suppliers. This Guidance elaborates on some of the key points set out in the 'Our Decision' chapter of this document, including setting out how new arrangements will be implemented in practice.

5.3. As we continue developing our financial resilience and controls framework, we will review the ongoing applicability and practical application of these measures and consider whether further changes are needed.

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Appendix 1

Finalised Standard Licence Conditions

New drafting is underlined while existing drafting being deleted is ~~struct through~~.

Condition 19AA. Additional reporting requirement Notification requirements regarding significant commercial/personnel developments

19AA.1 The licensee must notify the Authority of any change in any of the matters listed in ~~19AA.2 SLC 19AA.5~~, promptly and within a reasonable timescale.

19AA.2 Unless the Authority otherwise directs, the licensee shall:

- a) not enter into a binding agreement for a Trade Sale or Trade Purchase;
- b) not conclude arrangements which, if carried into effect, will result in the creation of a Relevant Merger Situation;
- c) take all reasonable steps not to allow a change in Person with Significant Control in respect of the licensee; or
- d) take all reasonable steps not to allow a change in person with Significant Managerial Responsibility or Influence in respect of the licensee,

until such time as the licensee has provided any information required by the Authority (whether identified in any guidance issued under this SLC 19AA or in response to a notification from the licensee) to complete its SLC 19AA Assessment and the Authority has notified the licensee that it has completed a SLC 19AA Assessment.

19AA.3 The licensee must have regard to the findings of any SLC 19AA Assessment conducted pursuant to this SLC 19AA and notified to it.

19AA.4 The licensee is not required to comply with SLC 19AA.2 to such extent and subject to such conditions as the Authority may from time-to-time direct.

~~19AA.2~~19AA.5 The matters referred to in ~~paragraph~~ SLC 19AA.1 are the following:

- a) whether the licensee is entering into a binding agreement for a Trade Sale or a Trade Purchase, and for the avoidance of doubt, the notification should take place in accordance with the number of days required for notification as specified in or determined under guidance issued by the Authority on this SLC 19AA before the licensee enters into such an agreement;
- b) the address of the licensee's registered office;
- c) the e-mail address of the licensee's regulatory contact;
- d) whether the licensee is an Active Supplier in respect of Domestic Customers and / or Non-Domestic Customers;

- e) whether there is a reasonable prospect that a Relevant Merger Situation has arisen will arise in respect of the licensee and for the avoidance of doubt, the notification should take place in accordance with the number of days required for notification as specified in or determined under guidance issued by the Authority on this SLC 19AA before the licensee concludes the relevant arrangements;
- f) whether there is a reasonable prospect that there will be a change in any Person with Significant Control in respect of the licensee (whether by virtue of one or more persons ceasing to have Significant Control and/or by virtue of one or more person who does not have Significant Control acquiring it) and for the avoidance of doubt, the notification should take place in accordance with the number of days required for notification as specified in or determined under guidance issued by the Authority on this SLC 19AA before the licensee makes such change;
- g) whether there is a reasonable prospect that there will be a change in any Person person with Significant Managerial Responsibility or Influence in respect of the licensee (whether by virtue of one or more persons ceasing to have Significant Managerial Responsibility or Influence and/or by virtue of one or more person who does not have Significant Managerial Responsibility or Influence acquiring it) and for the avoidance of doubt, the notification should take place in accordance with the number of days required for notification as specified in or determined under guidance issued by the Authority on this SLC 19AA before the licensee makes such change;
- h) whether the licensee supplies any Customers through a White Label Tariff;
- i) any significant changes that may affect how a licensee operates.

19AA.6 The licensee must have regard to any guidance on SLC 19AA (including in respect of definitions which appear in standard condition 1) which, following consultation, the Authority may from time-to-time revise.

Definitions for condition

~~19AA.3~~19AA.7 For the purposes of this condition:

Person with Significant Control has the same meaning as under section 790C of the Companies Act 2006.

Relevant Merger Situation has the same meaning as under section 23 of the Enterprise Act 2002.

SLC 19AA Assessment means an assessment of significant commercial/personnel developments by the Authority against the requirements set out in guidance issued by the Authority on this SLC 19AA and (subject to the licensee's provision of information required by the Authority) to be carried out within the period specified in such guidance.

Condition 28C. Milestone Assessments assessments

28C.1 The licensee must notify the Authority, in writing, when there is a reasonable prospect that it will imminently reach, or at the latest when it reaches its first 50,000 Domestic Customers, or such other number of Domestic Customers as directed by the Authority, for the purpose of undergoing the relevant milestone assessment.

28C.2 The licensee must notify the Authority, in writing, when there is a reasonable prospect that it will imminently reach, or at the latest when it reaches its first 200,000 Domestic Customers, or such other number of Domestic Customers as directed by the Authority, for the purpose of undergoing the relevant milestone assessment.

28C.3 The licensee must notify the Authority, in writing, when there is a reasonable prospect that it will imminently reach, or at the latest when it reaches such number of Domestic Customers as may be specified by the Authority in a direction, for the purpose of undergoing the relevant milestone assessment.

28C.4 From the earlier of the time at which the licensee either:

- a) submits a notification to the Authority as required by SLC 28C.1, SLC 28C.2 or a direction issued by the Authority in respect of this SLC 28C; or
- b) has reached the specified number of Domestic Customers specified in SLC 28C.1, SLC 28C.2 or a direction issued by the Authority in respect of this SLC 28C,

unless directed otherwise by the Authority, the licensee must not enter into any new Domestic Supply Contracts, unless that Domestic Supply Contract is a Deemed Contract or a Contract with a Domestic Customer with whom that Supplier already has a Contract, until such time as the Authority has notified the licensee that it has completed the relevant milestone assessment in line with the timescale set out by the Authority in any guidance issued on SLC 28C. To the extent that this SLC 28C.4 applies, the licensee shall not be obliged to comply with SLC 22.2.

28C.5 The licensee must have regard to the findings of any milestone assessment conducted pursuant to this SLC 28C and notified to it.

~~28C.3~~28C.6 The licensee must have regard to any guidance on standard condition SLC 28C (including in respect of definitions which appear in standard condition 1) which, following consultation, the Authority may issue and may from time-to-time revise.

28C.7 The licensee is not required to comply with SLC 28C.4 to such extent and subject to such conditions as the Authority may from time to time direct.