

### To: All holders of a gas supply licence

### Gas Act 1986 Section 23(1)(b)

### Modification of the standard conditions of all gas supply licences

- 1. Each of the licensees to whom this document is addressed has a supply licence which has been granted or treated as granted under section 7A(1) of the Gas Act 1986 ('the Act').
- 2. Under section 23(2) of the Act the Gas and Electricity Markets Authority ('the Authority')¹ gave notice on 1 June 2021 ('the Notice') that we propose to modify standard conditions:
  - Standard Condition 1 (Definitions for standard conditions)
  - Standard Condition 7A (Supply to Micro Business Consumers)
  - Standard Condition 8 (Obligations under Last Resort Supply Direction)
  - Standard Condition 20 (Enquiry service, Supply Number and dispute settlement – for Non-Domestic Customers)

We stated that any representations to the modification proposal must be made on or before 9 July 2021.

- 3. A copy of the Notice was sent to the Secretary of State in accordance with section 23(4)(b) of the Act, and we have not received a direction that the change should not be made.
- 4. We received 46 responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is set out at in the accompanying Decision document which is available on our website at <a href="Master publications library">Master publications library</a> | Ofgem.
- 5. It is necessary to make a number of minor alterations to the modifications previously consulted on. These alterations are shown in the table in Schedule 1.
- 6. Detailed reasons why the Authority are making these licence changes can be found in the accompanying Decision document which is available on our website at <a href="Master publications library">Master publications library</a> | Ofgem.
- 7. The effect of the modifications will be to:

Improve the microbusiness consumer journey and to ensure microbusinesses can access fair deals. They will also have significant positive impact on microbusinesses' ability to act confidently and increase supplier accountability.

8. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 23B of the Act, Rule 5.7 of the Energy Licence Modification Appeals: Competition and Markets Authority

 $<sup>^{\</sup>rm 1}$  The terms "the Authority", "we" and "us" are used interchangeably in this document.

Rules<sup>2</sup> requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. The attached Schedule 3 provides a list of the relevant licence holders in relation to this modification. Section 23(10) of the Act sets out the meaning of 'relevant licence holder'.

Under the powers contained in section 23(1)(b) of the Act, we hereby modify the standard licence conditions for all gas supply licences in the manner specified in attached Schedule 1 and 2. This decision will take effect from 1 October 2022, and 1 December 2022 for any provisions in Condition 20.5 insofar as they relate to dispute settlement between a Microbusiness Consumer and a Third Party.

This document is notice of the reasons for the decision to modify the gas supply licences as required by section 38A of the Act.

Maureen Paul, Deputy Director, Retail Market Policy Duly authorised on behalf of the Gas and Electricity Markets Authority

28 March 2022

<sup>&</sup>lt;sup>2</sup> CMA70 <a href="https://www.gov.uk/government/uploads/system/uploads/attachment">https://www.gov.uk/government/uploads/system/uploads/attachment</a> data/file/655601/energy-licence-modification-appeals-rules.pdf

# Schedule 1 – List of changes to the supply licence conditions following the statutory consultation

No.	Licence amendments proposed in the Statutory Consultation	Further changes to the supply licence conditions following the statutory consultation
1	1.3 Definitions for standard conditions	<ul> <li>Replacement of 'Broker' with 'Third Party'.</li> <li>Replacement of 'Brokerage Costs' with 'Third Party Costs'.</li> <li>Addition of wording to definition of 'Third Party Costs' to provide additional clarity reflecting stated policy intent.</li> <li>Principal Terms - Deletion of reference to 'cancel a contract or' (previous insertion proposed to cater for cooling-off period provision that have now been removed).</li> </ul>
2	7A.4	Replacement of 'Broker' with 'Third Party'.
3	7A.6 c) iii)	Amended 'Licensee' from uppercase to lowercase for consistency.
4	7A.9, 7A.9 a) iii)	<ul> <li>Addition of wording to provide additional clarity reflecting stated policy intent and other related provisions placing requirements on both a supplier and their Broker.</li> <li>Deletion of clause requiring provision of written Principal Terms within one working day, previously inserted to cater for cooling-off period provisions that have now been removed.</li> </ul>
5	7A.9A	Deletion of condition as it relates to the provision of Principal Terms for the purpose of a cooling-off period which is no longer being taken forward.
6	7A.10B	<ul> <li>Housekeeping changes relevant to the Termination Notices provisions.</li> <li>Addition of 'if they so choose' to provide additional clarity.</li> </ul>
7	7A.10C.1	Replacement of 'Broker' and 'Brokerage Costs' with 'Third Party' and 'Third Party Costs'.

		•	Amended 'Licensee' from uppercase to
			lowercase for consistency.
		•	Addition of 'by the licensee' to provide
			additional clarity.
8	7A.10C.2	•	Replacement of 'Broker' and 'Brokerage Costs'
			with 'Third Party' and 'Third Party Costs'.
9	7A.11	•	Housekeeping change – Replacing 'customer'
			with 'consumer'.
10	7A.13E.1 – 7A.13E.6	•	Deletion of conditions relating to a cooling-off
			period as this proposal is not being taken
			forward.
11	7A.12	•	Reinserted wording previously deleted from
			7A.12BAB b) in error.
12	20.5	•	Replacement of 'Broker' with 'Third Party'.
13	20.5A	•	Replacement of 'Broker' with 'Third Party'.
14	20.5B	•	Replacement of 'Broker' with 'Third Party'.
		•	Removal of unnecessary wording 'by that
			provider'.
		•	Amended 'Licensee' from uppercase to
			lowercase for consistency.
15	20.5C	•	Replacement of 'Broker' with 'Third Party'.
		•	Insertion of go-live date.
16	20.5D	•	Minor editorial change to definition of
			'Qualifying Dispute Settlement Scheme'.
		•	Replacement of 'Broker' with 'Third Party'.

#### Schedule 2 - Modification of the standard conditions of all gas supply licences

We have included the sections of the gas supply standard licence conditions (SLCs) we are removing, amending or inserting below. Deletions are shown in strike through and new text is double underlined. We have only shown those licence conditions where we are making modifications.

#### **Condition 1. Definitions for standard conditions**

1.3 In this licence, unless the context otherwise requires:

### **'Third Party'**

means a third party organisation or individual that, either on its own or through arrangements with other organisations or individuals, provides information and/or advice to a Micro Business Consumer about the licensee's Charges and/or other terms and conditions and whose payment or other consideration for doing so is made or processed by the licensee;

#### **'Third Party Costs'**

means any fees, commission or other consideration including a benefit of any kind, processed by the licensee and paid or made or due to be paid or made to the Third Party in respect of a Micro Business Consumer Contract, that are passed on to the Micro Business Consumer.

### **'Principal Terms'**

means, in respect of any form of Contract or Deemed Contract, the terms that relate to:

- (a) Charges;
- (aa) where the licensee is relying on sub-paragraph
   22C.11(a) of standard condition 22C or sub-paragraph
   23.8(a) of standard condition 23, the method by which
   Charges for the Supply of Gas fluctuate automatically;
- (ab) where the licensee is relying on sub-paragraph
   22C.11(b) of standard condition 22C or sub-paragraph
   23.8(b) of standard condition 23, the precise variations to the Charges for the Supply of Gas;
- (ac) Where the licensee is relying on paragraph 22C.11B of standard condition 22C and paragraph 23.8A of standard condition 23:
  - (i) moving a Domestic Customer from one payment method to another and the precise circumstances when that will occur; and

- (ii) the precise variations to the Charges for the Supply of Gas and other terms and conditions which would occur as a result of the Domestic Customer being moved from one payment method to another;
- (ad) Where the licensee is relying on paragraph 22C.11B of standard condition 22C but not paragraph 23.8A of standard condition 23, moving a Domestic Customer from one payment method to another and the precise circumstances when that will occur;
- (b) any requirement to pay Charges through a Prepayment Meter;
- (ba) in relation to a Domestic Supply Contract, any Credit Management which applies, including the Credit Limit;
- (bb) in relation to a Domestic Supply Contract, any Load Limiting which applies, including the Load Limit;
- (c) any requirement for a Security Deposit;
- (d) the duration of the Contract or Deemed Contract (including, but not limited to, the duration of any fixed term periods and any arrangements for renewing or extending the duration of the Contract or any fixed term periods);
- (e) the rights to <u>cancel the Contract or</u> end the Contract (including any obligation to pay a Termination Fee) or the circumstances in which a Deemed Contract will end,

and any other term that may reasonably be considered to significantly affect the evaluation by the Customer of the Contract under which gas may be supplied to his premises including for the avoidance of doubt, in relation to Micro Business Consumers any Third Party Costs, required to be paid or due to be paid in respect of the full duration of a Microbusiness Consumer Contract and to be presented as monies (whether actual or where that is not possible, estimated amounts).

### **Condition 7A. Supply to Micro Business Consumers**

### **Identification and treatment of Micro Business Consumers**

7A.1 If the licensee intends to:

- (a) enter into a Non-Domestic Supply Contract with a Customer; or
- (b) extend the duration of a Non-Domestic Supply Contract (including theduration of any fixed term period which may form part of a Contract of an indefinite length)

the licensee must either take all reasonable steps to identify whether that Non-Domestic Customer is a Micro Business Consumer, or deem that Non-Domestic Customer to be a Micro Business Consumer.

- 7A.2 Where any Contract or Contract extension as described in paragraph 7A.1 is entered into with a Non-Domestic Customer that has been identified as, or deemed to be, a Micro Business Consumer, that Contract shall be a "Micro Business Consumer Contract" for the purposes of this Condition.
- 7A.3 The licensee must not include a term in a Micro Business Consumer Contract which enables it to terminate the Contract or apply different terms and conditions to that Contract during a fixed term period on the grounds that the Customer no longer satisfies the definition of Micro Business Consumer.

#### Notification of Micro Business Consumer Contract terms and other information

- 7A.4 Before the licensee enters into a Micro Business Consumer Contract, it must take all reasonable steps to bring, or ensure that the relevant Third Party brings, the following information to the attention of the Micro Business Consumer and ensure that the information is communicated in plain and intelligible language:
  - (a) a statement to the effect that the licensee is seeking to enter into alegally binding Contract with the Micro Business Consumer; and
  - (b) the Principal Terms of the proposed Contract.
- 7A.5 The licensee must ensure that all the express terms and conditions of aMicro Business Consumer Contract are:
  - (a) set out in Writing; and
  - (b) drafted in plain and intelligible language.
- 7A.6 Where the licensee enters into, or extends the duration of, a Micro Business Consumer Contract for a fixed term period, it must prepare a statement (hereafter referred to as a "Statement of Renewal Terms") which:
  - (a) is set out in Writing;
  - (b) is drafted in plain and intelligible language;
  - (c) displays the following information in a prominent manner:
    - (i) the date the fixed term period is due to end, or if that

- date is not ascertainable the duration of the fixed term period;
- (ii) the Relevant Date, or if not known at the time of providing the Statement of Renewal Terms, a description of how theRelevant Date will be calculated by reference to the end ofthe fixed term period;
- (iii) (ii applicable) a statement to the effect that the Micro Business Consumer may send a notification in Writing to the licensee at anytime before the Relevant Date in order to terminate the Micro Business Consumer Contract with effect from the end of any fixed term period which currently applies and, where paragraph 7A.13 applies, in order to prevent the licensee from extending the duration of the Micro Business Consumer Contract for a further fixed term period; end of the fixed term that currently applies in order to prevent the licensee from extending the Micro Business Consumer Contract with effect from the end of any fixed term period;
- (iv) (iii) a postal and Electronic Communication address to which the Customer may send a notification in Writing for that purpose; and
- (v) (iv) a statement explaining the consequences of the Micro Business Consumer not renewing the Micro Business Consumer Contract or agreeing a new Contract before the Relevant Date end of the fixed term period that currently applies.
- 7A.7 Where the licensee enters into or extends the duration (including the duration of any fixed term period) of a Micro Business Consumer Contract, it must take all reasonable steps to provide the Micro Business Consumer with the following information within 10 days, or do so as soon as reasonably practicable thereafter:
  - (a) a copy of all the express terms and conditions of the Micro Business Consumer Contract; and
  - (b) if the Micro Business Consumer Contract contains a fixed term period, the Statement of Renewal Terms.
- 7A.8 On or about 30 days before the Relevant Date 60 days before the end ofthe Initial Period, unless the licensee has already agreed a new Micro Business Consumer Contract with the Micro Business Consumer, the licensee must provide the Micro Business Consumer with:
  - (a) the Statement of Renewal Terms;
  - (b) if paragraph 7A.13 7A.12A applies and subject to paragraph 7A.8(d):

- (i) a copy of the relevant Principal Terms which might apply to the Micro Business Consumer after the current fixed-term period of the Micro Business Consumer Contract ends, including in the eventthat the Customer does nothing and the licensee extends the duration of the Contract in accordance with paragraph 7A.13A 7A.12B; and
- (ii) a copy of the Principal Terms which would apply after the currentfixed-term period of the Micro Business Consumer Contract ends, in the event that the Customer sends (or has already sent) a notice notification in Writing before the Relevant Date end of the fixed term period that currently applies to prevent renewal of theMicro Business Consumer Contract but does not appoint another supplier;
- (c) if paragraph 7A.13 7A.12A does not apply, a copy of the Principal Terms, which would apply if the Customer does not change supplier or does not expressly agree a new Micro Business Consumer Contract or a further fixed-term period of the existing Micro Business Consumer Contract by the date that the current fixed-term period is due to end.
- (d) if paragraph 7A.13 7A.12A applies but the licensee has already prevented the Micro Business Consumer from extending the duration of the Micro Business Consumer Contract for a further fixed-term period, the requirements in paragraph 7A.8(b) shall be replaced with a requirement to provide the Micro Business Consumer with a copy of the Principal Terms which would apply after the current fixed-term period of the Micro Business Consumer Contract ends if the Customer continues to be supplied by the licensee.
- (e) a statement displaying the Charges for the Supply of Gas which apply to the Customer as at the date on which such statement is provided; and
- (f) the Customer's Annual Consumption Details.
- 7A.9 Where pursuant to paragraphs 7A.4 or 7A.8 the licensee is required to provide, or ensure that a Relevant Third Party provides a Micro Business Consumer with any relevant Principal Terms:
  - (a) it must ensure that the Principal Terms are:
    - (i) set out in Writing; and
    - (ii) drafted in plain and intelligible language;
    - (iii) <u>sent by it, or by the relevant Third Party, to a Micro Business</u>
      <u>Consumer no later than one working day after the Micro Business</u>
      <u>Consumer Contract is entered into.</u>
  - (b) if the terms of the Micro Business Consumer Contract provide that the Charges for the Supply of Gas may vary or fluctuate from time to time, it must provide:

- an explanation that the Charges for the Supply of Gas are subject to change from time to time; and, as applicable,
- (ii) the precise variations to the Charges for the Supply of Gas or the method by which the Charges for the Supply of Gas will fluctuate automatically; or
- (iii) where there is no agreed schedule of variations or an agreed fluctuation method in respect of the Charges for the Supply of Gas, information about how the Micro Business Consumer may obtain the current Charges for the Supply of Gas from the licensee

#### 7A.9A For the purpose of this Condition 7A.9:

providing' a Micro Business Consumer with any relevant Principal Terms means the supplier or the relevant Third Party must send the Principal Terms byemail or by first class post to the Micro Business Consumer on the next working day after agreeing the contract at the latest; and that where they are sent by email, the Principal Terms will be 'provided' on the next workingday after they are sent and if sent by first class post, they will be provided on the second working day after posting

7A.10 Where pursuant to paragraph 7A.8(b) the licensee provides a Micro Business Consumer with any offers of terms that relate to Charges for the Supply of Gas, it must ensure that at least one offer is made in Writing which may be accepted at any time before the Relevant Date end of the fixed termperiod that currently applies.

#### **Information on Bills etc**

7A.10A Where the licensee has entered into a Micro Business Consumer Contractfor a fixed term period, the licensee must provide the information specified in paragraph 7A.10B on each Bill and statement of account and display that information in a prominent position and ensure that it is drafted in plain and intelligible language.

#### 7A.10B The specified information is:

- (a) the date the fixed term period of a Micro Business Consumer Contract is due to end;
- (b) where the licensee has entered into a Micro Business Consumer Contract for a fixed term period and it may, in accordance with that Micro Business Consumer Contract, be extended for a further fixed term period:
  - (i) the Relevant Date (or, where applicable, such a later date asmaybe specified in the Micro Business Consumer Contract);
  - (ii) (i) a statement to the effect that the Micro Business
    Consumer may send a notification in Writing to the
    licensee before the Relevant Date (or, where applicable,
    such a laterdate as may be specified in the Micro
    Business Consumer Contract) end of any fixed term

- <u>period that currently applies</u> in order to prevent the licensee from extending the duration of the Micro Business Consumer Contract for a further fixed term period; and
- (c) where the licensee has entered into a Micro Business Consumer Contract for a fixed term period and it does not have the ability to extend that Micro Business Consumer Contract for a further fixed termperiod:
  - (i) the latest date the Micro Business Customer could give notice in order to terminate the Micro Business Consumer Contract with effect from the end of any fixed term periodwhich currently applies; and
  - (ii) a statement to the effect that this is the latest date the Micro Business Customer could give notice in order to terminate theMicro Business Consumer Contract with effect from the end ofany fixed term period which currently applies.
  - (i) a statement to the effect that the Micro Business Customer
    Consumer may, if they so choose, senda notification in writing to
    the licensee at any time before the end of the fixed term period
    that currently applies in order to terminate the Micro Business
    Consumer Contract with effect from the end of the fixed term
    period which currently applies.

#### **Information on Third Party Costs**

7A.10C.1 In addition to the requirement in condition 7A.9, where the licensee has entered into a Micro Business Consumer Contract, the licensee must provide to the Micro Business Consumer on request, information relating to any form of Third Party Costs paid or made, or due to be paid or made by the licensee, to a Third Party in respect of the full duration of that Micro Business Consumer Contract;

7A.10C.2 The licensee must ensure that the information that the licensee is required to disclose by virtue of condition 7A.10C.1:

- (a) <u>is disclosed as monies, whether actual amounts or (if that is notpossible) estimated amounts;</u>
- (b) <u>enables a Micro Business Consumer to understand the amount of those sums that it is due to pay which are, or are attributable to Third Party Costs due to the Third Party, as well as any Charges (so far as they are different) or other sums; and</u>
- (c) <u>is drafted in plain and intelligible language</u>.

#### **Length of notice periods in Micro Business Consumer Contracts**

- 7A.11 The notice period for termination of a Micro Business Consumer

  Contract bya Micro Business Consumer must be no longer than 30 days.
- 7A.12 Paragraph 7A.11 is without prejudice to the licensee's ability to enter into a Micro Business Consumer Contract with a Customer for a fixed term periodwhich is longer than 30 days.

## Termination of Micro Business Consumer Contracts which do not include afixed term period

7A.12 A Without prejudice to any notice period that complies with paragraph 7A.11, in relation to any Micro Business Consumer Contract that does not include a fixed term period, the licensee must ensure that the Micro Business Consumer is entitled to give notice to terminate the Micro Business Consumer Contract at anytime.

## Termination during Initial Period of Micro Business Consumer Contracts which include a fixed term period

- 7A.12B.1 Subject to paragraph 7A.12B. 2 in relation to any Micro Business
  ConsumerContract which includes a fixed term period, the licensee must ensure that during the Initial Period a Micro Business Consumer is entitled to give notice of termination at any time in order to terminate the Micro Business Consumer Contract.
- 7A.12B.2 Where a Micro Business Consumer gives notice to terminate the Micro Business Consumer Contract during the Initial Period, the licensee must:
  - (a) terminate the contract at the end of the Initial Period, if the MicroBusiness Consumer gives notice to terminate at least 30 days beforethe end of the Initial Period;
  - (b) terminate the contract no more than 30 days after the Micro BusinessConsumer gives notice to terminate, if such notice is given within the last 30days of the Initial Period.
- 7A.11 In relation to a Micro Business Consumer Contract that contains a fixed term period, the licensee must ensure that a Micro Business Consumer is not required to give any form of notice to terminate the Micro Business Consumer Contract or to switch supplier from the end of the Initial Period (or earlier, if the Contract allows for this), subject always to paragraphs 14.2-14.3 of Standard Licence Condition 14.

## **Termination during Roll-Over Period of Micro Business Consumer Contracts**

7A.12BA This paragraph applies to Micro Business Consumer Contracts during the Roll-Over Period.

- 7A.12BAA The licensee must ensure that a Micro Business Consumer is entitled to give notice of termination at any time in order to terminate the Micro Business Consumer Contract with effect from the end of the Relevant Notice Period.
- 7A.12BABWhere a Micro Business Consumer gives notice of terminationunder paragraph 7A.12BAA, the licensee must not:
  - (a) charge the Micro Business Consumer a Micro Business TerminationFee; or
  - (b) engage in any course of action which has the effect of increasing the Standing Charge, Unit Rate or any other charge which the Micro Business Consumer must pay pursuant to the Micro Business Consumer Contract.
- 7A.12 In relation to Micro Business Consumer Contracts during the Roll-Over Period, the licensee must ensure that:
  - (a) <u>a Micro Business Consumer is not required to give any form of notice to terminate the Micro Business Consumer Contract or to switch supplier; and</u>
  - (b) a Micro Business Consumer is entitled to take steps to facilitate changing to any other Gas Supplier at any time without havingto pay a Termination Fee, or be liable for increased Standing Charges, Unit Rates, or any other charges pursuant to the Micro Business Consumer Contract.

#### Acknowledgement of receipt of termination notice

7A.12C If the licensee receives notice of termination in accordance with 7A12.A or7A.12B it must take all reasonable steps to notify the Micro Business Consumer in Writing within 5 Working Days of receipt of such notice of termination, or as soon as reasonably practical thereafter, that such noticeof termination has been received.

#### **Extending the duration of Micro Business Consumer Contracts**

- 7A.13 <u>7A.12A</u> This paragraph applies where the relevant Micro Business Consumer Contract is for a fixed-term period and contains a Roll-Over Clause.
- 7A.13 <u>7A.12B</u> Where paragraph <u>7A.13 <u>7A.12A</u> applies, the licensee may only extend the duration of that Contract for a further fixed term period if:</u>
  - (a) it has complied with paragraphs 7A.7 and 7A.8;
  - (b) the Micro Business Consumer has not sent the licensee a notification in writing before the end of the Initial Period in

order to prevent it from extending the duration of the Micro Business Consumer Contract for a further fixed term period and in order to terminate the Micro Business Consumer Contract with effect from the end of any fixed term period which currently applies; and

(c) the duration of the further fixed term period is 12 months or less.

## Termination of Out-of-contract Contracts and Evergreen Micro BusinessConsumer Contracts

7A.13BIf the licensee supplies gas to a Micro Business Consumer's premises underan Out-of-contract Contract or Evergreen Micro Business Consumer Contract, the licensee must not charge the Micro Business Consumer a Micro Business Termination Fee.

### **Termination of Evergreen Micro Business Consumer Contracts**

7A.13A If the licensee supplies gas to a Micro Business Consumer's premises under an Evergreen Micro Business Consumer Contract, the licensee must ensure that:

- (a) the notice period for termination of any Evergreen Supply Contract with a Micro Business Consumer is no longer than 30 days; and
- (b) <u>a Micro Business Consumer is entitled to take steps to facilitate</u> <u>changing to any other Gas Supplier at any time without having to pay a</u> Termination Fee.

7A.13AB Where paragraph 7A.13A applies, notice of termination must include but is not limited to notice given by the proposed new Relevant Gas Supplier in respect of a Proposed Supplier Transfer.

7A.13AC If the licensee receives notice of termination in accordance with 7A.13A it must take all reasonable steps to notify the Micro Business Consumer in Writing within 5 Working Days of receipt of such notice of termination, or as soon as reasonably practical thereafter, that such notice of termination has been received.

#### **Termination of Out-of-contract Contracts**

<u>7A.13B If the licensee supplies gas to a Micro Business Consumer's premises under an Out-of-contract Contract, the licensee must ensure that:</u>

- (a) <u>a Micro Business Consumer is entitled to take steps to facilitate</u>
  <u>changing to any other Gas Supplier at any time without having to pay a</u>
  <u>Termination Fee; and</u>
- (b) <u>a Micro Business Consumer is not required to give any form of notice toterminate the Micro Business Consumer Contract or to switch supplier.</u>

#### Reporting obligation

- 7A.13C.1 The licensee must give the Authority any Information that it reasonably requests about the licensee's compliance with paragraphs <del>7A.12B.1 to 7A.13B</del> as soon as reasonably practicable after receiving a request from the Authority.
- 7A.13C.2 The licensee must give the Authority any Information that it reasonably requests to assess the impact and effectiveness of the obligations contained in paragraphs 7A.12B.1 to 7A.13B 7A.11 to 7A.13B as soon as reasonably practicable after receiving a request from the Authority.

## Transitional provisions for standard condition 7A covering noticeperiods, termination fees and rollovers

- 7A.13D.1 Until the Specified Date, this condition 7A.13D applies to any TransitionalMicro
  Business Consumer Contracts.
- 7A. 13D.2 For the purposes of this condition 7A.13D, a "Transitional Micro Business Consumer Contract" is a Micro Business Consumer Contract which was entered in toon or before 15 December 2016.
- 7A.13D.3 In respect of the Transitional Micro Business Consumer Contract, the licensee is not required to comply with:
  - (a) paragraphs 7A.12B.1 and 7A.12B.2 of standard condition 7A,
  - (b) paragraphs 7A.12BA, 7A.12BAA and 7A.12BAB of standard condition 7A,
  - (c) paragraphs 7A.13 and 7A.13A of standard condition 7A,
  - (d) paragraphs 7A.13B, 7A.13C.1 and 7A.13C.2 of standard condition 7A,and instead, paragraphs 7A.13D.4 to 7A.13D.6 apply.
- 7A.13D.4Paragraph 7A.12B.1 of standard condition 7A is replaced with:

# Termination of Micro Business Consumer Contracts which include afixed term period

- 7A.12BIn relation to any Micro Business Consumer Contract which includes a fixed term period, the licensee must ensure that:
  - (a) a Micro Business Consumer is entitled to give notice of termination before the Relevant Date (or, where applicable, such a later date as may be specified in the Micro Business Supply Contract) in order to terminate the Micro Business Consumer Contract with effect from theend of any fixed term period which currently applies; and
  - (b) without prejudice to any notice period which complies with paragraph7A.11, if, at the end of any fixed term period, a Micro Business Consumer is not subject to a further fixed term period, the Micro Business Consumer is entitled to give notice to terminate the Micro Business Consumer Contract at any time.

7A.13D.5 Paragraph 7A.13 of standard condition 7A is replaced with:

7A.13 This paragraph applies where the relevant Micro Business Consumer Contract is for a fixed-term period and contains a term entitling the licensee to extend the duration of the Micro Business Consumer Contract for a furtherfixed-term period.

7A.13D.6 Paragraph 7A.13A of standard condition 7A is replaced with:

7A.13A Where paragraph 7A.13 applies, the licensee may only extendthe duration of that Contract for a further fixed term period if:

- (a) it has complied with paragraphs 7A.7 and 7A.8;
- (b) the Micro Business Consumer has not sent the licensee a notification in Writing before the Relevant Date in order to prevent it from extending the duration of the Micro Business Consumer Contract for a further fixed term period and in order to terminate the Micro Business Consumer Contract with effect from the end of any fixed term period which currently applies; and
- (c) the duration of the further fixed term period is 12 months or less.

#### **Micro Business Consumer Cooling-off Period**

- 7A.13E.1 The licensee must include a term in a Micro Business Consumer Contract thatenables a Micro Business Consumer to cancel the Contract at any time in the cancellation period, without giving any reason, by giving notice of cancellation to the licensee.
- 7A.13E.2 Notice of cancellation includes any communication by the Micro Business

  Consumer to the licensee, made in the cancellation period, setting out the MicroBusiness Consumer's decision to cancel the Contract.
- 7A.13E.3 The cancellation period begins on the day on which a Micro Business Consumer enters into a Contract with the licensee
- 7A.13E.4 The cancellation period ends at the earlier of:
  - (a) 14 calendar days after the day on which the Contract is entered into and the Micro Business Consumer has been provided with a written copy of the Principal Terms as required under paragraph 7A.9; or
  - (b) 28 calendar days (or such other period as the Authority may specify fromtime to time) before the date on which the supply of gas under theterms of that contract, is due to begin.
- 7A.13E.5 Where a Micro Business gives notice of cancellation the licensee must not:
  - (a) charge the Micro Business Consumer a Termination Fee; or
  - (b) <u>apply terms and conditions or Charges for the Supply of Gas which are</u> not set out under the Micro Business Consumer Contract; or

(c) <u>require payment of any Charges for the Supply of Gas determined</u> under the Micro Business Consumer Contract

<u>7A.13E.6 The provisions in Condition 7A.13E shall take effect on a date specified by the Authority.</u>

#### **Definitions for condition**

#### 7A.14 In this condition:

"Evergreen Micro Business Consumer Contract" means a Micro Business Consumer Contract which is for a period of an indefinite length and which does not contain a fixed-term period that applies to any of the terms and conditions of that Micro Business Consumer Contract and is not an Out-of-contract Contract.

"Initial Period"

means a period of fixed duration from the start of a contract concerning the supply of gas.

"Micro Business Termination Fee" means any sum of money or other compensation (whether financial or not) which might be demanded from a Micro Business Consumer solely because his Micro Business Consumer Contract has ended and/or any sum of money or other reward (whether financial or not) which would have been provided to a Micro Business Consumer if he continued to be supplied under a Micro Business Consumer Contract for a particular period of time and would not be provided to that Micro Business Consumer solely because that contract has ended before that period of time has elapsed.

"Out-ofcontract Contract" means a Non-Domestic Supply Contract which continues to apply to a Micro Business Consumer in circumstances where that Non-Domestic Supply Contract has been terminated or has expired through the passage of time and the same licensee continues to supply gas to that Micro Business Consumer.

"Relevant Notice Period" means a notice period of up to 30 days.

#### "Roll-Over Clause"

means a term providing for a contract to continue (automatically, or at the sole option of the licensee) beyond the expiry of the Initial Period in the event that, during the Initial Period, the Micro Business Consumer has not terminated the Micro Business Consumer Contract or otherwise expressly agreed that the Micro Business Consumer Contract will continue for a period of fixed duration or an indefinite length.

"Roll-Over Period"

means the period of time after the Initial Period for which a Micro Business Consumer Contract will continue pursuant to the Roll-Over Clause.

**"Specified Date"** 

means 25 June 2017.

#### "Micro Business Consumer"

means a Non-Domestic Customer:

- (a) which is a "relevant consumer" (in respect of premises other than domestic premises) for the purposes in article 2(1) of The Gas and Electricity Regulated Providers (Redress Scheme)
  Order 2008 (S.I. 2008/2268); or
- (b) which has an annual consumption of not more than 293,000 kWh.

"Relevant Date" means the date which is 30 days, before the date any fixed termperiod of a Micro Business Consumer Contract is due\_to end.

#### **Condition 8. Obligations under Last Resort Supply Direction**

#### 8.5. The licensee:

- (a) is not required to comply with a Last Resort Supply Direction in respect of premises to which it would not be required to supply gas because of any of the exceptions set out in sub-paragraphs  $6\underline{7}(a)$  and (b) of standard condition 22 (Duty to offer and supply under Domestic Supply Contract); and
- (b) shall not comply where the Last Resort Supply Direction is in respect of a Green Deal Premises and the licensee is not a Green Deal Licensee.

## Condition 20. Enquiry service, Supply Number and dispute settlement – for Non-Domestic Customers

#### **Dispute settlement**

- 20.5 The licensee must provide to each of its Non-Domestic Customers information concerning their rights as regards the means of dispute settlement available to them in the event of a dispute with the licensee or, in the case of a Microbusiness Consumer, any Third Party by providing that information on any relevant Promotional Materials sent to the Non-Domestic Customer and on or with each Bill or statement of account sent to each Non-Domestic Customer in relation to Charges or annually if the licensee has not sent such a Bill or statement of account to them. Such information must include, but is not limited to, how the procedures under any Qualifying Dispute Settlement Scheme can be initiated.
- 20.5A The licensee must ensure that any Third Party is a member of a Qualifying Dispute Settlement Scheme
- 20.5B The licensee must provide any information it holds or controls which, in the view of the provider of the relevant Qualifying Dispute Settlement Scheme, is relevant to a dispute between a Micro Business Consumer and a Third Party, to the provider of the relevant Qualifying Dispute Settlement Scheme, on request.
- 20.5C The provisions in this Condition 20.5 insofar as they relate to dispute settlement between a Microbusiness Consumer and a Third Party shall take effect on and from 1 December 2022 a date specified by the Authority.
- 20.5D For the purposes of this Condition:

<u>'Qualifying</u>
<u>Dispute</u>
<u>Settlement</u>
<u>Scheme'</u>

means any scheme of dispute settlement, resolution and/or redress operated by the Relevant Energy Ombudsman or such other organisation as demonstrably provides independent, fair, effective and transparent out-of court dispute settlement relating to Relevant Third Party Activities and constitutes a Qualifying Dispute Settlement Scheme in accordance with any guidance issued by the Authority,

## <u>'Relevant Third</u> Party Activities'

means any activity undertaken by a Third
Party in respect of a Micro Business Supply
Contract including (but without prejudice to
the generality of the foregoing):

- (a) <u>any written or oral communications</u> <u>relating to the supply of gas to aMicro</u> <u>Business Consumer including:</u>
  - (i) any pre-sales communications;
  - (ii) <u>any communications regarding</u>
    <u>Billing or Contractual</u>
    <u>Information; and</u>
  - (iii) any matters falling within the scope of standard conditions 7A, 14, 14A and 21B (insofar as they relate to a Micro Business Consumer); and
- (b) any processing of information relating to the supply of gas to a Micro Business
  Consumer, together with any other
  Relevant Activities as the Authority may direct from time to time, following consultation.

#### Schedule 3 - All gas supply licence holders

AvantiGas On Limited EDF Trading Limited

Axpo UK Limited ENGIE Gas Limited

Barrow Shipping Limited ENGIE Gas Shipper Limited

BGI Trading Limited ENGIE Power Limited

BP Gas Marketing Limited ENGIE Supply Holding UK Limited
British Gas Trading Limited Eni Global Energy Markets SpA
British Gas X Limited Equinor Energy Trading Limited

Brook Green Trading Limited Equinor UK Limited
Bulb Energy Ltd ESB Energy limited
Business Energy Solutions Limited Flexitricity Limited

Business Power and Gas Limited Flogas Enterprise Solutions Limited

Ceres Energy Limited Flow Energy Limited

Cilleni Energy Supply Limited Foxglove Energy Supply Limited

Corona Energy Retail 1 Limited Gas Plus Supply Limited

Corona Energy Retail 2 Limited Gazprom Marketing & Trading Retail

Corona Energy Retail 3 Limited Limited

Corona Energy Retail 4 Limited Good Energy Gas Limited
Coulomb Energy Supply Limited Green Energy (UK) plc

Crown Gas and Power Limited Hartree Partners Power & Gas Company

Crown Oil Limited (UK) Limited

Data Energy Management Services Hartree Partners Supply (UK) Limited

Limited Home Energy Trading Ltd

Delta Gas and Power Limited I.A.Z.F.S. Limited

Dyce Energy Limited International Power Fuel Company

E (Gas and Electricity) Limited Limited

E.ON Energy Gas (Eastern) Limited International Power Ltd.

E.ON Energy Gas (North West) Limited LCC Power Limited

E.ON Energy Solutions Limited Macquarie Bank Limited
E.ON Next Energy Limited Marble Power Limited

E.ON UK Industrial Shipping Limited Maxen Power Supply Limited

E.ON UK Plc Mercuria Energy Europe Trading Limited

Eco Green Management Limited Npower Commercial Gas Limited

Economy Gas Limited Npower Gas Limited

Economy Power Limited Npower Northern Limited Ecotricity Limited Npower Yorkshire Limited

EDF Energy Customers Limited Octopus Energy Limited

Opal Gas Limited

Opus Energy Limited

Opus Gas Supply Limited

Orsted Sales (UK) Limited

**OSSO** Gas Limited

Ovo (S) Gas Limited

Ovo Gas Limited

Pozitive Energy Ltd

Regent Gas Limited

RWE Generation UK Plc

RWE Supply and Trading Gmbh

Scottish Power Energy Retail Limited

Sembcorp Utilities (UK) Limited

Shell Energy Retail Limited

Shell Energy UK Limited

Smart Pay Energy Ltd

SmartestEnergy Business Limited

SmartestEnergy Limited

So Energy Trading Limited

SQUARE1 ENERGY LIMITED

SSE Energy Supply Limited

Switch Business Gas and Power Ltd

Telecom Plus PLC

The Nuclear Decommissioning Authority

Totalenergies Gas & Power Limited

Tru Energy Limited

UK Energy Incubator Hub Limited

UK Gas Supply Ltd

**UK Healthcare Corporation Limited** 

**UK National Gas Ltd** 

Unify Energy Limited

United Gas & Power Ltd

Utilita Energy Limited

Utilita Gas Limited

Valda Energy Limited

Whoop Energy Ltd

Xcel Power Limited

Yu Energy Retail Limited