

Consultation

Heat networks regulation: authorisation conditions

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We are consulting on the consolidated set of heat network general authorisation conditions. This consultation follows a series of consultations carried out on the proposals for the incoming heat network regulatory regime. As a result of these consultations, we updated our draft authorisation conditions to accommodate feedback. These updated conditions have been published alongside the relevant consultation response.

We carried out further work to align the text of the authorisation conditions. This consultation brings together the draft authorisation conditions we are intending to introduce and which will come into effect on 27 January 2026.

This is an opportunity to review the full suite of initial authorisation conditions, and we are seeking views on any drafting points stakeholders would like to highlight. We have previously consulted on the underlying policy of these conditions.

These authorisation conditions should be considered in conjunction with the relevant guidance consultations:

- [Heat networks regulation: consumer protection guidance](#)
- [Heat networks regulation: fair pricing protection guidance](#)
- [Heat networks regulation: authorisation conditions and guidance on measures to mitigate the risk and impact of financial failure](#)

Our intention is to publish the first set of general authorisation conditions and guidance relating to the authorisation conditions ahead of the commencement of regulation of the heat network sector on 27 January 2026.

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Contents

1. Introduction.....	5
Purpose of this consultation	5
Consultation Question	7
Consultation stages	7
How to respond	8
Your response, data, and confidentiality.....	8
How to track the progress of a consultation	8
2. Section A – applicable to operators and suppliers.....	10
2.1 Application of general authorisation conditions	10
2.2 Interpretation	10
2.3 Definitions	11
2.4 Registration.....	12
2.6 Nominated operator	13
2.7 Fair Pricing	14
2.8 Cost Allocation.....	15
2.9 Ongoing Fit and Proper Requirement.....	16
2.10 Provision of Information to the Authority.....	17
2.11 Open and Cooperative	17
2.12 Independent Audits	18
2.13 Operational Arrangements and Material Assets	19
2.14 Availability of Resources and Financial Responsibility Principle	20
2.15 Continuity arrangements.....	21
2.16 Revocation	22
3. Section B – applicable to suppliers.....	23
3.1 Supplier Standards of Conduct.....	23
3.2 Heat Supply Contracts.....	24
3.3 Contract Changes Information	25
3.4 Complaints	26
3.5 Assistance and Advice	28
3.6 Provision of Billing and Price Transparency of Information	29
3.7 Back-Billing.....	29
3.8 Priority Services Register	30
3.9 Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills	31
3.10 Prepayment Meters.....	32
3.11 Self-Disconnection	34
3.12 Social Obligations Reporting	35
4. Section C – applicable to operators.....	36
4.1 Operator Standards of Conduct.....	36
4.2 Security of Supply.....	36
Send us your feedback	38

Appendix 1.	Notice of Authorisation Conditions.....	39
Appendix 2.	Full list of Authorisation Conditions.....	41
Appendix 3.	Scope of authorisation conditions	119
	Authorised person	119
	Consumer type	121
	Network classification.....	122
Appendix 4.	Privacy Policy	125
	Personal data	125

1. Introduction

This consultation presents a consolidated set of draft heat network general authorisation conditions. The individual authorisation conditions and policy intent have each been consulted on. Updated authorisation conditions incorporating stakeholder feedback have been published alongside each consultation response. This consultation marks the first time these authorisation conditions have been published together as a set.

Purpose of this consultation

- 1.1 Heat networks can play a crucial role in decarbonising heat in buildings with an expectation the sector will grow rapidly in the coming decades.
- 1.2 In 2018, the Competitions and Markets Authority (CMA) recommended regulation of the sector in its heat networks study. Ofgem were subsequently named as the heat networks regulator ('the Regulator') in the Energy Act 2023.
- 1.3 The [Heat Networks \(Market Framework\)\(Great Britain\) Regulations 2025](#) (the Regulations) provided for the role of the Regulator in setting the conditions for authorisation of those carrying out a regulated activity on a heat network.
- 1.4 This consultation presents the first set of general authorisation conditions (conditions) which will come into effect when regulation of heat networks commences on 27 January 2026. It brings together in one document the proposed conditions that have previously been consulted on as part of the suite of heat network consultations.
- 1.5 Where authorisation conditions have been amended following consultation, we have included updated authorisation conditions and our rationale in the relevant consultation response. Where further amendments have been made in advance of this consultation, these have been called out in the relevant section.
- 1.6 Our intention is to develop a regulatory regime which protects consumers, taking a phased approach which considers the needs of the diverse heat networks sector. This set of conditions reflects our phased approach, as we intend to publish further authorisation conditions as the regulatory landscape matures. Any new authorisation conditions or modifications to existing conditions will be subject to further consultation.
- 1.7 The relevant authorisation conditions and earlier consultations are:

Consultation	Authorisation conditions
Heat networks regulation: implementing consumer protections consultation	Interpretation Supplier Standards of Conduct

Consultation Heat networks regulation: authorisation conditions

Heat networks regulation: implementing consumer protections –government response	Operator Standards of Conduct Fair Pricing Ongoing Fit and Proper Requirement Provision of information and reasoned comments to the Authority Principles relating to being open and cooperative Independent Audits Heat supply contracts Contract Changes Information Complaints Assistance and Advice Information Provision of Billing Information Back billing Priority Services Register Security, Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills Prepayment Meters Self-disconnection Social Obligations reporting Security of Supply Revocation Application of General Authorisation Conditions Definitions
Heat networks regulation: authorisation and regulatory oversight consultation Heat Networks Authorisation and Regulatory Oversight decision	Registration
Heat networks regulation: fair pricing protections consultation	Fair Pricing Cost Allocation

Consultation Heat networks regulation: authorisation conditions

Response to consultation on heat networks regulation: fair pricing protections	
Heat networks regulation: authorisation conditions and guidance on measure to mitigate the risk and impact of financial failure consultation Heat networks regulation: authorisation conditions and guidance on measure to mitigate the risk and impact of financial failure consultation response	Availability of Resource and Financial Responsibility Principle Operational Arrangements and Material Assets Continuity arrangements
Heat networks regulation: authorisation conditions for Registration, Nominated operator and Notification of changes consultation Heat networks regulation: authorisation conditions for Registration, Nominated operator and Notification of changes consultation response	Registration Nominated operator Notification of changes (as set out in the consultation document, this condition will not take effect from 27 January 2026 and is therefore not included in this consultation)

1.8 Appendix 1 contains draft Notices which will accompany the introduction of the authorisation conditions.

1.9 The full list of authorisation conditions is attached at Appendix 2. The scope of each of the conditions is set out in Appendix 3.

Consultation Question

Question

Do you have any views on the drafting consistency of the heat networks regulation authorisation conditions?

Consultation stages

1.10 We will publish a response to this consultation and the initial list of authorisation conditions ahead of commencement on 27 January 2026.

1.11 **Stage 1** Consultation open: 3 November 2025

Consultation Heat networks regulation: authorisation conditions

- 1.12 **Stage 2** Consultation closes (awaiting decision). Deadline for responses: 1 December 2025
- 1.13 **Stage 3** Responses reviewed and published: January 2026
- 1.14 **Stage 4** Consultation outcome (decision or policy statement): January 2026
- 1.15 How to respond
- 1.16 We want to hear from anyone interested in this consultation. Please send your response to the person or team named on the front page of this document.
- 1.17 We will publish non-confidential responses on our website.
- 1.18 Your response, data, and confidentiality
- 1.19 You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 1.20 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.
- 1.21 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.
- 1.22 If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

How to track the progress of a consultation

- 1. Find the web page for the call for input you would like to receive updates on.
- 2. Click 'Get emails about this page', enter your email address and click 'Submit'.

Consultation Heat networks regulation: authorisation conditions

3. You will receive an email to notify you when it has changed status.

A consultation has three stages: 'Open', 'Closed (awaiting decision)', and 'Closed (with decision)'.

2. Section A – applicable to operators and suppliers

This section covers draft authorisation conditions which would apply to both operators and suppliers of heating, cooling or hot water through a heat network.

These authorisation conditions include which segments of the market will be covered by which authorisation conditions (this is set out further in the table at Annex A), how these conditions should be interpreted, and definitions of terms used.

This section includes conditions relating to the registration of heat networks, including how existing networks should register where there are multiple operators.

It also includes authorisation conditions on our approach to Fair Pricing and Cost Allocation. It sets out conditions relating to our monitoring regime and financial resilience and conditions relating to revocation of an authorisation.

Application of general authorisation conditions

Purpose

- 2.1 This condition sets out how different sections of the general authorisation conditions would apply to different categories of authorised persons. The authorisation conditions will be divided into 3 sections: those applying to all authorised persons; those applying only to suppliers; those applying only to operators.

Reason

- 2.2 The condition is designed to help authorised persons to identify the conditions potentially relevant to their activities.

Effect

- 2.3 This condition sets out that section A will cover authorisation conditions which apply to all authorised persons, section B details conditions which apply to suppliers only, and section C covers authorisation conditions which apply to operators only.

Interpretation

Purpose

- 2.4 This authorisation condition sets out the interpretation provisions that apply to the heat network authorisation and authorisation conditions.

Consultation Heat networks regulation: authorisation conditions

Reason

- 2.5 This condition seeks to ensure that terms and provisions are read and understood in a consistent manner.

Effect

- 2.6 This condition sets a 'General Rules of Interpretation', which set out that any word or expression defined in the Energy Act 2023 or the Regulations has the same meaning when used in the heat network authorisation or the authorisation conditions. The 'General Rules of Interpretation' also details interpretations for terms such as supplier, operator, as well as other more general terms. It also covers how references to guidance, an industry code, an agreement or a statement within the authorisation condition should be interpreted, as well as references in the authorisation conditions to a provision of any enactment after the launch date. The 'General Rules of Interpretation' also include how the heading or title of any section, authorisation condition, schedule, paragraph or sub-paragraph in the authorisation conditions should be interpreted.
- 2.7 This condition also establishes that where any obligation in the authorisation conditions is required to be performed by a specified date or time and the authorised person has failed to do so, the obligation will continue to be binding and enforceable after the specified date or time.
- 2.8 The Interpretation condition details how Powers of the Authority are applied under provisions within the authorisation conditions. This also includes where dates are specified by the Authority.
- 2.9 The condition sets out that anything done under or because of an authorisation condition which is in effect immediately before that authorisation condition is modified, has continuing effect for so long as it is permitted or required.

Definitions

Purpose

- 2.10 This condition contains definitions applicable to the authorisation conditions.

Reason

- 2.11 It is important to have clear and consistent definitions of terms included within the authorisation conditions for suppliers and operators to follow.

Effect

- 2.12 This authorisation condition sets out defined words and expressions and gives their definitions next to them.

Changes from previously published version

- 2.13 Modification has been made to Section A, Condition 3 (Definitions): Definition of “Relevant Lease” has been amended to reference the relevant sections of the Landlord and Tenant Act –

“means a lease or tenancy agreement to which section 11 or sections 18 to 24 of the Landlord and Tenant Act 1985 applies (or any other agreement governed by legislative provisions with similar effect in any jurisdiction within Great Britain) and pursuant to which the charges paid or payable for the supply of heating, cooling or hot water form (or will form) part of a Service Charge”

- 2.14 A reference to the relevant sections of the Landlord and Tenant is included to clarify the type of existing requirements, either of the Landlord and Tenant Act or similar regimes, that we are seeking to avoid the Authorisation Conditions conflicting with.

Registration

Purpose

- 2.15 This condition will require authorised persons who are carrying on a regulated activity during the first part of the initial period and are therefore deemed authorised under the Regulations, to register. This includes informing Ofgem of the regulated activity it carries out; the nature of those activities; specified financial information, ownership and organisational structure; and the relevant heat networks at which the activities are carried out. It sets out that the registration process will be operator-led, with suppliers completing registration once the operator has provided the required information.
- 2.16 Where an entity is a supplier but not operator, the condition requires that the entity must cooperate with the operator to provide necessary information.

Reason

- 2.17 The Registration authorisation condition requires an authorised person to provide relevant information to the Authority as part of the registration process. This ensures that Ofgem is provided with information to undertake its role as regulator for heat networks.

Effect

- 2.18 The condition states that before the end of the first part of the initial period, as determined in the Regulations, the authorised person must inform the Authority of each regulated activity it carries out and provide the Authority with information as the Authority requires. This includes the nature of activities and contractual arrangements, specified financial information, ownership organisational

Consultation Heat networks regulation: authorisation conditions

structure, consumers and billing arrangements, and matters relevant to the authorised person's compliance with applicable authorisation conditions.

- 2.19 The condition also requires that where an authorised person is a supplier, but not also an operator of the heat network, the authorised person must co-operate with the operator(s) of the relevant heat network, including by providing relevant information to the operator.
- 2.20 In the case where there are multiple operators of a heat network, these parties may agree for one operator to complete registration on behalf of other operators with the effect of all parties having discharged their obligation under the condition.

Nominated operator

Purpose

- 2.21 The nominated operator authorisation condition will only apply to heat networks which commenced regulated activity before the end of the first part of the initial period and are therefore deemed authorised under the regulations. As part of the authorisation application process for new heat networks following the first part of the initial period, we intend to create an application requirement that a single entity must be identified in the role of operator. We will seek feedback from stakeholders on this proposal in a future consultation for authorisation application policy.
- 2.22 The Nominated operator authorisation condition will require that where there is more than one operator of a relevant heat network, these parties must take steps to agree for one operator to be nominated to be the single point of contact between the Authority and the other operators of the relevant heat network.
- 2.23 As part of regulatory activities, it may be necessary for confidential information to be shared between an authorised person who is not the nominated operator, and the Authority. We will set out in guidance how sharing of confidential information with the Authority will be facilitated for networks with multiple operators.

Reason

- 2.24 We think it is necessary to simplify communications about regulatory matters between Ofgem and authorised persons for heat networks with multiple operators. The condition seeks to ensure that steps will be taken by authorised persons to achieve this.

Effect

- 2.25 The authorised persons of the relevant heat network must use reasonable endeavours to agree with the other operators on which of them is to act as the

Consultation Heat networks regulation: authorisation conditions

contact point with the Authority and ensure that the Authority is notified of the agreed nominated operator.

- 2.26 Where the authorised person is the nominated operator for a relevant heat network, the authorised person must promptly provide information and notifications to the other operators, as well as the Authority, following receipt of relevant information or notifications from the Authority.
- 2.27 Where the authorised person is not the nominated operator for a relevant heat network, the authorised person must promptly provide information and notifications to the nominated operator, if one has been nominated, as may be reasonably required.
- 2.28 Examples of information and notifications include information relating to monitoring purposes.

Fair Pricing

Purpose

- 2.29 This authorisation condition will impose an obligation on each authorised person to ensure that charges are fair and are not disproportionate.
- 2.30 The condition will be interpreted in accordance with guidance published by the Authority.

Reason

- 2.31 This condition aims to protect consumers from disproportionate pricing and improve transparency.

Effect

- 2.32 An authorised person must ensure that charges imposed on Applicable Consumers are fair and are not disproportionate. For the purposes of this authorisation condition, an 'Applicable Consumer' means a Consumer who is supplied by means of a relevant heat network in relation to which the authorised person is authorised, or treated as authorised, to carry on a regulated activity.
- 2.33 Before this authorisation condition comes into force, the Authority will publish guidance which will set out how the Authority is to determine whether charges are fair and disproportionate and will also give examples of some of the methods that may be used by the Authority to determine this.
- 2.34 Before the Authority publishes the guidance, the Authority shall consult with such persons or bodies as it considers appropriate to consult.

- 2.35 The Authority may from time to time revise the guidance and will consult those referred to above.

Cost Allocation

Purpose

- 2.36 This condition will impose an obligation on authorised persons to ensure that charges imposed on consumers are structured in a way that is consistent with charges being fair and not disproportionate, having regard to the guidance published by the Authority. It also sets out that an authorised entity must not recover any penalties, compensations, or redress from its customers through its charges unless otherwise specified.

Reason

- 2.37 The Cost Allocation condition seeks to ensure that consumers are not unfairly burdened with costs arising from supplier non-compliance. This aligns with established practices in other regulated utility sectors, where penalties are intended to drive service improvements rather than impose additional costs on consumers.

Effect

- 2.38 An authorised person must ensure charges imposed on Applicable Consumers are structured in a way consistent with the cost allocation guidance to ensure consistency with the outcome of charges being fair and not disproportionate. For the purposes of this authorisation condition, an “Applicable Consumer” has the same meaning as set out in the Fair Pricing authorisation condition discussed above.
- 2.39 An authorised person must not recover any penalties, compensations, or redress, (for example financial penalties arising from breach of heat network authorisation condition) from its customers through its charges unless specified otherwise in guidance.
- 2.40 Before this authorisation condition comes into force, the Authority will publish relevant guidance, following prior consultation with such persons or bodies as it considers appropriate to consult.
- 2.41 The Authority may from time to time revise the guidance and will consult those referred to above.

Ongoing Fit and Proper Requirement

Purpose

- 2.42 This condition closely follows the precedent set by the electricity and gas supply Standard Licence Condition (SLC) 4C¹ and will require that all individuals with Significant Managerial Responsibility or Influence in relation to a heat network must be fit and proper using the given criteria.
- 2.43 The heat networks team will consider the outcome of any consultation in due course and may then bring forward amendments to this condition to reflect any changes made.

Reason

- 2.44 This condition seeks to ensure that operators and suppliers are consistently capable and responsible.

Effect

- 2.45 This condition states the authorised person must not appoint or have in place a person in a position of Significant Managerial Responsibility or Influence who is not a fit and proper person to occupy that role. The authorised person must therefore have in place and maintain robust processes, systems and governance, and carry out regular assessments to ensure that any person with such responsibility is, and remains, fit and proper to occupy the role.
- 2.46 This condition sets out the criteria that the authorised person must have regard to and the relevant matters they must take into account. These include whether the individual with Significant Managerial Responsibility or Influence has been involved in mismanagement, serious misconduct, or has any relevant unspent criminal convictions, such as fraud or money laundering. The authorised person must also consider whether the individual has any insolvency history, or has been disqualified from being a director of a company, or been refused, had revoked (in whole or in part), restricted or terminated any form of authorisation, or had any disciplinary, compliance, enforcement or regulatory actions taken by any regulatory body in any jurisdiction.
- 2.47 The authorised person must give particular regard to circumstances where the individual with Significant Managerial Responsibility or Influence has a background in the energy sector or the housing sector in Great Britain and

¹ Work by Ofgem is currently underway to review the requirements under electricity and gas supply SLC 4C to consider whether there are any improvements that should be made and consulted upon [Introducing a general ongoing fit and proper requirement | Ofgem](#).

whether the previous actions of that person resulted in or contributed towards significant consumer or market detriment.

Provision of Information to the Authority

Purpose

2.48 This authorisation condition will require authorised persons to comply with a request for information from the Authority.

Reason

2.49 This condition seeks to ensure that authorised persons provide accurate and timely information to ensure we have the information to fulfil our regulatory role.

Effect

2.50 After receiving a request from the Authority for Information that it considers may be necessary for the performance of any of its functions, the authorised person must give that information to the Authority in the Form, and manner requested. The information must also be provided in the time or intervals of time stated, and in accordance with any applicable guidance issued by the Authority. The authorised person is not required to comply with the request for information, if the authorised person could not be compelled to produce or give the Information in evidence in civil proceedings before a court.

2.51 After receiving a request from the Authority for reasoned comments on the accuracy and text of any Information which the Authority proposes to publish under regulation 12 of the Regulations, the authorised person must give such comments to the Authority when and in the Form requested. Information under regulation 12 includes but is not limited to advice, guidance or information that would promote the interests of heat network consumers

Open and Cooperative

Purpose

2.52 This condition will require that the authorised person must be open and cooperative with the Authority. This includes disclosing any information which may lead to a likelihood of detriment to heat network consumers as soon as it is identified. It also includes a 'conduct' principle to reflect that authorised persons must take steps to comply with their obligations under the Energy Act 2023, the Regulations and the authorisation conditions.

Consultation Heat networks regulation: authorisation conditions

Reason

2.53 This condition promotes communication and cooperation. It seeks to ensure that suppliers and operators engage openly with Ofgem on any issues that may be relevant to us performing our functions. For example, issues that have been identified which may, or have, led to consumer detriment.

Effect

2.54 The authorised person must disclose to the Authority, as soon as possible, any circumstance relating to them that the Authority would expect notice of in order to perform its functions. In particular, this means actions or omissions which may negatively impact heat network consumers.

2.55 This condition also includes a Conduct Principle, in which the authorised person must at all times act in a manner which enables compliance with obligations set out in the Energy Act 2023, the Regulations, and the authorisation conditions. This includes having appropriate internal resource, a designated point of contact for liaising with the Authority and identifying any risks of the authorised person breaching any relevant condition and mitigating such risks. They must also have regard to guidance issued by the Authority in respect of any authorisation condition.

Independent Audits

Purpose

2.56 This condition will oblige authorised persons to comply with independent audit requirements. The Authority can appoint an auditor directly or require the authorised entity to do so.

Reason

2.57 This condition seeks to ensure that heat network operators and suppliers are complying with their regulatory obligations and are delivering services in line with consumer protection standards.

Effect

2.58 Where the Authority deems it necessary for the authorised person to be audited by an Independent Auditor, it may require the authorised person to commission an Independent Audit; or appoint an Independent Auditor to carry out an Independent Audit of the authorised person. If commissioned to undertake an audit, the authorised person must do this without delay and provide the Authority with a copy of the full audit report, in the form and by the date set by the Authority. Each report should be considered by appropriate members of the senior

management team of the authorised person within four weeks of the report being provided by the Independent Auditor to the authorised person.

Operational Arrangements and Material Assets

Purpose

- 2.59 This Authorisation Condition will oblige authorised persons to ensure that the Material Assets relied on to provide the regulated activities are always available for the benefit of consumers and are capable of legal transfer to a Successor Authorised Person.

Reason

- 2.60 This condition seeks to mitigate risks in the event of assets being transferred to a successor entity taking over regulated activity. It also seeks to ensure that if the company enters insolvency, an Insolvency Provider is able to access the Material Assets required to continue the Authorised Activity.

Effect

- 2.61 This condition firstly sets out that, subject to the below paragraph, and any Permitted Security Interests, the authorised person must ensure that, were it to cease to carry on the regulated activity its operational arrangements are such that any successor would be able to efficiently and effectively carry on the regulated activity. This includes circumstances in which there is a transfer or revocation of the authorisation, or where an administrator is appointed. The material assets should be capable of transfer without any requirement for consent or approval by a third party, or the successor being unreasonably disadvantaged or subject to materially different terms.
- 2.62 Where a third party's consent, approval or agreement must be obtained to enable the legal transfer of a Material Asset to a successor to the authorised person, the authorised person will be treated as complying with the condition, if such third party is legally obliged to provide its consent, approval or agreement, subject only to conditions that are reasonable.
- 2.63 The authorised person must ensure there is no mortgage, pledge, lien, security interest or other charge or other agreement having the same economic effect over the Material Assets, except where it is a Permitted Security Interest.
- 2.64 The authorised person must at all times have Sufficient Control over its Material Assets and must not liquidate, sell or otherwise dispose of any Material Assets if doing so would create a significant risk of the authorised person being unable to fulfil its legal and regulatory obligations.

Consultation Heat networks regulation: authorisation conditions

- 2.65 The authorised person must create and maintain a register of all Material Assets which must include accurate and accessible information about the Material Assets, such as their condition and function. The authorised person must have this in place by the end of the first part of the Initial Period (26 January 2027) and shall provide the Material Asset register to the Authority at any time upon request.
- 2.66 This authorisation condition does not apply where the authorised person is a Local Authority or an excepted company; or carries out regulated activities only in relation to relevant heat networks that are either Industrial Supply Networks or Self-Supply Networks.

Availability of Resources and Financial Responsibility

Principle

Purpose

- 2.67 This authorisation condition will require the authorised entity to maintain at all times sufficient resources to deliver the Specified Activity. It places an obligation to notify the Authority where such resources might not be available.

Reason

- 2.68 Our overarching objective is to protect current and future consumers by having in place a resilient heat network sector. This condition acts as an overarching obligation seeking to ensure that authorised persons act in a responsible manner that is appropriate for their business specific risks. This means they properly manage risk and are able to withstand severe but plausible stress. This will ensure that consumers and authorised persons can have confidence in the heat network sector as it continues to grow.

Effect

- 2.69 The authorised person must at all times ensure that it has in place available resources, including financial resources, to ensure it can continue the activities for which it is authorised and fulfil its legal and regulatory obligations.
- 2.70 The authorised person must notify the Authority immediately if its directors (or appropriate senior management representatives) do not (or should not) have a reasonable expectation that the authorised person will have available resource. In this instance, the authorised person must not make any payment or loan or transfer any asset (except where that payment, loan or transfer is essential to the carrying out of the authorised person's regulated activities) where this will create a significant risk they cannot meet their legal and regulatory obligations.
- 2.71 This authorisation condition shall not apply where the authorised person is a Local Authority or an excepted company; or carries out regulated activities only in

relation to relevant heat networks that are either Industrial Supply Networks or Self-Supply Networks.

Continuity arrangements

Purpose

- 2.72 This condition will impose certain continuity obligations on authorised persons, including an obligation to have in place a continuity plan setting out the authorised person's strategy for safeguarding the continuity of each of its regulated activities in the event that it ceases to carry on any such activity.
- 2.73 It will also require authorised persons to take all reasonable steps to ensure continuity in the event of an authorisation revocation or transfer or cessation of activities. In doing so, they should minimise risk of disruption or harm to consumers and ensure the activity carries on, on terms that are the same or as similar as possible to those before.

Reason

- 2.74 This requirement ensures that heat networks have arrangements in place to ensure that the information is available for another authorised entity to continue the regulated activity, if a transfer of the authorised activity takes place. It also ensures that an authorised entity takes proactive steps to ensure customers are protected if they face, or request, revocation of their authorisation.

Effect

- 2.75 This condition requires that the authorised person has prepared and has in place, at all times after the first part of the initial period has ended, a continuity plan, which sets out the authorised person's strategy for safeguarding the continuity of each regulated activity that it is authorised.
- 2.76 The authorised person must ensure that the information provided in the continuity plan is accurate and kept up to date, at all times.
- 2.77 The continuity plan must be provided to the Authority when requested.
- 2.78 The continuity plan must include all information in relation to each applicable regulated activity that a successor to the authorised person would reasonably require in order to carry on the activity efficiently. This includes information on key service providers and staff, consumers, management structures and Material Assets.
- 2.79 Where networks have a separate operator and supplier, an obligation is introduced on the operator to take over the supply function, or secure another third party to do so, in the event a supplier ceases to carry it on.

Revocation

Purpose

2.80 This condition will introduce circumstances where the Authority may revoke an authorisation in whole or in part. This includes where the authorised person agrees the authorisation should be revoked, or where the authorised person has failed to comply with enforcement action taken by the Authority including failing to comply with an order, failure to pay a penalty or failure to comply with a consumer redress order. It also covers circumstances where the authorised entity fails to comply with orders made under various sections of the Competition or Enterprises Acts, and certain insolvency situations. If the authorised person has not commenced regulated activity within 1 year of authorisation being granted, or if they have ceased the activity, the Authority may revoke the authorisation.

Reason

2.81 This condition helps prevent disruption to consumers and helps ensure market stability in the event of persistent non-compliance by heat network operators.

Effect

2.82 The Authority may at any time revoke the heat network authorisation in whole or in part by giving no less than 30 days' notice in writing to the authorised person, if they have failed to comply with one or more of the conditions set out in the authorisation condition, or if the authorised person agrees that the authorisation should be revoked.

2.83 The Authority may give no less than 24 hours' notice in writing to the authorised person for revocation, if the authorised person meets one or more of the conditions set out in the authorisation condition that relate to insolvency.

2.84 The Authority may give no less than 7 days' notice in writing to the authorised person where there has been a material misstatement, by, or on behalf of, the authorised person, in making an application in relation to the heat network authorisation.

3. Section B – applicable to suppliers

This section covers draft authorisation conditions which would apply to suppliers. This section covers the Standards of Conduct for suppliers with an obligation for authorised persons to carry out any action in a fair manner.

This section sets out conditions relating to requirements to provide contracts to consumers, and how changes to contracts should be approached. It covers how complaints about heat network supply should be handled, and how consumers should be signposted to appropriate information and advice.

It also covers our approach to billing including requirements around transparency of pricing and charges, and limits on back-billing.

It sets out our approach to vulnerability including our expectations around creation and maintenance of a Priority Services Register and obligations around reporting on a supplier's approach to supporting vulnerable consumers. It also covers our approach to security deposits, payment difficulties, disconnections and direct debits as well as prepayment meters and identification of those self-disconnection and support that should be provided to those who are self-disconnecting.

Supplier Standards of Conduct

Purpose

- 3.1 This condition will introduce a Consumer Objective for suppliers to ensure that consumers of heat networks as well as occupants of domestic premises supplied by heat networks are treated fairly. This condition will place an obligation on authorised persons who carry on the regulated activity of supplying heating, cooling or hot water by means of a relevant heat network to achieve, and ensure its representatives achieve, certain standards of conduct when carrying out any activities which involve, or otherwise relate to, dealings with consumers.
- 3.2 These supplier Standards of Conduct include a general requirement to behave and carry out any action in a fair manner. Suppliers must ensure the resources and processes are in place to cooperate and share information with operators to enable operators to fulfil their obligations under the operator Standards of Conduct.

Reason

- 3.3 The Standards of Conduct are a key consumer protection mechanism in the gas and electricity market. Requiring authorised persons within the heat network market to follow Standards of Conduct seeks to ensure that standards and outcomes are improved for consumers.

Effect

- 3.4 This condition seeks to ensure that consumers of heat networks, and occupants of a domestic property supplied by a heat network are treated fairly by authorised persons and their representatives. This is known as the Consumer Objective for suppliers. This means that they must behave and carry out actions in a fair, honest, transparent, appropriate and professional manner. It would also set out that information provided to consumers should be accurate and clearly communicated and allows consumers to make informed choices about their heat network supply.
- 3.5 This condition sets requirements around customer service arrangements to make it easy for consumers to be able to contact their heat network supplier. The supplier should then act promptly to put things right. They should also have arrangements in place to engage with consumers and seek feedback on consumer satisfaction, or any decision making which impacts consumers. Any complaints made should be investigated and resolved in a timely manner.
- 3.6 It establishes that domestic consumers in vulnerable situations should be treated as including all occupants of a property, not just the individual who has the contractual or billing relationship with the supplier. Suppliers should seek to identify all vulnerable persons being served by the network and should provide any additional support as required to ensure those consumers have access to necessary services and information including the services referred to in the Priority Services Register authorisation condition.
- 3.7 It sets out the suppliers should proactively communicate with consumers to provide timely updates on any maintenance work or any events which may lead to a disruption in supply.
- 3.8 It sets out that resources and processes must be in place to allow for effective co-operation with other authorised persons who may be affected by regulated activities.
- 3.9 Where there may be a conflict or inconsistency with this authorisation condition and another general authorisation condition dealing with a specific aspect of the fair treatment of consumers, the latter will take priority.

Heat Supply Contracts

Purpose

- 3.10 This condition will oblige authorised persons to supply heating, cooling or hot water via a heat network following a request from a relevant consumer. Within a reasonable period of time, the authorised entity must offer to enter into a relevant supply contract with the consumer. There are exemptions where the building is not connected to the network or connection would be dangerous.

Consultation Heat networks regulation: authorisation conditions

3.11

It sets the required elements for inclusion in a relevant supply contract or deemed contract, as well as the process for terminating a contract. This includes both where the supply is provided as part of a service charge, and is payable separately than a service charge.

Reason

3.12 We want to improve transparency for consumers to ensure that they have a form of heat supply contract or equivalent.

Effect

3.13 Within a reasonable time after receiving a request from a relevant consumer for supply of heating, cooling or hot water, the supplier must offer to enter into a supply contract except where a relevant lease applies. Where a relevant lease applies, the authorised person must comply with any applicable housing regulation.

3.14 These conditions do not apply where the premises are not connected to the heat network, or the connection could be dangerous. They also would not apply where consumers do not pay a required security deposit.

3.15 A supply contract must be written in plain language set out in a single pack. Any terms and conditions referenced must be included in the pack without reference to any external website or resource. The conditions set out the specific information required to be included in these packs.

3.16 These conditions also apply in the event of a deemed contract. Deemed contracts should include notice that supply contracts with different terms may be available and how these can be accessed.

3.17 The conditions also include details of termination of any contracts as well as any transitional arrangements.

Changes from previously published version

3.18 We have made a modification in *Section B: Condition 2: Heat Supply Contracts, Clause 2.18.1*. We omitted the word "all", leaving the condition as "use reasonable endeavours". This is a drafting change to ensure that the drivers to update existing arrangements are proportionate. As reflected in our draft consumer protection guidance we are aware that some of the routes to varying existing leases or equivalent contracts can be costly or have lengthy processes. In these cases, we would expect the heat network's relevant supplier to consider the best way to deliver the intended outcome of this authorisation condition.

Contract Changes Information

Purpose

Consultation Heat networks regulation: authorisation conditions

3.19 This condition will oblige authorised persons to provide notices to consumers before a unilateral variation or increase to charges which disadvantage the consumer. It restricts such variations to once in any 6-month period. It sets out the information required in this notice to enable customers to understand the charge and the consequences for them.

Reason

3.20 We want to ensure that consumers are not adversely impacted by changes to their contract, and that where changes are made these are communicated clearly to consumers.

Effect

3.21 Authorised persons must give consumers at least 31 days notice of any changes to the contract which would be disadvantageous to the consumer, and any increase in charges including as a result of a reduction in any discount. This notice should take account of any vulnerability on the part of the consumer, and the consumers preferences for receiving notices.

3.22 The Contract Change Notice must:

- inform the consumer they can end the contract within 30 days and the consequences of this
- inform consumers that VAT is included in any relevant charge and this may appear differently on bills
- display charges inclusive of applicable VAT
- be provided in a form and at a time to enable consumers to make an informed choice
- include information on the change including the main reasons for the change, any potential implications if the consumer takes no action, when the change takes effect, what rights the consumer has

3.23 These obligations will not apply where a consumer's heat network supply is subject to a lease or tenancy agreement to which the Landlord and Tenant Act 1985 applies and the supply of heating, cooling or hot water forms part of a service charge.

Complaints

Purpose

3.24 This condition will introduce requirements on authorised persons to receive, handle and record complaints from consumers. This information must be published or signposted to in a prominent location in each building supplied, on its website and must also be sent to consumers in writing at least once a year. Where necessary, this should be in a specific format requested by the consumer with due regard to the Equality Act 2010 and a Relevant Consumer's Personal

Consultation Heat networks regulation: authorisation conditions

Characteristics. It also includes requirements on providing information to consumers on third party support.

Reason

3.25 We want heat network consumers to be able to complain to their operator or supplier where things go wrong, and to have that complaint fairly and promptly investigated and resolved.

Effect

3.26 Authorised persons must have in place a complaints procedure and comply with it. This procedure should be provided in writing before a Supply Contract is entered into, and should be made available when requested by a consumer. It should also be made available in each building supplied, on a website (where appropriate), or on meter display units. When handling complaints, any consumer vulnerability must be considered.

3.27 The complaints handling procedure must:

- be in plain intelligible language
- allow for complaints to be made by any reasonable means including orally, in writing or digitally
- allow for complaints to be progressed through each stage of the complaints procedure orally, in writing or digitally
- set out the steps that will be taken to investigate and resolve a complaint and likely timescales
- provide for an internal review of an existing complaint where a complainant is dissatisfied
- inform consumers of the contact details of the main sources of independent help available to them
- set out the consumer's right to refer a complaint to the relevant dispute resolution body
- set out the remedies that may be available including an apology, an explanation, remedial action and the award of compensation in appropriate circumstances

3.28 Once a complaint is received, authorised persons must record electronically details about the complaint, and any subsequent contact with the complainant. This information should be retained for at least 5 years.

3.29 If a complaint is not resolved, consumers must be notified of their right to escalate their complaint to the relevant Dispute Resolution Body.

Changes from previously published version

3.30 We have amended Section B, Condition 4, clause 4.28 (Complaints) to include drafting that sets out when a complaint becomes a resolved complaint. This is for clarity to ensure there are clear expectations that there must be no outstanding

actions to be taken by the Authorised person, and a complaint must be resolved to the satisfaction of the consumer who raised it.

Assistance and Advice

Purpose

3.31 This authorisation condition will require authorised persons to supply consumers with information to advise them of their rights in relation to dispute resolution. The authorised entity must also provide information on energy efficiency and emergency contacts.

Reason

3.32 We want consumers to be able to understand their rights in relation to dispute resolution. We also want consumers to have contact details for authorised persons in the event of a query, complaint, dispute or emergency.

Effect

3.33 Authorised persons should provide consumers with information on:

- how to identify and contact the authorised person for queries, complaints, disputes and emergencies
- how to seek impartial advice from a Relevant Consumer Advice Body
- available dispute settlement
- how to access appropriate assistance and advice

3.34 The authorised person must provide an enquiry service to consumers, or an occupant of a relevant domestic premises, which:

- offers a range of contact methods to meet consumer or occupant needs including taking into account any vulnerabilities
- is available at times that meet consumer needs
- is available 24 hours a day where consumers or domestic occupants are experiencing an interruption in their supply caused by a meter fault

3.35 Authorised persons should also publish or signpost to relevant publications by the Authority or Consumer Advice Bodies relating to the authorised person's services including any guidance or advisory publications.

3.36 The authorised person must also inform consumers that an emergency or suspected emergency should be reported immediately and provide a number to report them.

3.37 Authorised persons must also inform consumers of their Unique Meter Reference Number annually if a Bill or statement of account has not been sent.

Provision of Billing and Price Transparency of Information

Purpose

3.38 This condition will introduce requirements for issuing bills and billing information to both metered and unmetered consumers.

Reason

3.39 We want bills to be transparent. We think it should be clear to consumers what they are being charged for and how bills have been calculated.

Effect

3.40 Where Supply Meters are installed all Bills and Billing Information should be accurate and based on actual consumption. Where bills relate to a consumer in supported accommodation, almshouse accommodation, purpose-built student accommodation or certain premises subject to a leasehold interest this requirement should be met as far as reasonably practical.

3.41 At least once a year, the authorised person must issue a bill based on actual rather than estimated consumption. Billing information must be issued at least twice a year and with every bill issued.

3.42 Bills should include a clear explanation of the information contained in the bill including how it was calculated and specifying fixed and variable charges. The condition also specifies information which should be included on the bill including contact information for the relevant consumer advice body, contact information for the authorised person, complaints information, emergency contact details, energy saving information, and any customer identification numbers.

3.43 Where supply is via a prepayment meter, an account statement should be provided at least annually. This should state the consumption for the previous 12 months, a projection of the charges for the next 12 months alongside the billing information.

Back-Billing

Purpose

3.44 This condition will set requirements on how authorised persons are permitted to back-bill heat network charges. For Domestic or Microbusiness consumers, this is limited to 12 months except where these charges form part of a service charge to which the Landlord and Tenant Act 1985 (or equivalent legislation) applies.

Consultation Heat networks regulation: authorisation conditions

Reason

- 3.45 We consider that heat charges should only be backdated within a reasonable period to help consumers be able to manage their budgets.

Effect

- 3.46 This condition sets out that charges should only be recovered for domestic or microbusiness for heating, cooling or hot water consumed within the preceding 12 months. This would not apply where any Charge Recovery Action was taken before the date this condition takes effect, or where the authorised entity have been unable to take a Charge Recovery Action due to obstructiveness or unreasonable behaviour of the consumer.
- 3.47 This condition would not apply where a domestic or microbusiness customer is subject to a lease where these charges form part of a service charge to which the Landlord and Tenant Act 1985 (or equivalent legislation) applies.

Priority Services Register

Purpose

- 3.48 This condition will oblige authorised persons to maintain a register of its Domestic Consumers who may require “Priority Services” as a result of their personal circumstances or being in a vulnerable situation, and to provide these services free of charge.

Reason

- 3.49 We want to ensure suppliers place vulnerability at the heart of the business, improving outcomes for consumers in vulnerable situations by ensuring they are treated fairly. We want to strengthen the obligations on regulated persons to ensure they do the right thing by consumers in vulnerable situations.

Effect

- 3.50 Authorised persons must establish and maintain a Priority Services Register of those who are domestic consumers or occupants of a domestic premises supplied who may be in a vulnerable situation or may be vulnerable due to their personal circumstances.
- 3.51 They should take steps to promote the Register and Priority Services which may be available.

Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills

Purpose

- 3.52 This condition will oblige authorised persons serving domestic consumers with certain requirements relating to various payment related matters including payment of a 'Security Deposit', offering services where consumers are in payment difficulty, placing restrictions on disconnection due to non-payment of charges, and provision of a final bill.

Reason

- 3.53 We want to ensure that consumers are treated fairly in relation to their payments, and that support is offered to consumers where they find themselves in payment difficulty.

Effect

- 3.54 This condition requires that where a Security Deposit is required, it must not exceed a reasonable amount. We are proposing a Security Deposit should not be required if a domestic consumer agrees to be supplied through a Prepayment Meter, or if it would be unreasonable.
- 3.55 Where an authorised person believes that a domestic consumer is having, or may have, difficulty paying all or part of the charges, they must offer the ability to pay charges by regular instalment through a means other than a Prepayment Meter, or through a Prepayment Meter where it is safe and reasonably practical to do so. This contact should be made proactively by contacting the consumer no later than the consumer has missed two consecutive monthly payments, missed one quarterly scheduled payment or the consumer has flagged that they are unable to make the next scheduled payment. The authorised entity should take into account the consumer's ability to pay when calculating instalments. The authorised entity must not charge for provision of these services.
- 3.56 We are also proposing that authorised persons must not disconnect a Domestic Premises, including Credit Limiting, where a domestic consumer has not paid charges unless they have taken all reasonable steps to recover charges through offering these payment options.
- 3.57 We are proposing that in winter domestic premises must not be disconnected where it is known or believed that occupants include a child under the age of 2 or is over the age of 75, disabled, terminally ill or chronically sick; or where it is believed an occupant has a medical condition meaning they may need to receive a supply of heating or hot water throughout the year. This would also apply where the authorised person is a Bulk Supplier, in which case the Bulk Supplier must take all reasonable steps to ascertain whether any of these vulnerabilities apply.

Consultation Heat networks regulation: authorisation conditions

- 3.58 These obligations should be clearly set out in clear language and made available to all domestic consumers.
- 3.59 Where a consumer pays through Direct Debit, the amount paid can be varied in accordance with the relevant Domestic Supply Contract. The authorised person must provide each domestic consumer with a clear and easily understood explanation of how a fixed amount charged had been determined. This amount should be based on the best and most current information available. Where any credit balance has been accumulated the authorised person should refund that balance requested or give a clear reason why it does not think that is fair and reasonable.

Prepayment Meters

Purpose

- 3.60 This condition will require authorised persons serving domestic consumers to adhere to requirements linked to Prepayment Meters including restrictions on installing a prepayment meter, or switching a meter to advance payment mode on an involuntary basis.

Reason

- 3.61 We want to ensure that domestic consumers on Prepayment Meters are protected. We also want to introduce restrictions on the circumstances when Prepayment Meters can be installed, or existing meters can be switched to prepayment mode.

Effect

- 3.62 This condition requires that where the supply of heating, cooling or hot water is paid through a Prepayment Meter, appropriate information should be provided to the consumer about the advantages and disadvantages of a Prepayment Meter, information on how the Meter works and how they can pay in advance as well as information on how they can get help if the Meter is not working. Information should also be provided on Emergency Credit, Friendly-hours Credit, Additional Support Credit and Prepayment Meter Credit Facilities.
- 3.63 Where an authorised person intends to install a Prepayment Meter or to switch an existing meter to prepayment mode, the authorised person must ensure that it is safe and reasonably practicable to do so. Where a Prepayment Meter is installed, and the authorised person believes this may no longer be safe they must offer a replacement or alter the existing meter, or offer an alternative payment mechanism.

Consultation Heat networks regulation: authorisation conditions

- 3.64 We set out that the installation of a Prepayment Meter or switch of a meter to prepayment mode is not allowed where access to the premises is required to switch unless the consumer has given their Explicit Consent. Where a meter can be installed or switched without access to the premises but Explicit Consent has not been given, the switch should not happen unless the Debt Trigger has been met, multiple attempts have been made to engage with the Domestic Consumer, Site Welfare Visits have been carried out, the meter would be safe and reasonably practicable, and advance notice in writing has been provided. Any non-consensual switch should not take place in winter where it is believed that a child under 2, or is over the age of 75, disabled, terminally ill or chronically sick.
- 3.65 A vulnerability assessment must be carried out where switching through a device which does not require access to the premises and where it is believed the occupants of a Domestic Premises includes someone who has a medical condition which means that for medical reasons they may need a supply of heating or hot water throughout the year; a person who has a serious mental or development disability; a child under 5 or a person in a temporarily vulnerable situation due to pregnancy or another health related reason.
- 3.66 Where a Prepayment Meter is planned to be installed or switched, the authorised persons must:
- consider the consumer's ability to pay
 - accept information from and actions on behalf of the consumer from any person or organisation acting on their behalf
 - not link any staff incentives to the number of installations
 - ensure that Site Welfare Visits include the use of audio recording equipment or body worn video
 - ensure that post-installation aftercare support is provided
 - any information is retained for an appropriate period
- 3.67 Once any debt owed is repaid, the domestic consumer must be contacted and offered an assessment on whether a Prepayment Meter remains the most appropriate payment method. The authorised person must provide information on alternative payment methods and the option to move payment method. If a consumer decides to move to an alternative payment method, the authorised person must agree to implement this change as soon as possible subject to required credit checks, and ensure any Security Deposit is reasonable.
- 3.68 Information on how this condition applies must be written in clear language and made available to all consumers.

Self-Disconnection

Purpose

- 3.69 This condition will oblige authorised persons serving domestic consumers using Prepayment Meters to take reasonable steps to identify instances of self-disconnection. This includes the ability for a consumer to be able to inform the authorised entity they are self-disconnecting where the Prepayment Meter does not have the functionality to identify this. Where these are identified, the authorised person will be required to offer appropriate support, and various kinds of credit.

Reason

- 3.70 We want to minimise domestic Prepayment consumers in vulnerable circumstances resorting to self-disconnection and self-rationing due to affordability. Gas and electricity licence conditions require suppliers to monitor usage to identify any instances of self-disconnection. We want to take a similar approach in heat networks.

Effect

- 3.71 Where a domestic consumer uses a prepayment meter, the authorised person must take all reasonable steps to identify whether that consumer is self-disconnecting. Where someone is self-disconnecting, the authorised person should offer the consumer appropriate support taking into account any vulnerabilities.
- 3.72 The authorised person should also offer a reasonable amount of Emergency Credit and Friendly-hours Credit. Where this would be technically unfeasible or outside control of the authorised person, all reasonable steps to provide alternative support should be taken.
- 3.73 Where an authorised person identifies a domestic consumer has self-disconnected or is self-disconnecting, or self-rationing in circumstances in which any occupant of the relevant domestic premises is in a vulnerable situation, they must offer a reasonable amount of Additional Support Credit.
- 3.74 Information on all of the above should be provided to domestic consumers on Prepayment Meters in a form and frequency which is easily understandable.

Social Obligations Reporting

Purpose

3.75 This condition will oblige authorised persons to provide information specified by the Authority on domestic customers or any occupants of domestic premises supplied. This statistical information should be provided to Ofgem, Citizens Advice, Citizens Advice Scotland and Consumer Scotland.

Reason

3.76 We want to ensure that consumers are protected and supported in a comparable way to gas and electricity consumers and allow for a consistent approach across gas, electricity and heat networks.

Effect

3.77 This condition would oblige authorised persons to provide information specified by the Authority about domestic customers or any occupants of domestic premises to Ofgem, Citizens Advice, Citizens Advice Scotland and Consumer Scotland.

3.78 This may include statistical information about:

- the number of domestic consumers using each method of payment for Charges
- failures by domestic customers to pay charges by the due date
- disconnections carried out
- the services offered to those on the Priority Services Register and the numbers of persons on that register

4. Section C – applicable to operators

This section sets out our draft authorisation conditions and approach to operators achieving standards of conduct and acting in a fair and transparent manner. It also sets out authorisation conditions intended to ensure a continuity of supply to consumers.

Operator Standards of Conduct

Purpose

- 4.1 This authorisation condition will oblige authorised persons who carry on the regulated activity of operating a relevant heat network to achieve certain standards of conduct when carrying out any activities which are likely to have an impact, directly or indirectly, on Consumers.

Reason

- 4.2 We want to ensure that heat network operators behave and carry out any action in a fair manner.

Effect

- 4.3 This will require that everyone who is a consumer or an occupant of a domestic premises which is connected to a relevant heat network is treated fairly. This means that the authorised person should behave and carry out any actions in a fair, honest, transparent, appropriate and professional manner.
- 4.4 These operator Standards of Conduct include a general requirement to behave and carry out any action in a Fair manner. Operators must ensure the resources and processes are in place to cooperate and share information with the supplier to enable a supplier to fulfil its obligations under the supplier Standards of Conduct.

Security of Supply

Purpose

- 4.5 This condition will oblige authorised persons operating a heat network to ensure a reliable supply of heating, cooling or hot water taking steps to minimise outages and disruptions. This includes by promptly repairing or replacing any components, making any modifications or upgrades, and monitoring and reporting on the performance of the heat network.

Reason

- 4.6 We believe that a reliable and uninterrupted supply of heat should be a cornerstone of the regulated persons' responsibilities. Whilst some data suggests² there are higher levels of consumer satisfaction among heat network consumers than non-heat network consumers there are discrepancies across the market in the reliability of services provided.

Effect

- 4.7 This condition will require that the authorised person must operate all of their networks in a manner which ensures a reliable and consistent supply of heating, cooling or hot water. This includes by promptly repairing or replacing any components, making any modifications or upgrades, and monitoring and reporting on the performance of the heat network.

² [heat-network-consumer-and-operator-survey.pdf](#)

Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this consultation. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.

Appendix 1. Notice of Authorisation Conditions

To: Heat network stakeholders

Heat Networks (Market Framework) (Great Britain) Regulations 2025

Regulation 18(4) – general authorisation conditions

Notice of consultation on our proposed conditions

1. The Gas and Electricity Markets Authority (the ‘**Authority**’)³ proposes to determine general authorisation conditions that will apply to persons who carry on the regulated activity of operating a relevant heat network and/or the regulated activity of supplying heating, cooling or hot water to heat network consumers by means of a relevant heat network (each person herein referred to as an ‘**Authorised Person**’) by:
 - Determining general authorisation conditions that will have effect from the launch date of the market framework regulatory regime (27 January 2026)
2. We are consulting on the drafting consistency of the proposed general authorisation conditions set out in Appendix 1 of this document. We welcome views from those with an interest in heat networks, in particular the Authorised Persons. We also welcome views from other stakeholders, and the public.

Responding to this consultation

Any representations with respect to the drafting consistency of the proposed general authorisation conditions must be made by 1 December 2025 to: Heat Networks, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to HeatNetworksRegulation@ofgem.gov.uk.

We normally publish all responses on our website. If you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can easily be placed on our website.

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK’s withdrawal from the European Union (“UK GDPR”), the Gas and

³ The terms “the Authority”, “we”, and “us” are used interchangeably in this document

Consultation Heat networks regulation: authorisation conditions

Electricity Markets Authority will be the data controller for the purposes of UK GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations.

If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

The general authorisation conditions, including any modifications to the proposed general authorisation conditions, will be published in our notice under regulation 18(2) of the Heat Networks (Market Framework) (Great Britain) Regulations 2025 that we intend to publish in January 2026 to bring the general authorisation conditions into effect.

Helena Charlton

Director of Heat Networks

Duly authorised on behalf of the

Gas and Electricity Markets Authority

[03/11/2025]

Appendix 2. Full list of Authorisation Conditions

GAS AND ELECTRICITY MARKETS AUTHORITY

General authorisation conditions determined under The Heat Networks (Market Framework) (Great Britain) Regulations 2025

Section A (Conditions applicable to each authorised person)

A1	Application of general authorisation conditions
A2	Interpretation
A3	Definitions
A4	Registration
A5	Nominated Operator
A6	Fair Pricing
A7	Cost Allocation
A8	Ongoing Fit and Proper Requirement
A9	Provision of Information to the Authority
A10	Open & Co-operative
A11	Independent Audits
A12	Operational Arrangements and Material Assets
A13	Availability of Resources and Financial Responsibility Principle
A14	Continuity Arrangements
A15	Revocation

Section B (Conditions applicable to authorised persons carrying on the regulated activity of supply)

B1	Supplier Standards of Conduct
B2	Heat Supply Contracts
B3	Contract Changes Information
B4	Complaints

Consultation Heat networks regulation: authorisation conditions

B5	Assistance and Advice
B6	Provision of Billing and Price Transparency of Information
B7	Back-billing
B8	Priority Services Register
B9	Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills
B10	Prepayment Meters
B11	Self-Disconnection
B12	Social Obligations Reporting

Section C (Conditions applicable to authorised persons carrying on the regulated activity of operating)

C1	Operator Standards of Conduct
C2	Security of Supply

SECTION A: CONDITIONS APPLICABLE TO EACH AUTHORISED PERSON

1 Section A: Condition 1: Application of general authorisation conditions

These general authorisation conditions apply as set out below.

Section A (All authorised persons)	The authorisation conditions included in this Section A of the general authorisation conditions apply to all persons authorised or treated as authorised to carry on a regulated activity and apply for each such regulated activity carried on, except to the extent otherwise provided in any such authorisation condition.
Section B (Supply)	The authorisation conditions included in Section B of the general authorisation conditions apply to an authorised person who is authorised or treated as authorised to carry on the regulated activity of supplying heating, cooling or hot water to heat network consumers by means of one or more relevant heat networks, provided that: (a) such authorisation conditions do not apply to an authorised person who carries on the regulated activity of supply only by means of one or more Industrial Heat Networks; and (b) where an authorised person carries on the regulated activity of supply by means of one or more Industrial Heat Networks in addition to carrying on the regulated activity of supply by means of one or more other relevant heat networks, such authorisation conditions shall be construed as if they do not apply to the authorised person's activities in relation to any Industrial Heat Network.
Section C (Operator)	The authorisation conditions included in Section C of the general authorisation conditions apply to an authorised person who is authorised or treated as authorised to carry on the regulated activity of operating one or more relevant heat networks provided that: (a) such authorisation conditions do not apply to an authorised person who operates a relevant heat network only by virtue of operating one or more Industrial Heat Networks and/or Self-Supply Networks; and (b) where an authorised person operates one or more Industrial Heat Networks and/or Self-Supply Networks in addition to operating one or more other relevant heat networks, such authorisation conditions shall be construed as if they do not apply to the authorised person's activities in relation to any such Industrial Heat Network or Self-Supply Network.

2 Section A: Condition 2: Interpretation

General rules of interpretation

- 2.1 Unless the context otherwise requires, any word or expression defined in the Energy Act 2023 or the Regulations has the same meaning when used in the authorisation conditions.
- 2.2 Unless the context otherwise requires, references in the authorisation conditions to a provision of any enactment where after the launch date:
- 2.2.1 the enactment has been replaced or supplemented by another enactment; and
- 2.2.2 such enactment incorporates a corresponding provision in relation to fundamentally the same subject matter,
- shall be construed as including a reference to the corresponding provision of that other enactment.**
- 2.3 Unless the context otherwise requires:
- 2.3.1 any reference in the authorisation conditions to guidance, an industry code, an agreement or a statement is a reference to that guidance, code, agreement or statement as modified, supplemented, transferred, novated or replaced from time to time any reference to a statute or subordinate legislation is a reference to that statute or subordinate legislation as amended or re-enacted from time to time.
- 2.4 The heading or title of any section, authorisation condition, schedule, paragraph or sub-paragraph in the authorisation conditions is for convenience only and does not affect the interpretation of the text to which it relates.
- 2.5 Unless the context otherwise requires, any reference in an authorisation condition to a paragraph or sub-paragraph or part is a reference to it in that authorisation condition.
- 2.6 Any reference in the authorisation conditions to any other provision of the authorisation conditions is to be read, if the authorisation conditions are subsequently modified, as a reference (so far as the context permits) to the corresponding provision of the authorisation conditions as modified.
- 2.7 The words “include”, “including”, and “in particular” where they occur in any authorisation condition are to be read without limitation to the generality of the preceding words.
- 2.8 Unless the context or an authorisation condition otherwise requires:
- 2.8.1 words and expressions referencing the masculine gender include the feminine;
- 2.8.2 words and expressions referencing the feminine gender include the masculine;
- 2.8.3 words and expressions in the singular include the plural and words and expressions in the plural include the singular.
- 2.9 Unless the context otherwise requires, any reference in an authorisation condition:
- 2.9.1 to a “supply” is to be read as being a reference to a supply of heating, cooling or hot water;
- 2.9.2 to a “supply of heating, cooling or hot water” is to be read as being applicable to whichever of heating, cooling and/or hot water is being supplied or (as the context requires) capable of being supplied to a Consumer;
- 2.9.3 to a “supply” or a “supply of heating, cooling or hot water” is to be read as being a reference to a supply by means of a relevant heat network;

Consultation Heat networks regulation: authorisation conditions

- 2.9.4 to a “relevant heat network” is to be read as including a reference to a relevant part, where applicable;
- 2.9.5 to the “regulated activity of operating” or to the “regulated activity of supplying” is to be read as meaning the regulated activity within the meaning of regulation 13.1(a) of the Regulations or regulation 13.1(b) of the Regulations, as applicable, and references to “suppliers” or “operators” are to be construed accordingly;
- 2.9.6 to an “operator” includes a person who is taken to operate a relevant heat network but only in respect of the relevant part in accordance with regulation 13(4)(b) of the Regulations; and
- 2.9.7 to a person being “treated as authorised” in relation to a regulated activity is to be read as a reference to a person being treated as holding a heat network authorisation in relation to that regulated activity in accordance with regulation 27,

and similar expressions to any of the above shall be construed accordingly.

Performance of obligations

- 2.10 Where any obligation in the authorisation conditions is required to be performed by a specified date or time or within a specified period and the authorised person has failed to do so, the obligation will continue to be binding and enforceable after the specified date or time or after the end of the specified period, without prejudice to all rights and remedies available against the authorised person in relation to its failure.

Specific application of powers

- 2.11 Unless a contrary intention appears, any power of the Authority under any provision of the authorisation conditions:
 - 2.11.1 to give a direction, consent, derogation, approval or designation is a power:
 - (a) to give it to such extent, for such period of time and subject to such conditions as the Authority thinks reasonable in all the circumstances of the case; and
 - (b) to revoke or amend it (after consulting with the authorised person) or give it again under that power; and
 - 2.11.2 to make a determination or a decision is a power:
 - (a) to make it subject to such conditions as the Authority thinks reasonable in all the circumstances of the case; and
 - (b) to make it again under that power.
- 2.12 Any direction, consent, derogation, determination, approval, designation, decision or other instrument given or made by the Authority in connection with an authorisation condition will be in Writing.

Date to be specified

- 2.13 In each case in which the Authority may specify a date under the authorisation conditions, it may specify:
 - 2.13.1 that date; or
 - 2.13.2 the means by which that date is to be determined.

Continuing effect

Consultation Heat networks regulation: authorisation conditions

- 2.14 Anything done under or because of an authorisation condition, which is in effect immediately before that authorisation condition is modified, has continuing effect for so long as it is permitted or required by or under the modified authorisation condition.
- 2.15 Without prejudice to the generality of paragraph 2.14, every direction, consent, determination, designation, approval, decision or other instrument given or made by the Authority in relation to an authorisation condition, which is in effect immediately before that authorisation condition is modified, has continuing effect under the modified authorisation condition.

Service of notices

- 2.16 The provisions of Schedule 1 of the Regulations (Service of notices, etc. by the Regulator) shall have effect as if set out herein and as if:
- 2.16.1 for the words ‘these Regulations’ there were substituted the words ‘the authorisation conditions’; and
- 2.16.2 for the words ‘the Regulator’ there were substituted the words ‘the Authority’.

Application of this authorisation condition

- 2.17 This authorisation condition applies save to the extent that a given authorisation condition provides otherwise.

3 Section A: Condition 3: Definitions

Additional Support Credit	means, in circumstances where any occupant of a Domestic Premises is in a Vulnerable Situation, a fixed amount of credit provided to the relevant Domestic Consumer when that Domestic Consumer's Prepayment Meter credit runs low or runs out to ensure a continuity of, or a return to, supply of heating, cooling or hot water;
Affiliate	means, in relation to an authorised person, any holding company or subsidiary or subsidiary undertaking of a holding company of the authorised person, in each case within the meaning of the Companies Act 2006;
Applicable Consumer	means a Consumer who is supplied by means of a relevant heat network in relation to which the authorised person is authorised, or treated as authorised, to carry on a regulated activity;
Authority	means the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000 or, where applicable, the Office of Gas and Electricity Markets on its behalf;
Bill	means a statement of Charges applicable to the Consumer and "Bills" shall be construed accordingly;
Billing	all matters relating to the provision of a Bill or statement of account to a Consumer, including the content and calculations relating to such a Bill or statement of account and the collection and use of information relating to the consumption of heating, cooling or hot water as supplied by means of a relevant heat network;
Billing Information	is to be interpreted in accordance with authorisation condition (Provision of Billing and Price Transparency Information);
Bulk Supply	means where heating, cooling or hot water is supplied to a Bulk Supply Consumer by means of a relevant heat network and "Bulk Supplier" shall be construed accordingly;
Bulk Supply Consumer	means a Consumer who takes a supply of heating, cooling or hot water by means of one relevant heat network for the purpose of supplying one or more other Consumers by means of another relevant heat network;
Charge	means any charge for or in relation to the supply of heating, cooling or hot water, including the Standing Charge, Unit Rate, any reasonable and proper disconnection charges, reconnection charges, abortive call-out charges and debt-processing charges levied in relation to the supply of heating, cooling or hot water and references to Charges shall be construed accordingly;
Charge Recovery Action	has the meaning given in authorisation condition (Back-billing);

Compensation Payment	means any payment made by the authorised person (including any voluntary payment) to a specific Domestic Customer in accordance with any customer service, complaint handling or redress arrangements which: (a) in the case of a payment which is required by the Authority, any legislation, authorisation conditions, formal redress arrangement, or by the courts, is the payment which the authorised person is required to provide; and (b) in all other cases, is a payment which is made solely on the basis of a specific issue which: (i) relates to customer service, complaint handling or redress; and (ii) specifically affects the Domestic Customer to whom the payment is made;
Complaint	means an expression of dissatisfaction about the standard of service, action or inactions of the authorised person, or those acting on its behalf, where: (a) the dissatisfaction arises in direct response to the carrying on of a regulated activity by the authorised person, or those acting on its behalf; (b) one or more Relevant Consumers are affected; and (c) a response is explicitly or implicitly required or expected to be provided thereafter;
Complaints Handling Procedure	is to be interpreted in accordance with authorisation condition (Complaints);
Consumer	means a heat network consumer who takes a supply of heating, cooling or hot water (or, where the context requires, a heat network consumer who requires a supply to be made);
Consumer Credit Balance	means the amount by which the payments made by a Domestic Consumer to the authorised person under or in accordance with the relevant Domestic Supply Contract exceeds the total amount of Charges which is due and payable by that Domestic Consumer to the authorised person under that Domestic Supply Contract;
Consumer Objective for Operators	has the meaning given in paragraph 1.1 of authorisation condition (Operator Standards of Conduct);
Consumer Objective for Suppliers	has the meaning given in paragraph 1.1 of authorisation condition (Supplier Standards of Conduct);
Credit Limiting	means the practice by which the authorised person limits the amount by which the total Charges accrued by a Domestic Customer under a Domestic Supply Contract may exceed the payments made by that Domestic Customer to the authorised person under or in accordance with the relevant Domestic Supply Contract and related expressions must be read accordingly;

Consultation Heat networks regulation: authorisation conditions

Customer	(a) in respect of an Electricity Supplier, has the meaning given in standard licence condition 1 of the Standard conditions of electricity supply licence; and (b) in respect of a Gas Supplier, has the meaning given in standard licence condition 1 of the Standard conditions of gas supply licence;
Debt Trigger	means, where Charges have been outstanding for three months or more after the date the bill has been issued, and Outstanding Charges are more than the amount specified by the Authority for these purposes and the Consumer is not on, or transitioning, to a repayment plan;
Deemed Contract	means a Deemed Contract by Conduct or a Deemed Contract by Statute;
Deemed Contract by Conduct	means a contract formed, or alleged to have been formed, between an authorised person and a heat network consumer otherwise than through an active acceptance by that heat network consumer, including in circumstances where terms and conditions have been provided to, but not signed by, that heat network consumer;
Deemed Contract by Statute	a contract deemed to have been made with a heat network consumer in accordance with the Regulations;
Disadvantageous Unilateral Variation	means a change to a contract made by the authorised person without consulting the Consumer, which would put the Consumer in a worse position than if the change had not been made;
Disconnect	in relation to a supply of heating, cooling or hot water, means to stop that supply and related expressions must be read accordingly;
Discount	means (excluding a Compensation Payment, an Outstanding Charges Discount and a Payment Difficulty Discount) any form of payment, saving, rebate, benefit or reward (whether financial or otherwise) which is in any way linked or otherwise relates to a Relevant Supply Contract or Deemed Contract (and, includes goods and services provided to a Consumer free of charge or at a reduced charge);
Domestic Consumer	means a Consumer taking (or requiring) a supply for domestic purposes; and “ Non-Domestic Consumer ” shall be construed accordingly;
Domestic Premises	means premises at which heating, cooling or hot water (as supplied by means of a relevant heat network) is consumed wholly or mainly for a domestic purpose;
Domestic Supply Contract	means a Supply Contract between an authorised person and a Domestic Consumer;

Consultation Heat networks regulation: authorisation conditions

Electricity Supplier	means any person who holds an Electricity Supply Licence;
Electricity Supply Licence	means an electricity supply licence granted or treated as granted under section 6(1)(d) of the Electricity Act 1989;
Electronic Communication	means a message comprising text or an image of text that: (a) is sent over a Public Electronic Communications Network; (b) can be stored in that network or in the recipient's terminal equipment until it is collected by the recipient; and (c) is in a particular form and is used for a particular purpose and the recipient of it has expressed a willingness, to the sender, to receive it in that form and for that purpose;
Emergency Credit	means a fixed amount of credit provided to a Domestic Consumer when that Domestic Consumer's Prepayment Meter credit runs low or runs out to ensure a continuity of, or a return to, supply of heating, cooling or hot water;
Energy Services Provider	means a person who supplies energy efficiency services;
Excepted Company	means: (a) a registered provider of social housing; (b) a body registered as a social landlord under Part 1 of the Housing Act 1996 (social rented sector regulated by Welsh Ministers); or (c) a body registered in the register maintained under section 20(1) of the Housing (Scotland) Act 2010;
Explicit Consent	means consent by a Consumer which satisfies the following conditions: (a) the consent is unmistakably given by the relevant Consumer in Writing, rather than implied or retained in terms and conditions and/or just given verbally; (b) the consent is not given under pressure from the authorised person or any Representative; and (c) a record is made by the authorised person of the date on which and method by which the consent is given;
'Fair' and cognate expressions	the authorised person or any Representative would not be regarded as treating a person Fairly if their actions or omissions give rise to a likelihood of detriment to that person, unless the detriment would be reasonable in all the relevant circumstances;
First-Tier Tribunal	means the first-tier tribunal (Property Chamber – Residential Property);

Consultation Heat networks regulation: authorisation conditions

Form	includes the means by which information is communicated and the way in which information is presented or structured;
Friendly-hours Credit	means an amount of credit provided overnight, at weekends and public holidays to a Domestic Consumer when that Domestic Consumer's Prepayment Meter credit runs low or runs out to ensure a continuity of, or a return to, supply of heating, cooling or hot water;
Gas Supplier	means any person who holds a Gas Supply Licence;
Gas Supply Licence	means a gas supply licence granted or treated as granted under section 7A of the Gas Act 1986;
Historic Consumption Data	means: (a) except where a Relevant Consumer has held its Supply Contract for less than 12 months, the quantity of heating, cooling or hot water supplied to the Relevant Consumer's premises during the previous 12 months; and (b) where the Relevant Consumer has held its Supply Contract for less than 12 months, the quantity of heating, cooling or hot water supplied to the Relevant Consumer's premises during the duration of that Supply Contract;
Independent Audit	means an audit carried out by a person(s) with the relevant skills and expertise, other than the authorised person or an Affiliate, and Independent Auditor should be construed accordingly. Unless exempted by the Authority, the Auditor must be a person or firm regulated by an appropriate professional body;
Industrial Heat Network	means a relevant heat network where all of the heating, cooling or hot water which is supplied by means of that relevant heat network is wholly or mainly supplied for an Industrial Process;
Industrial Process	means a process for or incidental to any of the following purposes: (a) the making of any article or part of any article (including a ship or vessel, or a film, video or sound recording); (b) the altering, repairing, maintaining, ornamenting, finishing, cleaning, washing, packing, canning, adapting for sale, breaking up or demolition of any article; or (c) the getting, dressing or treatment of minerals, in the course of any trade or business other than agriculture, and other than a use carried out in or adjacent to a mine or quarry;

Consultation Heat networks regulation: authorisation conditions

Information	means information (other than information subject to legal privilege) in any form or medium and of any description specified by the Authority and includes any documents, accounts, estimates, returns, records or reports and data of any kind, whether or not prepared specifically at the request of the Authority;
Last Resort Supply Direction	(a) in respect of an Electricity Supplier, has the meaning given in standard licence condition 1 of the standard conditions of electricity supply licence; and (b) in respect of a Gas Supplier, has the meaning given in standard licence condition 1 of the standard conditions of gas supply licence;
Local Authority	means either a Local Authority (England and Wales) and/or a Local Authority (Scotland) as the context so requires;
Local Authority (England and Wales)	has the meaning given to 'Local Authority' in s1 of the Local Government Act 2000;
Local Authority (Scotland)	means a council constituted under s2 of the Local Government etc. (Scotland Act) 1994;
Material Assets	means all assets, contracts or arrangements used or needed by the authorised person to deliver each regulated activity that it is authorised (or treated as authorised) to carry on and/or to comply in all respects with its legal and regulatory obligations, including under the authorisation conditions (including all plant, equipment, material spares, infrastructure, premises, IP arrangements and supply contracts).
Microbusiness Consumer	means a Consumer taking (or requiring) a supply for the purposes of a micro-business;
Minimum Details	means the names of relevant persons, details of any relevant Personal Characteristics and/or Vulnerable Situation, and such other details which are relevant to the subject matter of authorisation condition (Priority Services Register) as the Authority may from time to time specify by publishing a statement in Writing (following public consultation and giving at least two months' prior notice);
Operator Standards of Conduct	is to be interpreted in accordance with authorisation condition (Operator Standards of Conduct);
Other Outstanding Charges	means the amount of any charges for goods and/or services (other than Charges) which are due to the authorised person from a Domestic Consumer, have been demanded of that Domestic Consumer by the authorised person in Writing at least 28 days previously and remain unpaid;

Outstanding Charges	means the amount of any Charges which are due to the authorised person from a Domestic Consumer, have been demanded of that Domestic Consumer by the authorised person in Writing at least 28 days previously and remain unpaid;
Outstanding Charges Discount	means any form of reduction, saving, or write-off provided by the authorised person in respect of a specific Domestic Consumer (including a Domestic Consumer whose identity is unknown) on the basis that the Domestic Consumer has Outstanding Charges and/or Other Outstanding Charges;
Payment Difficulty Discount	means any form of reduction, saving, or write-off provided by the authorised person in respect of a specific Domestic Consumer on the basis that authorisation condition (Security Deposits, Payment Difficulties, Disconnections, and Direct Debits) applies in respect of that Domestic Consumer;
Pensionable Age	means, in relation to any person, pensionable age within the meaning given by section 48(2B) of the Gas Act 1986;
Permitted Security Interest	means a Security Interest which: (a) was in effect at the launch date; (b) arises as a matter of law; (c) is of a type that the Authority specifies is permitted under this authorisation condition or that the Authority has consented to being in place; (d) was conferred as a condition of the provision of finance to the authorised person on arm's length terms; (e) is granted by a third party occupying a building or premises pursuant to a [demise or tenancy agreement] granted by the authorised person; and/or (f) is a wayleave or easement;
Personal Characteristics	means, in relation to any person: (a) the person being of Pensionable Age; (b) the person being chronically sick, or having an impairment, disability, or long term medical condition (including a visual, auditory or mobility impairment); and/or (c) the person having any other characteristics identified by the authorised person as being relevant due to the nature of the Priority Services;
Precautionary Principle	means the assumption to be made by authorised persons that any Domestic Consumer faced for debt related reasons with having to use a Prepayment Meter is likely to be in financial difficulty and therefore more likely to self-disconnect;

Consultation Heat networks regulation: authorisation conditions

Prepayment Meter	means any Supply Meter which is set to operate or can only operate in a Prepayment Mode. In the case of any Supply Meter which is capable of operating in a Prepayment Mode and one or more other modes, that Supply Meter will accordingly be treated as being a Prepayment Meter whenever it has been switched or otherwise set to operate in a Prepayment Mode;
Prepayment Meter Consumer	means a Consumer with a Prepayment Meter;
Prepayment Meter Credit	means an appropriate amount of credit, or equivalent non-disconnection period, which is consistent with any relevant guidance issued by the Authority and is to be provided automatically in the circumstances described in paragraph 11.9 of authorisation condition (Self-Disconnection);
Prepayment Mode	means, in relation to a Supply Meter, a mode of operation which requires the relevant Consumer to pay Charges in advance;
Principal Terms	means all terms and information required to be included in a Relevant Supply Contract, Deemed Contract or Relevant Lease, as applicable, by authorisation condition (Heat Supply Contracts) and any other term that may reasonably be considered to significantly affect the evaluation by the Consumer of the Relevant Supply Contract, Deemed Contract or Relevant Lease, as applicable, under which heating, cooling or hot water may be supplied;
Priority Services	is to be interpreted in accordance with authorisation condition (Priority Services Register);
Priority Services Register	has the meaning given in paragraph 8.1 of authorisation condition (Priority Services Register);
Public Electronic Communication Network	has the meaning given in section 151 of the Communications Act 2003;
Qualifying Redress Scheme	means the Energy Ombudsman Scheme or Housing Ombudsman Scheme (as appropriate);
Regulations	means the Heat Network (Market Framework) (Great Britain) Regulations 2025;
Relevant Consumer	means a Domestic Consumer, a Microbusiness Consumer and/or a Small Business Consumer except any such Consumer in its capacity as a Bulk Supply Consumer;
Relevant Consumer Advice Body	means one or more of: (a) Citizens Advice; (b) Citizens Advice Scotland; (c) Consumer Scotland;

Consultation Heat networks regulation: authorisation conditions

Relevant Contract Change Notice	is a notice that is served pursuant to paragraph 3.1 of authorisation condition (Contract Changes Information) ;
Relevant Costs	has the meaning given in s18(2) and (3) of Landlord and Tenant Act 1985;
Relevant Dispute Resolution Body	means the Energy Ombudsman, Housing Ombudsman or the First-Tier Tribunal as appropriate and any equivalent, similar or analogous bodies in Wales, Scotland or Great Britain;
Relevant Energy Licensee	means any person who holds a licence granted or treated as granted under any of: (a) section 6(1)(b), 6(1)(c), 6(1)(d), 6(1)(da) and/or 6(1)(f) of the Electricity Act 1989; and (b) section 7, 7A and/or 7AB of the Gas Act 1986;
Relevant Industry Mechanisms	means arrangements for the purposes of sharing the Minimum Details with specified persons as designated by the Authority by publishing a statement in Writing (following public consultation and giving at least two months' prior notice);
Relevant Lease	means a lease or tenancy agreement to which section 11 or sections 18 to 24 of the Landlord and Tenant Act 1985 applies (or any other agreement governed by legislative provisions with similar effect in any jurisdiction within Great Britain) and pursuant to which the charges paid or payable for the supply of heating, cooling or hot water form (or will form) part of a Service Charge;
Relevant Order	means: (a) a prohibition order under section 20 or 21 of the Housing Act 2004; (b) a demolition order under section 46 of the Housing Act 2004; (c) an interim management order under section 102 of the Housing Act 2004; or (c) a final management order under section 103 of the Housing Act 2004;
Relevant Supply Contract	means a Supply Contract between an authorised person and a Relevant Consumer;
Relevant Year	means a year beginning on 1 April of each calendar year and ending on 31 March of the following calendar year;
Representative	in relation to an authorised person, means any person directly or indirectly authorised to represent that authorised person in its dealings with Consumers and/or occupants of a Domestic Premises;
Security Deposit	means a deposit of money as security for the payment of Charges;

Security Interest	has the meaning given in paragraph 12.5 of authorisation condition (Operational Arrangements and Material Assets);
Self-disconnection	means when a Domestic Consumer uses a Prepayment Meter and experiences an interruption to their supply of heating, cooling or hot water because the credit on the meter has been exhausted. Terms derived from this, such as ‘Self-disconnected’ and ‘Self-disconnecting’ shall be construed accordingly;
Self-rationing	means when a Domestic Consumer deliberately limits its use of heating, cooling or hot water to save money for other goods or services. Terms derived from this, such as ‘Self-ration’ and ‘Self-rationed’ shall be construed accordingly;
Self-Supply Network	means a district heat network where all the heating, cooling or hot water supplied by means of that district heat network is taken by the authorised person for that district heat network;
Service Charge	means a service charge within the meaning of s18(1) of the Landlord and Tenant Act 1985 together with Relevant Costs;
Significant Managerial Responsibility or Influence	means where a person plays a role in (a) the making of decisions about how the whole or a substantial part of a person’s activities are to be managed or organised; or (b) the actual managing or organising of the whole or a substantial part of those activities;
Site Welfare Visit	means a visit to Domestic Consumers' premises by appropriately trained staff or representatives to attempt to make contact with the Consumer to identify and/or further assess personal circumstances and characteristics to identify any vulnerabilities that may be present in the household to determine if the use of a Prepayment Meter is safe and reasonably practicable in all the circumstances;
Small Business Consumer	means a Consumer taking (or requiring) a supply for the purposes of a small business;
Special Administration Order	(a) in respect of an authorised person means a heat network administration order; (b) in respect of a Relevant Energy Licensee means either: (i) an energy administration order as defined in section 154 of the Energy Act 2004; (ii) an esc administration order as defined in section 94 of the Energy Act 2011; or (iii) an smcl administration order as defined in section 2 of the Smart Meters Act 2018;

Consultation Heat networks regulation: authorisation conditions

Standing Charge	means a monetary amount that is chargeable to a Consumer on a daily or other periodic basis and which is chargeable in addition to charges arising on the basis of a Unit Rate;
Sufficient Control	means, in relation to Material Assets, having either direct ownership or other legally enforceable rights over them so that the authorised person can legally rely on them and enjoy the benefit of them;
Supplier Standards of Conduct	is to be interpreted in accordance with paragraph 1.3 of authorisation condition (Supplier Standards of Conduct);
Supply Contract	means a contract for the supply of heating, cooling or hot water between an authorised person and a Consumer but does not include a Deemed Contract;
Supply Meter	means a meter used or to be used for measuring the quantity of heating, cooling or hot water supplied to a Consumer;
Unit Rate	means the price charged per unit of heating, cooling or hot water supplied to a Consumer;
Vulnerable Situation	means where the personal circumstances and characteristics of a person create a situation where he or she is: (a) significantly less able than a typical person to protect or represent his or her interests; and/or (b) significantly more likely than a typical person to suffer detriment or that detriment is likely to be more substantial;
Website	means a website controlled and used by the authorised person to communicate with a Consumer for reasons relating to the supply of heating, cooling or hot water;
Winter	means the months of October, November, December, January, February and March;
Working Day	means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day that is a bank holiday within the meaning of the Banking and Financial Dealings Act 1971; and
Writing	includes writing sent or received by Electronic Communication and “Written” shall be construed accordingly.

4 Section A: Condition 4: Registration

Obligation to provide registration information

- 4.1 Before the end of the first part of the initial period, subject to paragraphs 4.2 to 4.4, the authorised person must, by means of the Authority's arrangements for registration described on the Authority's website and/or in guidance issued by the Authority:
- 4.1.1 inform the Authority of each regulated activity that it carries on; and
 - 4.1.2 provide the Authority with information as the Authority requires under its arrangements for registration, including information relating to:
 - (a) the nature of the activities carried on, the way in which they are carried on, and any contractual arrangements relating to such activities;
 - (b) the relevant heat network(s) at which the activities are carried on;
 - (c) itself, and any other authorised person(s) carrying on a regulated activity at or by means of such relevant heat network(s);
 - (d) its financial status, ownership, and organisational structure;
 - (e) the heat network consumers supplied by means of the relevant heat network(s), including any relevant characteristics of such consumers and their billing arrangements; and
 - (f) matters relevant to the authorised person's compliance with the authorisation conditions.

Registration by a supplier following the operator-led registration process

- 4.2 Where the authorised person carries on the regulated activity of supply by means of a relevant heat network but does not also operate that relevant heat network:
- 4.2.1 the authorised person must co-operate with the operator(s) of the relevant heat network, including by providing relevant information to the operator(s), to facilitate the timely discharge by the operator(s) of their obligation(s) under paragraph 4.1; and
 - 4.2.2 the authorised person's obligation under paragraph 4.1 in relation to that relevant heat network shall be treated as not having arisen until at least one operator has discharged its obligation under paragraph 4.1.

Registration in the case of a relevant heat network with multiple operators

- 4.3 Where:
- 4.3.1 in accordance with regulation 13(4)(b) of the Regulations, the authorised person and one or more other authorised persons each operates a relevant part of a relevant heat network;
 - 4.3.2 the authorised person has agreed with one such other authorised person that such other authorised person will submit the information required by paragraph 4.1 in relation to each of them and the relevant heat network; and
 - 4.3.3 such other authorised person submits such information,
- the authorised person will be taken to have complied with its obligation in paragraph 4.1 in relation to that relevant heat network.

5 Section A: Condition 5: Nominated Operator

- 5.1 Paragraphs 5.2 to 5.5 apply for the purpose of facilitating the exercise of the Authority's functions where, in accordance with regulation 13(4)(b) of the Regulations, a person who is treated as authorised and one or more other persons treated as authorised each operates a relevant part of a relevant heat network.
- 5.2 The authorised person must use reasonable endeavours to:
- 5.2.1 agree with the other operators which of them is to act as the contact point with the Authority on behalf of each of them in respect of the relevant heat network (the "**nominated operator**"); and
 - 5.2.2 ensure that the Authority is notified of the agreed nominated operator.
- 5.3 Where the authorised person is the nominated operator for a relevant heat network, the authorised person must promptly provide:
- 5.3.1 information and notifications to the other operators of the relevant heat network following receipt of relevant information or notifications from the Authority;
 - 5.3.2 information and notifications to the Authority following receipt of relevant information or notifications from another operator of the relevant heat network; and
 - 5.3.3 such co-operation and coordination as may be reasonably required to ensure that each operator is able to comply efficiently and effectively with its obligations under the authorisation conditions and/or to facilitate the exercise of the Authority's functions.
- 5.4 Where another authorised person is the nominated operator for a relevant heat network, the authorised person must promptly provide information and notifications to the nominated operator as may be reasonably required.
- 5.5 The obligations in this condition are additional, and without prejudice, to the obligations in the authorisation condition (Operator Standards of Conduct).

6 Section A: Condition 6: Fair Pricing

- 6.1 The authorised person must ensure that charges imposed on Applicable Consumers are fair and not disproportionate.
- 6.2 This authorisation condition shall be interpreted in accordance with guidance published by the Authority for the purposes of this condition.
- 6.3 Before this authorisation condition comes into effect, the Authority shall publish the guidance referred to in paragraph 6.2.
- 6.4 The guidance referred to in paragraph 6.2 shall:
 - 6.4.1 make provision about how the Authority is to determine; and
 - 6.4.2 give examples of some of the methods that may be used by the Authority to determine,

whether charges are fair and not disproportionate.
- 6.5 Before the Authority publishes the guidance referred to in paragraph 6.2 the Authority shall consult with such persons or bodies as it considers appropriate to consult.
- 6.6 The Authority may from time to time revise the guidance referred to in paragraph 6.2 and before issuing any such revised guidance the Authority shall consult such persons as specified in paragraph 6.5 setting out the text of, and the reasons for, the proposed revisions.

7 Section A: Condition 7: Cost Allocation

- 7.1 The authorised person must ensure that the charges imposed on Applicable Consumers are structured, and are attributable to costs, in a way that is consistent with the outcome of charges being fair and not disproportionate, having regard to the guidance published by the Authority on cost allocation for the purposes of this condition.
- 7.2 Charges that are attributable to all or any part of a relevant payment shall be presumed to be unfair and disproportionate by the Authority, except in exceptional circumstances set out in the guidance (if any).
- 7.3 Before this authorisation condition comes into effect the Authority shall publish the guidance referred to in paragraph 7.1.
- 7.4 Before the Authority publishes the guidance referred to in this condition, the Authority shall consult with such persons or bodies as it considers appropriate to consult.
- 7.5 The Authority may from time to time revise the guidance referred to in paragraph 7.1 and before issuing any such revised guidance the Authority shall consult such persons or bodies as it considers appropriate to consult, setting out the text of, and the reasons for, the proposed revisions.
- 7.6 For the purposes of this authorisation condition:
- 7.6.1 a “**relevant payment**” means:
- (a) any penalty imposed under regulation 31;
 - (b) any amount payable to a heat network consumer pursuant to a consumer redress order; and/or
 - (c) any specified amount payable by an authorised person (whether pursuant to contract or regulation) as compensation for a failure to meet specified service standards or service levels, including any amount payable pursuant to any regulations made (including after the launch date) under paragraph 58 of Schedule 18 to the Energy Act 2023.

8 Section A: Condition 8: Ongoing Fit and Proper Requirement

- 8.1 The authorised person must not appoint or have in place a person in a position of Significant Managerial Responsibility or Influence who is not a fit and proper person to occupy that role.
- 8.2 The authorised person must:
- 8.2.1 have in place and maintain robust processes, systems and governance to ensure that any person holding a position of Significant Managerial Responsibility or Influence at the authorised person is fit and proper to occupy that role; and
 - 8.2.2 carry out regular assessments on such person(s) to ensure that they remain fit and proper to occupy that role.
- 8.3 In complying with paragraphs 8.1 to 8.2, the authorised person must have regard to and take account of all relevant matters, including whether the individual has:
- 8.3.1 been responsible for, contributed to or facilitated any serious misconduct or mismanagement (whether unlawful or not) in the course of carrying out an activity that is regulated in any sector (or, providing a service elsewhere which, if provided in Great Britain, would be such an activity);
 - 8.3.2 any relevant unspent criminal convictions in any jurisdiction in particular fraud or money laundering;
 - 8.3.3 any insolvency history, including undischarged bankruptcy debt judgements and County Court judgments;
 - 8.3.4 been disqualified from acting as a director of a company;
 - 8.3.5 been a person with Significant Managerial Responsibility or Influence at a current or former Gas Supplier or Electricity Supplier in respect of whose Customers' premises the Authority issued a Last Resort Supply Direction (including where they were a person with Significant Managerial Responsibility or Influence at that supplier within the 12 months prior to the Last Resort Supply Direction being issued);
 - 8.3.6 been a person with Significant Managerial Responsibility or Influence at a current or former authorised person or Relevant Energy Licensee in relation to whom a Special Administration Order has been made (including where they were a person with Significant Managerial Responsibility or Influence at that current or former authorised person or Relevant Energy Licensee within the 12 months prior to the Special Administration Order being made);
 - 8.3.7 been a relevant person in respect of premises to which an appropriate tribunal has appointed a manager under section 24 or 24ZA of the Landlord and Tenant Act 1987;
 - 8.3.8 been identified on a database of rogue landlords and property agents established under section 28 of the Housing and Planning Act 2016;
 - 8.3.9 owned or managed premises made the subject of a Relevant Order under the Housing Act 2004; or
 - 8.3.10 been refused, had revoked (in whole or in part), restricted or terminated any form of authorisation, or had any disciplinary, compliance, enforcement or regulatory actions taken by any regulatory body in any jurisdiction, whether as an individual or in relation to a business in which that person held Significant Managerial Responsibility or Influence.
- 8.4 The authorised person must give particular regard to circumstances in which the relevant person has a background in the energy sector or the housing sector in Great Britain and the

Consultation Heat networks regulation: authorisation conditions

previous actions of that person resulted in or contributed towards significant consumer or market detriment.

9 Section A: Condition 9: Provision of Information to the Authority

- 9.1 After receiving a request from the Authority for Information that it considers may be necessary or expedient for the performance of any of its functions, the authorised person must give that Information to the Authority.
- 9.2 The Information provided by the authorised person pursuant to paragraph 9.1 must be provided:
- 9.2.1 in the Form requested;
 - 9.2.2 in the manner and by the means requested;
 - 9.2.3 at such time, or such intervals of time, as requested; and
 - 9.2.4 in accordance with any applicable guidance issued by the Authority and referred to in the request.
- 9.3 The authorised person is not required to comply with paragraph 9.1 if the authorised person could not be compelled to produce or give the Information in evidence in civil proceedings before a court.
- 9.4 The Authority's power to request Information under this authorisation condition is additional to its powers to call for Information under or pursuant to any other authorisation condition or the Regulations.

Provision of reasoned comments to the Authority

- 9.5 After receiving a request from the Authority for reasoned comments on the accuracy and text of any Information which the Authority proposes to publish under regulation 12 of the Regulations, the authorised person must give such comments to the Authority in the Form requested, in the manner and by the means requested, and at such time requested.

10 Section A: Condition 10: Open & Co-operative

Principle to be open and cooperative

- 10.1 The authorised person must be open and cooperative with the Authority.
- 10.2 In complying with paragraph 10.1, the authorised person must disclose to the Authority in writing or orally any circumstance relating to the authorised person of which the Authority would reasonably expect notice in order to perform its statutory functions, particularly actions or omissions that give rise to a likelihood of detriment to heat network consumers. Such disclosure should be made as soon as the circumstance arises or the authorised person becomes aware of an increased likelihood of it arising.
- 10.3 The authorised person is not required to comply with paragraphs 10.1 and 10.2 if the authorised person could not be compelled to produce or give the information in evidence in civil proceedings before a court.

Conduct principle

- 10.4 The authorised person must at all times act in a manner that will enable it to comply in all respects with obligations imposed on it by or virtue of the Energy Act 2023 or the Regulations, including those imposed by the authorisation conditions, including by:
 - 10.4.1 having appropriate internal resource;
 - 10.4.2 taking all reasonable steps to identify where there may be a risk of the authorised person contravening any relevant condition or relevant requirement and taking such action as is requisite to mitigate such risks and to ensure that any regulated activity it carries on is conducted in such a way as can reasonably be expected to lead to compliance with the authorisation conditions;
 - 10.4.3 establishing and operating appropriate systems and processes and having a designated point of contact for liaising with the Authority; and
 - 10.4.4 having regard to any guidance issued by the Authority on any authorisation condition, as such guidance may be revised from time-to-time.

11 Section A: Condition 11: Independent Audits

Commissioning of Independent Audit

- 11.1 Where the Authority determines that the performance of any functions given or transferred to it by or under any legislation makes it necessary or expedient that the authorised person be audited by an independent auditor it may:
- 11.1.1 require the authorised person to commission an Independent Audit; or
 - 11.1.2 appoint an Independent Auditor to carry out an Independent Audit of the authorised person.
- 11.2 If required to commission an Independent Audit under paragraph 11.1.1, the authorised person must:
- 11.2.1 commission the Independent Audit without delay in accordance with the request, including any terms of reference supplied by the Authority; and
 - 11.2.2 provide to the Authority, in the Form requested by the Authority and by the date set by the Authority, a copy of the full audit report.

Cooperation with Independent Audit and the Authority

- 11.3 The authorised person must:
- 11.3.1 cooperate fully with any Independent Audit commissioned, or Independent Auditor appointed, under this authorisation condition; and
 - 11.3.2 take all reasonable steps to ensure that its Affiliates cooperate fully with that Independent Audit or Independent Auditor, so as to enable and facilitate the carrying out of the Independent Audit.
- 11.4 This authorisation condition does not require the production of any information that the authorised person could not be compelled to produce or give in evidence in civil proceedings before a court.
- 11.5 The authorised person must ensure that:
- 11.5.1 without prejudice to its duty to provide a copy of the report to the Authority by the date set by the Authority, each report prepared in accordance with paragraph 11.2 is considered by appropriate members of its senior management team within four weeks of the report being provided by the Independent Auditor to the authorised person; and
 - 11.5.2 it keeps a documentary record of the decisions made and actions taken by it in response to that report.

12 Section A: Condition 12: Operational Arrangements and Material Assets

Operational Arrangements

- 12.1 The authorised person must ensure that, were it to cease to carry on any regulated activity (due to insolvency, revocation or transfer of its heat network authorisation, or in any other circumstances), its operational arrangements are such that any successor to the authorised person (including any administrator) would be able to efficiently and effectively carry on the regulated activity.

Material Assets to be capable of legal transfer

- 12.2 Subject to paragraphs 12.3 to 12.4 and to any Permitted Security Interests, the authorised person must ensure that at all times all Material Assets are capable of legal transfer to any successor to the authorised person in relation to the applicable regulated activity, including in circumstances in which there is a transfer or revocation of the authorisation, without either:
- 12.2.1 any requirement for consent, approval or agreement from or by a third party; or
 - 12.2.2 the successor being unreasonably disadvantaged or subject to materially different terms.
- 12.3 Where a third party's consent, approval or agreement must be obtained to enable the legal transfer of a Material Asset to a successor to the authorised person, the authorised person will be treated as complying with paragraph 12.2 if such third party is legally obliged to provide its consent, approval or agreement subject only to conditions that are reasonable in all the circumstances of the case.
- 12.4 The authorised person need not ensure that a Material Asset is capable of legal transfer if, having considered all the circumstances of the case, the authorised person has satisfied itself that:
- 12.4.1 it is not reasonably practicable for the Material Asset to be capable of legal transfer; and
 - 12.4.2 the fact of the Material Asset not being capable of legal transfer would not preclude a successor to the authorised person being able to efficiently and effectively carry on the applicable regulated activity in the circumstances set out in paragraph 12.1.

Restriction on security over Material Assets

- 12.5 The authorised person must ensure that there is no mortgage, pledge, lien, security interest or other charge or encumbrance or other agreement having the same economic effect over the Material Assets (a "**Security Interest**") except where it is a Permitted Security Interest.

Requirement for Sufficient Control over Material Assets

- 12.6 The authorised person must ensure that it has at all times Sufficient Control over the Material Assets.

No disposal of Material Assets

- 12.7 Except where required by law or by way of a Permitted Security Interest or as part of a transfer of the authorisation with the Authority's consent under regulation 24 of the Regulations or revocation of the authorisation with the Authority's consent under paragraph 15.1.1(a) of authorisation condition (Revocation), the authorised person must not liquidate, sell or otherwise dispose of any Material Assets if doing so would create a significant risk of the authorised person being unable to deliver each regulated activity that it is authorised (or treated as authorised) to carry on and/or unable to comply in all respects with its legal and regulatory obligations, including under the authorisation conditions.

Register of Material Assets

Consultation Heat networks regulation: authorisation conditions

- 12.8 By the end of the first part of the initial period, the authorised person must create and thereafter maintain a register of all Material Assets which shall, as a minimum, include appropriate, accurate and readily accessible information about the Material Assets including, in respect of physical assets, their condition and function (as applicable). The authorised person must upon request provide the Material Asset register to the Authority at any time after the first part of the initial period has ended.

Application of this authorisation condition

- 12.9 This authorisation condition shall not apply where the authorised person:

12.9.1 is a Local Authority or an Excepted Company; or

12.9.2 carries on regulated activities only in relation to relevant heat networks that are either Industrial Supply Networks or Self-Supply Networks,

and where the authorised person carries on one or more regulated activities in relation to Industrial Heat Networks or Self-Supply Networks in addition to carrying on one or more regulated activities in relation to any other relevant heat network, this authorisation condition shall be construed as if it does not apply to the authorised person's activities in relation to, or Material Assets that relate to, Industrial Heat Networks or Self-Supply Networks.

13 Section A: Condition 13: Availability of Resources and Financial Responsibility Principle

- 13.1 The authorised person must at all times act in a responsible manner that is calculated to secure that:
- 13.1.1 it has available to it such resources, including financial resources, on such terms and with all such rights, as needed to ensure that it is at all times able to properly and efficiently carry on each regulated activity that it is authorised (or treated as authorised) to carry on and comply in all respects with its legal and regulatory obligations, including under the authorisation conditions;
 - 13.1.2 it is able to meet reasonably anticipated liabilities as they fall due, including in times of severe but plausible stress;
 - 13.1.3 it takes appropriate measures to identify and manage risks; and
 - 13.1.4 amounts collected from heat network consumers for the purpose of maintaining, repairing or replacing any part or parts of a relevant heat network in relation to which it carries on a regulated activity are available for the purpose for which they were collected.
- 13.2 The authorised person must notify the Authority immediately if its directors (or appropriate senior management representatives) do not (or should not) have a reasonable expectation that the authorised person will have available to it the resources (on the terms and with the rights) or will be able to meet reasonably anticipated liabilities as they fall due, in each case as referred to in paragraph 13.1 of this authorisation condition.
- 13.3 Where the directors of the authorised person (or appropriate senior management representatives) do not (or should not) have a reasonable expectation that the authorised person will have available to it the resources (on the terms and with the rights) referred to in paragraph 13.1 of this authorisation condition, the authorised person must not make any payment or loan or transfer any asset (except where that payment, loan or transfer is essential to the carrying on of the authorised person's regulated activities) if doing so would create a significant risk of the authorised person being unable to deliver each regulated activity that it is authorised (or treated as authorised) to carry on and/or unable to comply in all respects with its legal and regulatory obligations, including under the authorisation conditions.
- 13.4 This authorisation condition shall not apply where the authorised person:
- 13.4.1 is a Local Authority or an Excepted Company; or
 - 13.4.2 carries on regulated activities only in relation to relevant heat networks that are either Industrial Supply Networks or Self-Supply Networks,
- and where the authorised person carries on one or more regulated activities in relation to Industrial Heat Networks or Self-Supply Networks in addition to carrying on one or more regulated activities in relation to any other relevant heat network(s), this authorisation condition shall be construed as if it does not relate to the authorised person's activities in relation to Industrial Heat Networks or Self-Supply Networks.

14 Section A: Condition 14: Continuity Arrangements

Continuity Plan

- 14.1 The authorised person must ensure that it has prepared and has in place, at all times after the first part of the initial period has ended, a continuity plan, which sets out the authorised person's strategy for safeguarding the continuity of each regulated activity that it is authorised (or treated as authorised) to carry on in the event that it ceases to carry on any such activity (the "**Continuity Plan**").
- 14.2 The authorised person must ensure that the information included in the Continuity Plan is accurate and is prepared with due skill and care.
- 14.3 The authorised person must ensure that the information included in its Continuity Plan is maintained and kept-up-to date at all times.
- 14.4 The authorised person must upon request provide the Continuity Plan to the Authority at any time after the first part of the initial period has ended.
- 14.5 The Continuity Plan must include all information in relation to each regulated activity that the authorised person is authorised (or treated as authorised) to carry on that a successor to the authorised person in relation to that activity would reasonably require in order to carry on the activity efficiently and effectively in accordance with its regulatory obligations, including information on:
- 14.5.1 key service providers and staff;
 - 14.5.2 Consumers;
 - 14.5.3 arrangements relating to the maintenance, updating of, and access to, all relevant metering and billing information;
 - 14.5.4 management structures; and
 - 14.5.5 Material Assets.
- 14.6 The requirement for the information described in paragraph 14.5 to be included in the Continuity Plan will be satisfied if the Continuity Plan provides details of other documents or records (including electronic records) where that information can be readily obtained and those documents or records are either maintained by the authorised person itself or are available to the authorised person at all times under a legal or contractual right.
- 14.7 The Continuity Plan must also set out:
- 14.7.1 the authorised person's expectations of the process by which a successor to the authorised person would take over the carrying on of each regulated activity, including details of any arrangements in place for contractual step-in or pursuant to paragraph 14.9; and
 - 14.7.2 how the authorised person has complied with the requirements of authorisation condition (Operational Arrangements and Material Assets).

Continuity on transfer or revocation or ceasing to trade

- 14.8 Where the authorised person consents to a transfer of the authorisation (in whole or in part) under regulation 24 of the Regulations, seeks the revocation of the authorisation (in whole or in part) under paragraph 15.1.1(a) of authorisation condition (Revocation), is given notice of revocation (in whole or in part) under authorisation condition (Revocation), or otherwise intends to cease carrying on a regulated activity, the authorised person must take all reasonable steps:
- 14.8.1 to ensure continuity of the regulated activity for each heat network consumer following the transfer, revocation or cessation, as applicable, on terms that are

Consultation Heat networks regulation: authorisation conditions

the same as or as similar as possible to the terms in place immediately before the transfer, revocation or cessation is to have effect; and

- 14.8.2 to minimise the risk of disruption and detriment to heat network consumers.

Continuity obligations for networks with a separate supplier

- 14.9 Where, in respect of a relevant heat network, separate persons carry on the regulated activity of supply and the regulated activity of operating, where the authorised person is the operator:

14.9.1 the authorised person must ensure that arrangements are in place to enable it or a third party to carry on the regulated activity of supply in the event that the supplier ceases to carry on the regulated activity of supply; and

14.9.2 in the event that the supplier does cease to carry on the regulated activity of supply, the authorised person must either carry on the regulated activity of supply that has been so ceased itself or ensure that a third party does so.

Application of authorisation condition

- 14.10 Paragraphs 14.1 to 14.8 of this authorisation condition shall not apply where the authorised person:

14.10.1 is a Local Authority or an Excepted Company; or

14.10.2 carries on regulated activities only in relation to relevant heat networks that are either Industrial Supply Networks or Self-Supply Networks,

and where the authorised person carries on one or more regulated activities in relation to Industrial Heat Networks or Self-Supply Networks in addition to carrying on one or more regulated activities in relation to any other relevant heat network, this authorisation condition shall be construed as if it does not apply to the authorised person's activities in relation to Industrial Heat Networks or Self-Supply Networks.

15 Section A: Condition 15: Revocation

- 15.1 The Authority may at any time revoke the heat network authorisation in whole or in part by:
- 15.1.1 giving no less than 30 days' (or such shorter period as the Authority and the authorised person agree in writing) notice in writing to the authorised person:
- (a) if the authorised person agrees in writing with the Authority that the heat network authorisation (or part, as applicable) should be revoked;
 - (b) if any amount payable to the Authority under the authorisation conditions is unpaid 30 days after it has become due and remains unpaid for a period of 14 days after the Authority has given the authorised person notice that the payment is overdue - provided that no such notice shall be given earlier than the sixteenth day after the day on which the amount payable became due;
 - (c) if the authorised person fails:
 - (i) to comply with a final order (within the meaning of regulation 29 of the Regulations) or with a provisional order (within the meaning of that regulation) which has been confirmed under that regulation and (in either case) such failure is not rectified to the satisfaction of the Authority within three months after the Authority has given notice in writing of such failure to the authorised person provided that no such notice shall be given by the Authority before the expiration of the period within which an application under regulation 29 of the Regulations could be made questioning the validity of the final or provisional order or before the proceedings relating to any such application are finally determined;
 - (ii) to pay any penalty (within the meaning of regulation 31 of the Regulations) by the due date for such payment and such payment is not made to the Authority within three months after the Authority has given notice in writing of such failure to the authorised person - provided that no such notice shall be given by the Authority before the expiration of the period within which an application under regulation 35 of the Regulations could be made questioning the validity or effect of the penalty or before the proceedings relating to any such application are finally determined; or
 - (iii) to comply with a consumer redress order (within the meaning of regulation 37 of the Regulations) and such failure is not rectified to the satisfaction of the Authority within three months after the Authority has given notice in writing of such failure to the authorised person provided that no such notice shall be given by the Authority before the expiration of the period within which an application under regulation 43 of the Regulations could be made or before the proceedings relation to any such application are finally determined;
 - (d) the authorised person fails to comply with:
 - (i) an order made by the court under section 34 of the Competition Act 1998;
 - (ii) an order made by the Authority under Sections 158 or 160 of the Enterprise Act 2002;
 - (iii) an order made by the CMA under Sections 76, 81, 83, 84 and 161 of the Enterprise Act 2002;
 - (iv) an order or decision (as applicable) made by the Secretary of State under Sections 66, 147, 160 or 161 of the Enterprise Act 2002; or
 - (e) if the authorised person:

Consultation Heat networks regulation: authorisation conditions

- (i) has not within one (1) year after the date on which the heat network authorisation comes into force, commenced all of the regulated activities to which the heat network authorisation relates (or, in the case of a revocation in part, the relevant regulated activity or activities); or
 - (ii) has ceased to carry on all of the regulated activities to which the heat network authorisation relates (or, in the case of a revocation in part, the relevant regulated activity or activities);
- 15.1.2 giving no less than 24 hours' notice in writing to the authorised person if the authorised person:
 - (a) is unable to pay its debts (within the meaning of section 123(1) or (2) of the Insolvency Act 1986, but subject to paragraph 15.2 of this authorisation condition) or has any voluntary arrangement proposed in relation to it under section 1 of that Act or enters into any compromise or scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Authority) or the occurrence of any analogous event;
 - (b) has a receiver (which expression shall include a fixed charge receiver, a receiver appointed pursuant to the Law of Property Act 1925, an administrative receiver or other receiver within the meaning of section 29 of the Insolvency Act 1986 in England and Wales or a receiver within the meaning of section 70 of the Insolvency Act 1986 in Scotland) of the whole or any material part of its assets or undertaking appointed;
 - (c) enters administration within the meaning of paragraph 1 of Schedule B1 to the Insolvency Act 1986;
 - (d) passes any resolution for winding-up other than a resolution previously approved in writing by the Authority;
 - (e) becomes subject to an order for winding-up by a court of competent jurisdiction;
 - (f) has a trustee in bankruptcy appointed, is subject to a debt relief order or a County Court administration order, enters an individual voluntary arrangement or a breathing space moratorium or a debt management plan or the occurrence of any analogous event;
 - (g) has a trustee in sequestration appointed, enters a trust deed, a protected trust deed or a debt arrangement scheme or the occurrence of any analogous event; or
 - (h) has any event occur, or proceedings taken, in any jurisdiction to which it is subject, that has an effect equivalent or similar to any of the events mentioned above; or
- 15.1.3 giving no less than 7 days' notice in writing to the authorised person where the Authority is satisfied that there has been a material misstatement (of fact) by, or on behalf of the authorised person, in making an application in relation to the heat network authorisation.
- 15.2 The authorised person shall not be deemed to be unable to pay its debts for the purposes of sub-paragraph 15.1.2(a) if any such demand as is mentioned in section 123(1)(a) of the Insolvency Act 1986 is being contested in good faith by the authorised person with recourse to all appropriate measures and procedures or if any such demand is satisfied before the expiration of such period as may be stated in any notice given by the Authority under paragraph 15.1.

Consultation Heat networks regulation: authorisation conditions

- 15.3 A reference to revoking the heat network authorisation in part is a reference to revoking it in relation to one or more (but not all) of the regulated activities to which the heat network authorisation relates.

SECTION B: Conditions applicable to authorised persons carrying on the regulated activity of supply

1 Section B: Condition 1: Supplier Standards of Conduct

Consumer Objective for Suppliers

1.1 The objective of this condition is for the authorised person and any Representative to ensure that:

1.1.1 each person who is a Consumer of, and/or an occupant of a Domestic Premises which is supplied by, the authorised person; and

1.1.2 insofar as affected (or capable of being affected) by its activities, each person who is a Consumer of, and/or an occupant of a Domestic Premises which is supplied by, another authorised person by means of a relevant heat network connected directly or indirectly to the relevant heat network by means of which the authorised person supplies heating, cooling or hot water,

is treated Fairly (“**the Consumer Objective for Suppliers**”).

Achieving the Supplier Standards of Conduct

1.2 The authorised person must achieve, and must ensure that its Representatives achieve, the Supplier Standards of Conduct in a manner consistent with the Consumer Objective for Suppliers.

1.3 The Supplier Standards of Conduct are that the authorised person and any Representative:

1.3.1 behave and carry out any actions in a Fair, honest, transparent, appropriate and professional manner;

1.3.2 provide information (whether in Writing or orally) to each of its Consumers which:

(a) is complete, accurate and not misleading (in terms of the information provided or omitted);

(b) is communicated (and, if provided in Writing, drafted) in plain and intelligible language with more important information being given appropriate prominence;

(c) relates to products or services which are appropriate to the Consumer to whom it is directed;

(d) in terms of its content and in terms of how it is presented, does not create a material imbalance in the rights, obligations or interests of the authorised person and the Consumer in favour of the authorised person; and

(e) is sufficient to enable the Consumer to make informed choices about their supply of heating, cooling or hot water by means of a relevant heat network by the authorised person;

1.3.3 in relation to customer service arrangements:

(a) make it easy for a Consumer to contact the authorised person;

(b) act promptly and courteously to put things right when the authorised person or any Representative makes a mistake; and

(c) otherwise ensure that customer service arrangements and processes are complete, thorough, fit for purpose and transparent;

1.3.4 in relation to any of its Consumers and/or any occupant of a Domestic Premises which it supplies who is in a Vulnerable Situation (where applicable):

(a) seek to identify each such person, in a manner which is effective and appropriate, having regard to the interests of that person;

Consultation Heat networks regulation: authorisation conditions

- (b) when applying the Supplier Standards of Conduct in paragraphs 1.3.1 to 1.3.3 above, do so in a manner which takes into account any Vulnerable Situation of the relevant person identified in accordance with (a) above or otherwise; and
 - (c) provide any additional support required to ensure that they have access to necessary services and information, including (where applicable) the services referred to in authorisation condition (Priority Services Register).
- 1.3.5 communicates proactively with its Consumers to provide them with regular and timely updates about any maintenance work or other events or changes in service which may cause an outage in respect of or other disruption to the supply to them of heating, cooling or hot water;
- 1.3.6 actively engages with Consumers to understand their needs and expectations and keep them appropriately informed about matters which may impact on the supply to them of heating, cooling or hot water, including:
- (a) seeking feedback on satisfaction with customer service arrangements;
 - (b) seeking feedback on proposed decision-making that may have a significant impact on Consumers, including decision-making on matters that:
 - (i) may have long-term implications for the supply to them of heating, cooling or hot water; and/or
 - (ii) that relate to decarbonisation or retrofitting of the applicable relevant heat network and/or its connection to other relevant heat networks; and
 - (c) being transparent about how any change to infrastructure which forms part of the applicable relevant heat network and/or any other relevant heat network may impact pricing and/or service delivery;
- 1.3.7 provides such information and co-operation to another authorised person as may reasonably be requested in order that any such other authorised person is able to effectively and efficiently carry out or fulfil obligations imposed on it by or under the Regulations or the authorisation conditions;
- 1.3.8 ensures that it has appropriate resources and processes in place to enable effective co-operation with any other authorised person whose regulated activities may be affected by its regulated activities; and
- 1.3.9 without prejudice to the generality of paragraphs 1.3.7 and 1.3.8, where a Complaint is referred to the authorised person by another authorised person (being the authorised person with responsibility under its authorisation conditions for acting as the single point of contact in relation to the Complaint in question), the authorised person must use all reasonable endeavours to fully investigate and resolve the relevant Complaint in an efficient and timely manner in co-operation with the referring authorised person (and any other authorised person where relevant) and in accordance with the referring authorised person's Complaints Handling Procedure.

Scope of condition

- 1.4 If there is any conflict or inconsistency between this authorisation condition and another authorisation condition (including authorisation condition (Fair Pricing)) which deals with a specific aspect of the Fair treatment of persons who are Consumers and/or occupants of a Domestic Premises, the latter will take priority.

2 Section B: Condition 2: Heat Supply Contracts

Obligation to supply

Consultation Heat networks regulation: authorisation conditions

- 2.1 Subject to paragraph 2.4, within a reasonable period of time after receiving a request from a Relevant Consumer for a supply of heating, cooling or hot water by means of a relevant heat network, where the authorised person is authorised or would be treated as authorised to supply heat network consumers by means of that relevant heat network, the authorised person must offer to enter into a Relevant Supply Contract with that Relevant Consumer for the requested supply except where paragraph 2.3 applies.
- 2.2 Subject to paragraph 2.4, if the Relevant Consumer accepts the terms of the Relevant Supply Contract offered to them under paragraph 2.1, the authorised person must supply the Relevant Consumer in accordance with that Relevant Supply Contract and any other requirements of the authorisation conditions.
- 2.3 Where a Relevant Consumer is supplied pursuant to a Relevant Lease, paragraph 2.1 shall not apply to the authorised person where the authorised person complies with any housing legislation that applies in relation to the terms of such supply.

Exceptions to authorised person's obligations to supply

- 2.4 The authorised person is not required to comply with the obligations set out in paragraphs 2.1 or 2.2 in any of the following circumstances:
 - 2.4.1 the Relevant Consumer's premises are not connected to the applicable relevant heat network;
 - 2.4.2 supplying the relevant heating, cooling or hot water by means of the applicable relevant heat network to the Relevant Consumer's premises would, or might, involve danger to the public and/or property, provided that the authorised person has taken all reasonable steps to prevent such danger from occurring;
 - 2.4.3 it is not reasonable in all the circumstances of the case for the authorised person to supply the relevant heating, cooling or hot water to the Relevant Consumer's premises, provided that, if it is already supplying the relevant heating, cooling or hot water to those premises, it has given at least seven (7) Working Days' notice of its intention to stop doing so; or
 - 2.4.4 the authorised person requires the Relevant Consumer to pay a Security Deposit and they do not do so, except if that deposit is in breach of any of the requirements of authorisation condition (Security Deposits, Payment Difficulties, Disconnections and Direct Debits).

Notification of terms and provision of information

- 2.5 Before the authorised person enters into a Relevant Supply Contract or, where applicable, a Relevant Lease that will apply to the supply of heating, cooling or hot water, the authorised person must bring the following information to the attention of the Relevant Consumer and ensure that the following information is communicated in plain and intelligible language:
 - 2.5.1 a statement to the effect that the authorised person is seeking to enter into a legally binding arrangement with the Relevant Consumer in relation to the supply of heating, cooling or hot water; and
 - 2.5.2 the Principal Terms of the proposed Relevant Supply Contract or Relevant Lease, insofar as they relate to the supply of heating, cooling or hot water.
- 2.6 Each Relevant Supply Contract must:
 - 2.6.1 be in Writing;
 - 2.6.2 drafted in plain and intelligible language; and

Consultation Heat networks regulation: authorisation conditions

- 2.6.3 be set out in a single pack (consisting of one or more documents) and not incorporate any terms or conditions by reference to any Website or analogous resource.
- 2.7 Where the authorised person supplies a Relevant Consumer under a Relevant Supply Contract, the authorised person must provide that Relevant Consumer with a complete copy of the Relevant Supply Contract in a format that is accessible to the Relevant Consumer:
 - 2.7.1 in Writing;
 - 2.7.2 at the outset of the supply;
 - 2.7.3 at any time a copy is requested by a Relevant Consumer within a reasonable period of time after receiving the request; and
 - 2.7.4 when any changes to such Relevant Supply Contract are sent to the Relevant Consumer by the authorised person.
- 2.8 If the authorised person supplies heating, cooling or hot water to a Consumer under a Deemed Contract, it must take all reasonable steps to provide that Consumer with:
 - 2.8.1 the Principal Terms of the Deemed Contract; and
 - 2.8.2 notice that Supply Contracts, with terms that may be different from the terms of Deemed Contracts, may be available and of how information about such Supply Contracts may be obtained.
- 2.9 If a person requests a copy of a Deemed Contract that the authorised person has available, the authorised person must provide it to that person free of charge within a reasonable period of time after receiving the request.
- 2.10 Where a Relevant Consumer requests the authorised person to pass on its Historic Consumption Data either to that Relevant Consumer or to any other person, the authorised person shall comply with that request free of charge as soon as reasonably practicable.

Terms and Conditions: General

- 2.11 The authorised person must include in each Relevant Supply Contract, Relevant Lease or Deemed Contract (or, until such time as any existing Relevant Supply Contract, Relevant Lease or Deemed Contract has been updated, in a separate document provided to the Consumer):
 - 2.11.1 all terms and conditions for the supply of heating, cooling or hot water including the Principal Terms;
 - 2.11.2 where applicable, a term separately identifying the Charges and the charges for any other good or service to be provided;
 - 2.11.3 relevant Billing Information;
 - 2.11.4 the identity and address and contact details of the authorised person. This must include various methods for Consumers to contact the authorised person including email, instant messaging, telephone or letter;
 - 2.11.5 details of the authorised person's Complaints Handling Procedure;
 - 2.11.6 details of services that will be provided by the authorised person directly or by any third parties, including operation, maintenance, metering, and billing services;
 - 2.11.7 where the services referred to in paragraph 2.11.6 are to be provided to the Relevant Consumer by multiple organisations, details of the breakdown of responsibility and which organisation will be responsible for providing the relevant service;

Consultation Heat networks regulation: authorisation conditions

- 2.11.8 key performance indicators of the heat network, including network efficiency;
 - 2.11.9 details of the means by which the Relevant Consumer can be provided with information on available tariffs and on changes to any Charges, including justifications;
 - 2.11.10 information concerning the Relevant Consumer's rights as regards the means of dispute settlement available to them in the event of a dispute with the authorised person, including how dispute resolution procedures can be initiated;
 - 2.11.11 where applicable, information on the availability of consumer advocacy from the Relevant Consumer Advice Body;
 - 2.11.12 information on the source of thermal energy and the environmental impacts of the operation of the relevant heat network;
 - 2.11.13 contact information, including where applicable Website addresses, for organisations from which information may be obtained on available energy efficiency improvement measures;
 - 2.11.14 details of the process by which a Relevant Consumer may request Historic Consumption Data;
 - 2.11.15 any other terms and conditions or requirements stated as required to be included in any Relevant Supply Contract, Deemed Contract or Relevant Lease, as applicable, in accordance with the authorisation conditions.
- 2.12 The authorised person must take all reasonable steps to ensure that the terms of each of its Deemed Contracts and Relevant Supply Contracts are not unduly onerous.
- 2.13 The authorised person must not include, enforce or take advantage of, any term of a Relevant Supply Contract or a Deemed Contract if:
- 2.13.1 the inclusion of that term is incompatible with the authorisation conditions; or
 - 2.13.2 the enforcement or the taking advantage of that term would be so incompatible.

Term and Termination

- 2.14 In relation to any Deemed Contract or Supply Contract with a Domestic Consumer, the authorised person must include a term that provides that the contract will end, in relation to the premises to which it applies, by no later than:
- 2.14.1 if the Domestic Consumer has notified the authorised person at least two (2) Working Days before the date on which it stops owning or occupying the premises, that date; or
 - 2.14.2 if the Domestic Consumer has stopped owning or occupying the premises without giving the authorised person such notification, the first to happen of the following:
 - (a) the end of the second Working Day after the Domestic Consumer has notified the authorised person that he has stopped owning or occupying the premises; or
 - (b) the date on which any other person begins to own or occupy the premises and takes a supply of heating, cooling or hot water by means of the applicable relevant heat network at those premises.
- 2.15 In relation to any Relevant Supply Contract or Deemed Contract, the authorised person must ensure that the notice period for termination by a Relevant Consumer is no longer than 30 Working Days.
- 2.16 In relation to any Deemed Contract, the authorised person must ensure that:

Consultation Heat networks regulation: authorisation conditions

- 2.16.1 where a Consumer intends to be supplied with heating, cooling or hot water under a Supply Contract, the Deemed Contract will continue to have effect until the authorised person begins to supply such heating, cooling or hot water under a Supply Contract and no form of notice is required before a Consumer is able to enter into a Supply Contract in place of the Deemed Contract; and
 - 2.16.2 the Deemed Contract does not provide for any fixed term period or any termination fee to be payable by the Consumer.
- 2.17 The authorised person must not, and must ensure that its staff and any Representative do not, inform any Consumer that they are required to pay any termination fee, are subject to a fixed term period, or are required to give any form of notice before they are able to enter into a Supply Contract in place of the Deemed Contract.

Transitional Arrangements

- 2.18 Where the authorised person supplies a Relevant Consumer pursuant to an existing Relevant Supply Contract Deemed Contract or Relevant Lease, the authorised person must:
 - 2.18.1 use reasonable endeavours to vary the Relevant Supply Contract Deemed Contract or Relevant Lease, as applicable, so that it meets the requirements imposed by this authorisation condition in relation to its terms; and
 - 2.18.2 act, wherever appropriate, in its dealings with any Relevant Consumer as if the Relevant Supply Contract Deemed Contract or Relevant Lease, as applicable, did meet the requirements imposed by this authorisation condition in relation to its terms.
- 2.19 The Authority shall publish guidance on transitional arrangements relating to existing Relevant Supply Contracts, Deemed Contracts or Relevant Leases.

3 Section B: Condition 3: Contract Changes Information

Notices

- 3.1 The authorised person must ensure that each Relevant Consumer it supplies is provided with a notice not less than thirty-one (31) days prior to the event of:
- 3.1.1 a Disadvantageous Unilateral Variation; or
 - 3.1.2 an increase in the Charges to the Relevant Consumer (including by making any reduction in the amount of a Discount that is applied to a Unit Rate or Standing Charge).
- each a '**Relevant Contract Change Notice**'.
- 3.2 The authorised person must not make any increase to the Charge for a Relevant Consumer more frequently than once in any six (6) month period during a Relevant Year.
- 3.3 Any Relevant Contract Change Notice must:
- 3.3.1 inform the Relevant Consumer:
 - (a) that they may end the Relevant Supply Contract within a period of no longer than 30 days; and
 - (b) of the consequences of ending the Relevant Supply Contract, including that the Relevant Consumer may be subject to exclusions or other terms in relation to alternative energy supplies on or in relation to the relevant development and/or relevant premises;
 - 3.3.2 include a statement to the effect that value added tax (at the applicable rate) is included in any Charge which is subject to value added tax and that this may be different to the way any such Charge is displayed on a Bill or statement of account;
 - 3.3.3 display the Charge inclusive of value added tax at the applicable rate;
 - 3.3.4 be provided in a Form and at an appropriate time that is designed to prompt the Relevant Consumer to make an informed choice in light of the proposed change, leaving reasonable time for the Relevant Consumer to make an informed choice in relation to the change before it takes effect; and
 - 3.3.5 contain information which is sufficient to enable the Relevant Consumer to understand:
 - (a) the change, including the main reason(s) for the change;
 - (b) any potential implications (including any financial implications) of the change for the Relevant Consumer if no action is taken;
 - (c) when the change takes effect; and
 - (d) the Relevant Consumer's rights and available options relevant to the change.
- 3.4 In complying with paragraphs 3.1 and 3.3 the authorised person must take into account:
- 3.4.1 whether the Relevant Consumer is in a Vulnerable Situation; and
 - 3.4.2 where appropriate, the Relevant Consumer's preferences for receiving notices.
- 3.5 A Relevant Contract Change Notice must be provided to the Relevant Consumer separately from any other document (including a Bill, statement of account, or marketing material).

Consultation Heat networks regulation: authorisation conditions

Exception to compliance with condition

- 3.6 The obligations in this authorisation condition do not apply to the authorised person in relation to a Relevant Consumer whose supply is subject to a Relevant Lease.

4 Section B: Condition 4: Complaints

Complaints Handling Procedure

- 4.1 Where the authorised person supplies a Relevant Consumer, the authorised person must at all times have in place a Complaints Handling Procedure and comply with its terms in respect of each Complaint it receives.
- 4.2 The authorised person must when receiving and handling Complaints take into consideration a Relevant Consumer's situation, including if they are in a Vulnerable Situation and must take such additional steps as it considers necessary or appropriate with a view to, as appropriate, assisting that person and resolving the relevant Complaint in an appropriate and prompt manner.
- 4.3 The authorised person must provide its Complaints Handling Procedure to a Relevant Consumer in Writing before it enters into a Supply Contract with the Relevant Consumer and the authorised person must provide a copy of its Complaints Handling Procedure, free of charge, to any Relevant Consumer who requests a copy.
- 4.4 The authorised person must ensure that its Complaints Handling Procedure appears or is signposted at a prominent and accessible location in each building it supplies, on its Website (where appropriate), and/or on in-premises meter display units. The complaints handling procedure must also be sent to all Relevant Consumers in Writing not less than annually.
- 4.5 The Complaints Handling Procedure must:
 - 4.5.1 be in plain and intelligible language;
 - 4.5.2 allow for Complaints to be made by any reasonable means, including:
 - (a) orally (by telephone or in person at the authorised person's business premises);
 - (b) in Writing; and/or
 - (c) digitally;
 - 4.5.3 allow for Complaints to be progressed through each stage of the Complaints Handling Procedure orally (by telephone or in person at the authorised person's business premises), in Writing and/or digitally;
 - 4.5.4 describe the steps which the authorised person will take with a view to investigating and resolving a Complaint, including where that involves co-ordination with another authorised person, and the likely timescales for each of those steps;
 - 4.5.5 provide for an internal review of an existing Complaint where a complainant indicates that they would like such a review to occur because they are dissatisfied with the handling of that Complaint;
 - 4.5.6 inform a Relevant Consumer of the names and contact details of the main sources of independent help, advice and information that are available to them. For these purposes a source of help, advice and information shall be independent if it is independent of authorised persons, any Relevant Dispute Resolution Body and the Authority;
 - 4.5.7 describe a Relevant Consumer's right to refer a Complaint to the Relevant Dispute Resolution Body:
 - (a) on and from the point at which the authorised person formally notifies a Relevant Consumer that it is unable to resolve the Complaint to that Relevant Consumer's satisfaction; or

Consultation Heat networks regulation: authorisation conditions

- (b) after the expiry of the applicable time period specified in paragraph 4.20 for resolving the Complaint;
- 4.5.8 set out the different remedies that may be available to a Relevant Consumer under the Complaints Handling Procedure in respect of a Complaint, which remedies must include:
 - (a) an apology;
 - (b) an explanation;
 - (c) the taking of appropriate remedial action by the authorised person; and
 - (d) the award of compensation in appropriate circumstances.

Information to be provided to Relevant Consumers

- 4.6 Where a Complaint has not become a resolved Complaint by the end of the first Working Day after the day the Complaint was first received by the authorised person, the authorised person must as soon as reasonably practicable (unless it has already done so in respect of the relevant Complaint):
 - 4.6.1 direct the complainant to the Complaints Handling Procedure on its Website (where appropriate) or other suitable alternative; and
 - 4.6.2 offer to provide a copy of the Complaints Handling Procedure to the complainant free of charge.
- 4.7 If a Relevant Consumer reasonably requests that the information to be provided pursuant to paragraph 4.6 of this authorisation condition is delivered to them in a specific format, the authorised person must comply with such a request free of charge as soon as is reasonably practicable, having due regard to the Equality Act 2010 and a Relevant Consumer's Personal Characteristics.

Recording Complaints

- 4.8 Upon receipt of a Complaint the authorised person must record in an electronic format the following details:
 - 4.8.1 the date that the Complaint was received;
 - 4.8.2 whether the Complaint was made orally, in Writing and/or digitally;
 - 4.8.3 the identity and contact details of the Relevant Consumer making the Complaint or on whose behalf the Complaint is made;
 - 4.8.4 the account details of the Relevant Consumer making the Complaint or on whose behalf the Complaint is made;
 - 4.8.5 a summary of the Complaint;
 - 4.8.6 a summary of any advice given or action taken or agreed in relation to the Complaint;
 - 4.8.7 whether the Complaint has become a resolved Complaint and, if so, the basis upon which the authorised person considers that the Complaint is a resolved Complaint; and
 - 4.8.8 the method for future communication (if any) that has been agreed with the complainant.
- 4.9 Where any subsequent contact is made with the authorised person in relation to an existing Complaint that authorised person must, upon receipt of that subsequent contact, record:

Consultation Heat networks regulation: authorisation conditions

- 4.9.1 the date of that contact;
 - 4.9.2 whether the subsequent contact was made orally, in Writing and/or digitally;
 - 4.9.3 whether the complainant making the subsequent contact is the same complainant as, or different to, the complainant who made the original contact regarding an existing Complaint and, where different, the identity and contact details of the complainant making the subsequent contact;
 - 4.9.4 a summary of that contact;
 - 4.9.5 a summary of any advice given or action taken or agreed in response to any points raised in that contact;
 - 4.9.6 whether the Complaint has become a resolved Complaint and, if so, the basis upon which the authorised person considers that the Complaint is a resolved Complaint; and
 - 4.9.7 the method for future communication (if any) that has been agreed with the complainant.
- 4.10 All details recorded in accordance with paragraph 4.9 must be clearly linked to an existing Complaint.
- 4.11 For the purposes of paragraphs 4.8 and 4.9, a Complaint or any subsequent contact shall be treated as having been received by the authorised person:
- 4.11.1 where the Complaint or subsequent contact is made orally (by telephone or in person at the authorised person's business premises), at the time at which it is received by that authorised person; and
 - 4.11.2 where the Complaint or subsequent contact is made in Writing and/or digitally and:
 - (a) it is received before 1700 hours on a Working Day, on the Working Day that it is received by that authorised person; or
 - (b) it is received by the authorised person after 1700 hours on a Working Day or at any time on a day that is not a Working Day, on the first Working Day immediately following the day upon which it is received by that authorised person.
- 4.12 Where a complainant claims to have made a Complaint in respect of a matter but it is not possible to identify a relevant existing Complaint, the authorised person must record the fact that it is unable to trace the existing Complaint.
- 4.13 Where the authorised person has recorded that a Complaint is a resolved Complaint but subsequent contact from a complainant in relation to that Complaint indicates that it is not a resolved Complaint, the authorised person:
- 4.13.1 must record details of this change in the Complaint's status in its recording system;
 - 4.13.2 must as soon as reasonably practicable after becoming aware of the fact that the Complaint is not a resolved Complaint:
 - (a) direct the complainant to the Complaints Handling Procedure on its Website (where appropriate), in Writing or, if requested, provide a hard copy; and
 - (b) offer to provide a copy of the Complaints Handling Procedure to the complainant free of charge; and

Consultation Heat networks regulation: authorisation conditions

- 4.13.3 shall not otherwise be entitled to treat that Complaint as a resolved Complaint for the purposes of this authorisation condition until that Complaint is demonstrably a resolved Complaint.

Referral of Consumer Complaints

- 4.14 The authorised person must put in place appropriate arrangements to deal effectively with Complaints from a Relevant Consumer where it is not reasonable to expect them to pursue the Complaint on their own behalf.
- 4.15 If a third party, including a Relevant Consumer Advice Body, refers a Consumer who is:
- 4.15.1 a Relevant Consumer in circumstances in which paragraph 4.14 applies;
 - 4.15.2 a Domestic Consumer in a Vulnerable Situation; or
 - 4.15.3 a complainant on behalf of a Domestic Consumer in a Vulnerable Situation,
- to the authorised person, that authorised person must take such additional steps as it considers necessary or appropriate with a view to, as appropriate, assisting such a person and resolving the relevant Complaint in an appropriate and prompt manner.
- 4.16 The authorised person must put in place appropriate arrangements to deal effectively with referrals from a third party, including a Relevant Consumer Advice Body, of Complaints and, if appropriate, complainants.
- 4.17 The arrangements required by paragraph 4.16 must set out a process by which consumer advisory bodies, including Relevant Consumer Advice Bodies, may make such referrals to the authorised person.

Signposting to third party support

- 4.18 The authorised person must notify the Relevant Consumer of the matters set out in paragraph 4.19 in the circumstances set out in paragraph 4.20.
- 4.19 A notice sent in accordance with paragraph 4.18 must notify the Relevant Consumer:
- 4.19.1 of their right to refer the Complaint to a Qualifying Redress Scheme and, where applicable, the First-Tier Tribunal;
 - 4.19.2 that the Qualifying Redress Scheme and, where applicable, the First-Tier Tribunal process is independent of the authorised person;
 - 4.19.3 that the Qualifying Redress Scheme is free of charge to the Relevant Consumer and to any other category of complainant;
 - 4.19.4 of the types of redress that may be available under a Qualifying Redress Scheme and, where applicable, the First-Tier Tribunal;
 - 4.19.5 that the Complaint may be handled as a group Complaint in accordance with the terms of the Qualifying Redress Scheme and/or First-Tier Tribunal;
 - 4.19.6 how group Complaints are handled pursuant to the terms of that Qualifying Redress Scheme and/or First-Tier Tribunal; and
 - 4.19.7 that any outcome of the Qualifying Redress Scheme and, where applicable, the First-Tier Tribunal process is binding upon the authorised person but not upon the Relevant Consumer or any other category of complainant.
- 4.20 The authorised person must send a notice to a Relevant Consumer in accordance with paragraph 4.18 on the earlier of:

Consultation Heat networks regulation: authorisation conditions

- 4.20.1 the first Working Day after the day (if any) upon which that authorised person becomes aware that it is not able to resolve a Complaint to that Relevant Consumer's satisfaction; and
- 4.20.2 the date which is:
 - (a) eight (8) weeks after the relevant Complaint was first made, if unresolved, unless that date falls on a day that is not a Working Day, in which case the first Working Day thereafter, for referrals to the Energy Ombudsman; or
 - (b) twelve (12) weeks after the relevant Complaint was first made, if unresolved, unless that date falls on a day that is not a Working Day, in which case the first Working Day thereafter, for referrals to the Housing Ombudsman or;
 - (c) within a reasonable period of time after the relevant Complaint was first made if it remains unresolved, for referrals to the First-Tier Tribunal.

Allocation and maintenance of adequate resources for handling Complaints

- 4.21 The authorised person must:
 - 4.21.1 receive, handle and process Complaints in an efficient and timely manner; and
 - 4.21.2 allocate and maintain such level of resources as may reasonably be required to enable that authorised person to receive, handle and process Complaints in an efficient and timely manner and in accordance with this authorisation condition.
- 4.22 The authorised person must ensure that there are sufficient and suitably qualified staff to manage Complaints in accordance with their Complaints Handling Procedure. Complaints handling staff must:
 - 4.22.1 have access to staff at all appropriate levels to facilitate prompt resolution of Complaints;
 - 4.22.2 have appropriate authority and autonomy to resolve Complaints promptly and fairly; and
 - 4.22.3 be able to explain in plain and intelligible language to a Relevant Consumer what the Complaints Handling Procedure entails.

Recording and publication of Complaints data

- 4.23 In addition to recording information in accordance with paragraph 4.8, the authorised person must keep an electronic record of the matters specified in paragraph 4.24 below for each Complaint which it receives where that Complaint has not become a resolved Complaint by the end of the Working Day after the day on which the Complaint was first received.
- 4.24 The matters which must be recorded in accordance with paragraph 4.23 are:
 - 4.24.1 the steps the authorised person has taken in response to each such Complaint, including any steps it has taken to resolve that Complaint;
 - 4.24.2 the date (if any) upon which any such Complaint became a resolved Complaint;
 - 4.24.3 the date (if any) upon which the specified time period for resolving the Complaint expired; and
 - 4.24.4 the date (if any) upon which the Relevant Consumer who made the Complaint, or on whose behalf the Complaint was made, was informed of their right to refer the Complaint to a Qualifying Redress Scheme and/or First-Tier Tribunal in accordance with paragraph 4.18.
- 4.25 All information recorded pursuant to this authorisation condition must:

Consultation Heat networks regulation: authorisation conditions

- 4.25.1 be categorised in a clear and precise way such that the Authority may review and audit the recorded information in an efficient manner; and
- 4.25.2 retained for at least 5 years from the date of recording such information.

Interactions by third parties with the authorised person in respect of Complaints

- 4.26 Where the authorised person believes that a Complaint is the fault of or otherwise arises from or is attributable to the standards of service, actions or inactions of one or more other authorised persons, the authorised person must refer it to such other person(s) and provide to them as soon as reasonably practicable:
 - 4.26.1 sufficient information and data regarding the relevant Complaint to allow the Complaint to be fully investigated and resolved; and
 - 4.26.2 a copy of its Complaints Handling Procedure.
- 4.27 Where paragraph 4.26 applies, the authorised person must:
 - 4.27.1 use all reasonable endeavours to cooperate with other relevant authorised persons to provide a complete response to the relevant Complaint in accordance with its Complaints Handling Procedure; and
 - 4.27.2 at all times remain the single point of contact for the Relevant Consumer in relation to the relevant Complaint.

When a Complaint becomes a resolved Complaint

- 4.28 For the purposes of this authorisation condition, a Complaint becomes a resolved Complaint when there remains no outstanding action to be taken by the authorised person in respect of that Complaint and the Complaint been resolved to the satisfaction of the Relevant Consumer who made that Complaint or on whose behalf that Complaint was made.

5 Section B: Condition 5: Assistance and Advice

Provision of Information

- 5.1 Where the authorised person supplies a Relevant Consumer, the authorised person must ensure that the Relevant Consumer is provided with information in a Form and at a frequency that is sufficient to enable the Relevant Consumer to quickly and easily understand:
- 5.1.1 how to identify and contact the authorised person and, where different, the operator(s) of the applicable relevant heat network about a problem, question or any other request for assistance relating to the relevant heat networks by means of which (directly or indirectly) it is supplied. This includes queries, complaints, disputes and emergencies;
 - 5.1.2 how to seek impartial advice from a Relevant Consumer Advice Body, and, as appropriate in the circumstances, the means of dispute settlement available in the event of a dispute, including how to identify and contact the Relevant Dispute Resolution Body; and
 - 5.1.3 how to access appropriate assistance and advice. This includes information about:
 - (a) debt prevention and management;
 - (b) improving energy efficiency, including management of heating, cooling or hot water usage and associated costs; and
 - (c) social, financial and energy efficiency programmes.
- 5.2 In complying with paragraph 5.1 the authorised person must take into account:
- 5.2.1 a Domestic Consumer's Personal Characteristics and features of its current Supply Contract or Deemed Contract; and
 - 5.2.2 where appropriate, a Relevant Consumer's preferences for receiving communications.

Enquiry Service

- 5.3 The authorised person must provide, or procure the provision of, an enquiry service that enables a Relevant Consumer and/or an occupant of Domestic Premises which the authorised person supplies to contact it. As a minimum the enquiry service must:
- 5.3.1 offer a range of contact methods that meet the needs of the authorised person's Relevant Consumers and/or the occupants of Domestic Premises which the authorised person supplies, taking into account whether they may be in a Vulnerable Situation;
 - 5.3.2 be available to receive enquiries and offer assistance, guidance, or advice at times that meet the needs of Relevant Consumers and/or the occupants of Domestic Premises which the authorised person supplies, taking into account whether they may be in a Vulnerable Situation; and
 - 5.3.3 be available twenty-four (24) hours every day to receive enquiries from Relevant Consumers and/or occupants of Domestic Premises which the authorised person supplies who are experiencing an interruption in their supply.
- 5.4 When providing the enquiry service in paragraph 5.3, the authorised person must implement an appropriate service with processes to prioritise enquiries from persons in Vulnerable Situations (or any representative acting on their behalf), where appropriate due to their circumstances or Personal Characteristics.

Consultation Heat networks regulation: authorisation conditions

- 5.5 When providing the enquiry service the authorised person must implement appropriate processes to provide the enquiry service free of charge to all Relevant Consumers who are having or may have difficulty paying all or part of their Charges and to any occupant of a Domestic Premises which it supplies who may, due to their Personal Characteristics or otherwise, be in a Vulnerable Situation.

Publications

- 5.6 The authorised person must publish or signpost to:
- 5.6.1 relevant publications by the Authority and/or the Relevant Consumer Advice Bodies relating to the authorised person's services and reviews relating to the authorised person's services collated by third parties, as soon as possible after they become available; and
 - 5.6.2 the latest version of any relevant guidance and/or advisory publications relating to heat networks published by the Authority and/or the Relevant Consumer Advice Bodies, within twenty-eight (28) days of the date on which that version is so published.
- 5.7 The publications referred to in paragraph 5.6 must be published or signposted to:
- 5.7.1 at an accessible and prominent location served by any relevant heat network by means of which the authorised person supplies Relevant Consumers;
 - 5.7.2 on its Website (where appropriate); or
 - 5.7.3 through an email or text message (with an appropriate link in each case) or by provision of a hard copy version (or other accessible format version where appropriate having due regard to a Relevant Consumer's communication preferences).
- 5.8 In addition to the above, the authorised person must inform a Relevant Consumer how the publications referred to in paragraph 5.6.2 can be accessed:
- 5.8.1 when the authorised person first begins supplying a Relevant Consumer or becomes (or should reasonably have been) aware that it is doing so; and
 - 5.8.2 as soon as reasonably practicable after a Relevant Consumer requests it.
- 5.9 In addition to the above, the authorised person must provide (or, where not reasonable to provide, signpost to) a copy of any publication referred to in paragraph 5.6.2 to a Relevant Consumer annually free of charge and, where requested by a Relevant Consumer, in an accessible format.

Emergency

- 5.10 The authorised person must keep a Relevant Consumer informed:
- 5.10.1 that an emergency or a suspected emergency should be reported immediately; and
 - 5.10.2 of a telephone number which should be used for that purpose.

6 Section B: Condition 6: Provision of Billing and Price Transparency of Information

Application of Condition where a Relevant Lease applies

- 6.1 Where the supply to a Consumer is subject to a Relevant Lease, the authorised person's obligations under this authorisation condition in relation to such supply are to be construed in accordance with the modifications in Part Two of this authorisation condition.

Part One of this Condition

Billing based on actual consumption etc. where Supply Meters are installed

- 6.2 Subject to paragraph 6.3 and 6.6, where Supply Meters are installed, the authorised person must ensure that all Bills and Billing Information for the supply to a Relevant Consumer are accurate and based on actual consumption.
- 6.3 Where Bill or Billing Information for a supply of heating, cooling or hot water are intended to be based:
- 6.3.1 on meter readings from a Supply Meter to be provided by a Relevant Consumer but that Relevant Consumer has not provided a meter reading; or
 - 6.3.2 on meter readings from a Supply Meter with smart functionality, but the authorised person, despite taking all reasonable steps, is unable to obtain a meter reading,
- a Bill or Billing Information may be based on an estimate of consumption.
- 6.4 Without prejudice to paragraph 6.2 and subject to paragraphs 6.3 and 6.6, at least once a year, the authorised person must issue a Bill to each Relevant Consumer with a Supply Meter on the basis of actual rather than estimated consumption.
- 6.5 Where the authorised person considers that a meter reading provided by a Relevant Consumer is not reasonably accurate, the authorised person must take all reasonable steps to contact that Relevant Consumer to obtain a new meter reading.
- 6.6 Bills and Billing Information do not need to meet the requirements of paragraph 6.2 to the extent that such requirements are not reasonably practicable in all the circumstances of the case or where the Bills and Billing Information relate to a supply to a Relevant Consumer at any of the following premises:
- 6.6.1 supported housing, almshouse accommodation or purpose-built student accommodation; or
 - 6.6.2 any premises that is subject to a leasehold interest where the lease:
 - (a) began before 27th November 2020; and
 - (b) contains a provision which would prevent Billing based on actual consumption, unless the lease is varied, renewed, or comes to an end.

Charges for Bills and Billing Information

- 6.7 Subject to paragraph 6.8, the authorised person must not make a specific charge to a Relevant Consumer for the provision of a Bill or Billing Information other than in respect of the supply of additional copies of that Bill or that Billing Information.
- 6.8 Where Bills and Billing Information relate to the supply of heating, cooling or hot water to a Relevant Consumer in a building occupied by more than one Relevant Consumer:

Consultation Heat networks regulation: authorisation conditions

- 6.8.1 the authorised person's costs of providing such Bills and Billing Information may be passed on to those Relevant Consumers provided that no profit is made from such charges; or
- 6.8.2 where the authorised person has assigned the task of providing Bills or Billing Information to a third party the reasonable costs of providing them may be passed on to those Relevant Consumers.

Provision of Billing and Billing Information

- 6.9 The authorised person must:
 - 6.9.1 supply a Relevant Consumer's Billing Information to an Energy Services Provider at the request of that Relevant Consumer;
 - 6.9.2 provide electronic Billing and Billing Information at the request of a Relevant Consumer;
 - 6.9.3 provide a clear explanation of the information contained in a Bill, including how the Bill was calculated and specifying fixed and variable elements; and
 - 6.9.4 ensure that information and estimates of heating, cooling or hot water costs are provided to a Relevant Consumer promptly where requested, and in a format which enables a Relevant Consumer to compare their Charges over time and across the seasons.
- 6.10 Billing Information in relation to a Relevant Consumer means the following information:
 - 6.10.1 current Charges charged to the Relevant Consumer by the authorised person;
 - 6.10.2 information about the Relevant Consumer's consumption of heating, cooling or hot water (estimated where necessary);
 - 6.10.3 comparisons of the Relevant Consumer's current consumption of heating, cooling or hot water with consumption for the same period in the previous year, if possible displayed in a graph and using estimates of consumption where necessary, and estimates of the Charges the Relevant Consumer is likely to pay in future;
 - 6.10.4 clear and accurate information for a Relevant Consumer on the terms for the supply of heating, cooling or hot water;
 - 6.10.5 information on the availability of, and contact information for, the Relevant Consumer Advice Body;
 - 6.10.6 contact information for:
 - (a) the authorised person supplying heating, cooling or hot water and any relevant third-party billing agent;
 - (b) any Complaints from the Relevant Consumer; and
 - (c) the party responsible for handling any emergencies relating to the relevant heat network;
 - 6.10.7 information on energy saving for a Relevant Consumer;
 - 6.10.8 information on support mechanisms offered by the authorised person and fuel poverty charities;
 - 6.10.9 the authorised person's identification number allocated by the Authority (if any) in relation to the authorised person and/or its organisation; and

Consultation Heat networks regulation: authorisation conditions

- 6.10.10 information about and contact details for the Energy Ombudsman, and where such information is available and where reasonably practicable for the authorised person to include:
- 6.10.11 information on the fuel type and source of energy in use on the relevant heat networks by means of which the Relevant Consumer is supplied and the environmental impacts of energy generation used on such relevant heat networks;
- 6.10.12 information on how heat networks contribute to net-zero targets, with an explanation of how heat networks operate; and
- 6.10.13 a notice of monopoly supply together with an explanation of what this means for a Relevant Consumer.

Billing frequency and method

- 6.11 Where a Relevant Consumer has opted to receive electronic Billing or where a Relevant Consumer so requests, the authorised person must issue Billing Information at least quarterly. Otherwise, the authorised person must issue Billing Information at least twice a year and with every Bill issued.
- 6.12 Where the authorised person supplies a Relevant Consumer with a Supply Meter which provides automated meter reading functionality, the authorised person must take all reasonable steps to obtain a meter reading each month and bill accordingly.
- 6.13 Without prejudice to paragraphs 6.11 and 6.12, each Bill issued to a Relevant Consumer by the authorised person must cover the period agreed between them.
- 6.14 The authorised person must provide a Bill to a Relevant Consumer promptly following the end of each agreed period. The authorised person must provide a Relevant Consumer with not less than thirty-one (31) days' prior notice of any changes to planned Billing dates.
- 6.15 The authorised person must provide a Relevant Consumer it supplies with information about all available options for receiving Bills, having due regard to:
 - 6.15.1 a Relevant Consumer's requirements, vulnerabilities or constraints as notified by a Relevant Consumer to the authorised person; and
 - 6.15.2 the Equality Act 2010.
- 6.16 Any Bills or statements of account must either:
 - 6.16.1 be provided in a Form that allows a Relevant Consumer to easily retain a copy; or
 - 6.16.2 be made easily available to a Relevant Consumer for reference.
- 6.17 The authorised person must provide a choice of payment methods to a Relevant Consumer and not unreasonably refuse or delay switching a Relevant Consumer to another payment method requested by that Relevant Consumer.

Consumers using Prepayment Meters

- 6.18 Where the authorised person supplies a Relevant Consumer using a Prepayment Meter, the authorised person must provide, at a minimum, an annual account statement.
- 6.19 The annual account statement issued pursuant to paragraph 6.18 must:
 - 6.19.1 state the consumption by a Relevant Consumer of the heating, cooling or hot water supplied in the twelve (12) months immediately preceding the issuing of the annual account statement;

Consultation Heat networks regulation: authorisation conditions

- 6.19.2 provide a projection of the Charges to the Relevant Consumer for supplying heating, cooling or hot water over the next twelve (12) month period if consumption remains consistent; and
- 6.19.3 provide the information required pursuant to paragraphs 6.10.1 to 6.10.13.

Part Two of this Condition

Billing based on actual consumption etc. where Supply Meters are installed

- 6.20 Paragraph 6.4 shall be deemed to read as if the words, “*at least once a year*”, were replaced with the words, “*at least once per Service Charge period*”.

- 6.21 Paragraph 6.6 shall be deemed to read as follows:

Bills and Billing Information do not need to meet the requirements of paragraph 6.2 unless it is technically possible and economically justified for them to do so. It will be considered technically possible and economically justified to issue Bills and Billing Information to a Relevant Consumer where the estimated reasonable costs of issuing Bills and Billing Information to a Relevant Consumer does not exceed £100 per Relevant Consumer per calendar year unless the Relevant Consumer occupies:

- (a) *supported housing, almshouse accommodation or purpose-built student accommodation; or*
- (b) *any premises that is subject to a leasehold interest where the lease:*
 - (i) *began before 27th November 2020; and*
 - (ii) *contains a provision which would prevent Billing based on actual consumption, unless the lease is varied, renewed, or comes to an end.*

- 6.22 The matters to be taken into account in estimating the cost of issuing Bills and Billing Information for the purposes of the above provision are the costs of:

- 6.22.1 collecting, storing and processing meter readings;
- 6.22.2 preparation and issuing of the Bill and Billing Information;
- 6.22.3 processing of payments; and
- 6.22.4 issuing of demands for payment if a Bill is not paid.

Charges for Bills and Billing Information

- 6.23 Paragraphs 6.7 and 6.8 shall not apply.

- 6.24 The authorised person must not make a specific charge to a Relevant Consumer for the provision of a Bill or Billing Information other than in respect of the supply of additional copies of that Bill or that Billing Information, provided always that nothing in this paragraph shall be construed as precluding a landlord from treating as part of his costs of management any costs incurred by him in connection with making those facilities so available.

Provision of Billing and Billing Information

- 6.25 Paragraph 6.9 shall not apply, but the authorised person must:

- 6.25.1 supply a Relevant Consumer's Billing Information to an Energy Services Provider at the request of that Relevant Consumer;

Consultation Heat networks regulation: authorisation conditions

- 6.25.2 provide electronic Billing and Billing Information at the request of a Relevant Consumer;
 - 6.25.3 provide a clear explanation of the information contained in a Bill, including how the Bill was calculated; and
 - 6.25.4 ensure that information and estimates of energy costs are provided to a Relevant Consumer promptly where requested, and in a format which enables a Relevant Consumer to compare their Charges over time.
- 6.26 Paragraph 6.10 applies subject to paragraphs 6.10.3 and 6.10.10 being read as follows:
- 6.10.3: where available, comparisons of a Relevant Consumer's current consumption of heating, cooling or hot water with consumption for the same period in the previous Service Charge period, if possible displayed in a graph, and estimates of the Charges a Relevant Consumer is likely to pay in future;*
- 6.10.10: information about and contact details for the Housing Ombudsman.*

Billing frequency and method

- 6.27 Paragraphs 6.11, 6.13, 6.14 and 6.17 shall not apply.
- 6.28 Without prejudice to any other provision, each Bill issued to a Relevant Consumer by the authorised person must cover a period as determined pursuant to the terms of the Relevant Lease.

Consumers using Prepayment Meters

- 6.29 Paragraphs 6.18 and 6.19 shall not apply.
- 6.30 Where the authorised person supplies a Relevant Consumer using a Prepayment Meter, the authorised person must provide, at a minimum, a statement which shall cover the Service Charge period as determined pursuant to terms of the Relevant Lease.
- 6.31 The statement issued pursuant to paragraph 6.30 must:
 - 6.31.1 state the consumption by a Relevant Consumer of the heating, cooling or hot water supplied in the Service Charge period immediately preceding the issuing of the statement;
 - 6.31.2 provide a projection of the Charges to the Relevant Consumer for supplying heating, cooling or hot water over the next Service Charge period if consumption remains consistent; and
 - 6.31.3 provide the information required pursuant to paragraph 6.10, as modified by this Part Two.

7 Section B: Condition 7: Back-billing

Prohibition

- 7.1 Subject to paragraphs 7.2 and 7.3, where the authorised person or any Representative issues a Bill to a Domestic Consumer or Microbusiness Consumer or otherwise seeks to recover (including via a Prepayment Meter or via increased direct debits) Charges for supplying that Domestic Consumer or Microbusiness Consumer (hereafter a “**Charge Recovery Action**”), they must only do so in respect of:
- 7.1.1 units of heating, cooling or hot water which could reasonably be considered to have been consumed within the 12 months preceding the date the Charge Recovery Action was taken; and
 - 7.1.2 where applicable, other Charges incurred by the authorised person if accrued within the 12 months preceding the date the Charge Recovery Action was taken.

Exceptions to prohibition

- 7.2 Paragraph 7.1 does not apply in the following circumstances:
- 7.2.1 where any Charge Recovery Action was taken prior to the date this authorisation condition took effect;
 - 7.2.2 the authorised person or any Representative has taken a Charge Recovery Action in a manner which complied with paragraph 7.1 and, due to non-payment by the Domestic Consumer or Microbusiness Consumer, is continuing to take steps to obtain payment for the same units of heating, cooling or hot water and, where applicable, the same amounts in respect of a Standing Charge or other type of Charge;
 - 7.2.3 the authorised person has been unable to take a Charge Recovery Action for the correct amount of the units of heating, cooling or hot water due to the obstructive or manifestly unreasonable behaviour of the Domestic Consumer or Microbusiness Consumer; or
 - 7.2.4 any other circumstances, which following consultation, the Authority may specify for these purposes.
- 7.3 Where the authorised person or any Representative takes a Charge Recovery Action in relation to a Domestic Consumer or Microbusiness Consumer where the supply to a Domestic Consumer or Microbusiness Consumer is subject to a Relevant Lease, paragraph 7.1 does not apply where the authorised person ensures that any Charge Recovery Action taken complies with the Landlord and Tenant Act 1985 (or equivalent, similar or analogous legislation in any jurisdiction in Great Britain).

Terms of contracts

- 7.4 The authorised person must ensure that the terms and conditions of each Relevant Supply Contract and Deemed Contract that it enters into, makes or varies following the launch date comply with the provisions of this authorisation condition
- 7.5 The authorised person must not enforce or take advantage of any term of a Relevant Supply Contract or a Deemed Contract if:
- 7.5.1 the inclusion of that term is incompatible with this authorisation condition; or
 - 7.5.2 the enforcement or taking advantage of that term would be so incompatible.

8 Section B: Condition 8: Priority Services Register

Duty to establish a Priority Services Register

- 8.1 The authorised person must:
- 8.1.1 establish and maintain a register (the “**Priority Services Register**”) of persons who are either a Domestic Consumer who, and/or an occupant of Domestic Premises which, the authorised person supplies and who may, due to their Personal Characteristics or otherwise being in a Vulnerable Situation, require Priority Services;
 - 8.1.2 take all reasonable steps to promote the existence of the Priority Services Register and the Priority Services which may be available from the authorised person; and
 - 8.1.3 take all reasonable steps (which are appropriate in the circumstances) to:
 - (a) identify such Domestic Consumers and relevant occupants in the course of interactions between the authorised person and Domestic Consumers: and
 - (b) offer to add any or all of the Minimum Details to the Priority Services Register during interactions.
- 8.2 In so far as permitted by any laws relating to data protection and/or privacy, the authorised person must add the Minimum Details to the Priority Services Register.

Duty to share information

- 8.3 In so far as permitted by any laws relating to data protection and/or privacy, the authorised person must share the Minimum Details using the Relevant Industry Mechanisms.

Duty to offer services

- 8.4 The authorised person must offer (and, if accepted, provide), free of charge, to any of its Domestic Consumers (or relevant occupant, where applicable) who has been added to the Priority Services Register, such of the Priority Services as such person may reasonably require on account of their Personal Characteristics or Vulnerable Situation.
- 8.5 The Priority Services are appropriate mechanisms and arrangements to enable the following:
- 8.5.1 the Domestic Consumer (or relevant occupant, where applicable) receiving additional support to assist them to identify any person acting on behalf of the authorised person;
 - 8.5.2 a person nominated by, or otherwise legally entitled to act on behalf of, the Domestic Consumer being able to receive communications relating to their account;
 - 8.5.3 the reading (and provision of that reading to the Domestic Consumer) of the Domestic Consumer’s Supply Meter at appropriate intervals, if the Domestic Consumer is unable to do so and there is no other person the Domestic Consumer could reasonably nominate to do so on their behalf;
 - 8.5.4 functionality of any Prepayment Meter which is installed at the relevant Domestic Premises which is safe and reasonably practicable in all the circumstances of the case;
 - 8.5.5 communications with the Domestic Consumer in an accessible format that is, so far as is reasonably practicable, appropriate to the Domestic Consumer’s needs on the basis of their Personal Characteristics and/or Vulnerable Situation; and

Consultation Heat networks regulation: authorisation conditions

- 8.5.6 such further or additional services (of a similar non-financial nature as sub-paragraphs 8.5.1 to 8.5.5) as the authorised person identifies are appropriate to the needs of its Domestic Consumers and/or occupants of Domestic Premises which the authorised person supplies and reasonably practicable for the authorised person to provide.

Compliance with data protection and/or privacy laws

- 8.6 For the purposes of its obligations under this authorisation condition (including in respect of obtaining, recording, using and sharing information), the authorised person must comply with any laws relating to data protection and/or privacy.

9 Section B: Condition 9: Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills

Security Deposits

- 9.1 The authorised person must not require a Domestic Consumer to pay a Security Deposit in relation to the supply of heating, cooling or hot water to their premises:
- 9.1.1 if that Domestic Consumer agrees that the premises may be supplied through a Prepayment Meter and it is safe and reasonably practicable in all the circumstances of the case for the premises to be so supplied; or
 - 9.1.2 if it is unreasonable in all the circumstances of the case to require that Domestic Consumer to pay a Security Deposit.
- 9.2 A Security Deposit must not exceed a reasonable amount.

Consumers in payment difficulty

- 9.3 The authorised person must offer each of the services set out in paragraph 9.6 when it becomes aware or has reason to believe that a Domestic Consumer is having or will have difficulty paying all or part of the Charges.
- 9.4 Without prejudice to any other right or obligation under the Regulations or the authorisation conditions, the authorised person must not charge the Domestic Consumer for providing the services set out in paragraph 9.6.
- 9.5 In complying with paragraph 9.3 the authorised person must make proactive contact, as described in paragraph 9.8.2, with Domestic Consumers at the earliest opportunity to identify whether a Domestic Consumer is in payment difficulty, by contacting the Domestic Consumer no later than after:
- 9.5.1 two consecutively missed monthly scheduled payments; or
 - 9.5.2 one missed quarterly scheduled payment; or
 - 9.5.3 a Domestic Consumer has informed the authorised person that they are unable to make the next scheduled payment.
- 9.6 The services referred to in paragraph 9.3 are:
- 9.6.1 the facility for a Domestic Consumer to pay Charges:
 - (a) by regular instalments calculated in accordance with paragraph 9.7 and paid through a means other than a Prepayment Meter; or
 - (b) by using a Prepayment Meter, where it is safe and reasonably practicable in all the circumstances of the case for that Domestic Consumer to do so and where any instalments to be paid are calculated in accordance with paragraph 9.7; and
 - 9.6.2 the provision of information about how the Domestic Consumer could reduce the Charges that they must pay by implementing efficiency measures.
- 9.7 The authorised person must take all reasonable steps to ascertain the Domestic Consumer's ability to pay and must take this into account when calculating instalments, giving due consideration to:
- 9.7.1 relevant information provided by third parties, where it is available to the authorised person; and

Consultation Heat networks regulation: authorisation conditions

- 9.7.2 where instalments will be paid using a Prepayment Meter, the value of all of the Charges that are to be recovered through that meter.
- 9.8 For the purposes of ascertaining a Domestic Consumer's ability to pay as set out in paragraph 9.7, the authorised person must give due consideration to:
- 9.8.1 having appropriate credit management policies and guidelines, which includes:
- (a) allowing for Domestic Consumers to be dealt with on a case-by-case basis; and
 - (b) linking staff incentives to successful consumer outcomes not the value of repayment rates.
- 9.8.2 making proactive contact with Domestic Consumers, which includes:
- (a) making early contact to identify whether a Domestic Consumer is in payment difficulty as set out in paragraph 9.3;
 - (b) regularly reviewing methods of proactive contact to ensure they meet the needs of Domestic Consumers, in particular in circumstances where the authorised person has not made successful contact with the Domestic Consumer;
 - (c) using every contact as an opportunity to gain more information about the Domestic Consumer's ability to pay when the authorised person becomes aware or has reason to believe the Domestic Consumer is having or will have payment difficulty; and
 - (d) making Domestic Consumers aware of debt advice services when they raise concerns about their ongoing ability to pay, in accordance with authorisation condition (Assistance and Advice Information).
- 9.8.3 understanding an individual Domestic Consumer's ability to pay, which includes:
- (a) providing clear guidance and training for staff on how to elicit information on ability to pay and monitoring the effectiveness of this;
 - (b) providing appropriate channels for Domestic Consumers to quickly and easily raise concerns and facilitating conversations around Domestic Consumers' ability to pay when requested;
 - (c) making full use of all available information; and
 - (d) proactively exploring payment amounts and payment methods which are appropriate to the individual circumstances of each Domestic Consumer; this includes debt repayment schemes such as those by which payments may be deducted at source from a social security benefit received by that Domestic Consumer.
- 9.8.4 setting repayment rates based on ability to pay, which includes:
- (a) ensuring all available information is obtained and taken into account, including the Domestic Consumer's circumstances identified on a site visit or when installing a Prepayment Meter;
 - (b) only setting default amounts when there is insufficient information to ascertain the Domestic Consumer's ability to pay and where default amounts are set, it should be made clear that the repayment rate may change based on information about the Domestic Consumer's ability to pay. In any event the levels of any default repayment rate should be reasonable;
 - (c) not insisting on substantial upfront payments before reconnection; and

Consultation Heat networks regulation: authorisation conditions

- (d) pausing scheduled repayments for an appropriate period of time as part of the Domestic Consumer's repayment plan and reviewing the Domestic Consumer's repayment plan in accordance with their ability to pay at regular intervals before re-instating scheduled repayments.
- 9.8.5 ensuring the Domestic Consumer understands the arrangement, which includes:
 - (a) clear communication with the Domestic Consumer which allows them to understand how much they are regularly repaying; how the repayment will be deducted; when the debt will be repaid; and what to do if they experience difficulties during the arrangement; and
 - (b) for Prepayment Meter Consumers, repaying debt by a weekly amount explaining that debt will be recovered regardless of usage.
- 9.8.6 monitoring of arrangements after they have been set up, which includes:
 - (a) monitoring of individual arrangements:
 - (i) for Domestic Consumers with credit meters, to check for the occurrence of failed repayment arrangements; and
 - (ii) for Prepayment Meter Consumers, to check whether the meter is being used initially and on an ongoing basis;
 - (b) monitoring of the approach taken by staff when agreeing repayment rates, using call listening and other techniques, to encourage a consistent and appropriate approach;
 - (c) monitoring of failed repayment arrangements to understand whether inappropriate rates are being set;
 - (d) monitoring of overall repayment rates and recovery periods to understand trends.
- 9.8.7 re-engaging with the Domestic Consumer after an initial occurrence of a failed repayment arrangement, which includes: engaging with the Domestic Consumer in a timely manner to discuss the repayment plan, including whether a different repayment plan or repayment method would be more suitable.
- 9.9 The authorised person must ensure that the terms and conditions of each Domestic Supply Contract or Deemed Contract reflect the following provisions of the authorisation conditions:
 - 9.9.1 paragraphs 9.3 to 9.7 (inclusive) of this authorisation condition and authorisation condition (Prepayment Meters), stipulating that charges may not be demanded or recovered unless and until it can be established that the corresponding contractual terms have been complied with; and
 - 9.9.2 paragraphs 9.21 and 9.22 of this authorisation condition.
- 9.10 The authorised person must ensure that the terms and conditions of each Domestic Supply Contract provides for the right for the Domestic Consumer to offset any amount owing to the Domestic Consumer pursuant to the contract against any amounts owed by the Domestic Consumer under any other Domestic Supply Contract.
- 9.11 The authorised person must ensure that the terms and conditions of each Domestic Supply Contract or Deemed Contract stipulates, for the avoidance of doubt, that the relevant conditions referred to in paragraphs 9.9 and 9.10 will continue to bind the authorised person notwithstanding that it ceases to be authorised including where its heat network authorisation is revoked.

Disconnection for unpaid charges

Consultation Heat networks regulation: authorisation conditions

- 9.12 The authorised person must not Disconnect a Domestic Premises at which the Domestic Consumer has not paid Charges unless it has first taken all reasonable steps to recover those Charges by means of the service referred to in sub-paragraph 9.6.1(b).
- 9.13 For the purposes of paragraphs 9.12, 9.14 and 9.15, Disconnection includes Credit Limiting where:
- 9.13.1 it amounts to stopping the supply to the Domestic Premises; and
 - 9.13.2 the Domestic Consumer does not pay Charges by using a Prepayment Meter.
- 9.14 The authorised person must not Disconnect:
- 9.14.1 in Winter, a Domestic Premises if the authorised person knows or has reason to believe that the occupants of the premises include a person who is under the age of 2 or is over the age of 75, disabled, terminally ill or chronically sick; or
 - 9.14.2 at any time, a Domestic Premises if the authorised person knows or has reason to believe that the occupants of the premises include a person who has a medical condition which means that, for medical reasons, they need to receive or may need to receive a supply of heating or hot water throughout the year.
- 9.15 The authorised person must, before it exercises any right it may have to Disconnect a Domestic Premises, take all reasonable steps to ascertain whether any occupant of the relevant premises falls within the scope of paragraph 9.14.
- 9.16 Where the authorised person is a Bulk Supplier:
- 9.16.1 it must not Disconnect:
 - (a) in Winter, another relevant heat network if it knows or has to reason to believe that the occupants of a Domestic Premises which is connected, directly or indirectly, to that relevant heat network for the purposes of receiving a supply of heating, cooling or hot water include a person who is under the age of 2 or is over the age of 75, disabled, terminally ill or chronically sick; or
 - (b) at any time, another relevant heat network if it knows or has to reason to believe that the occupants of a Domestic Premises which is connected, directly or indirectly, to that relevant heat network for the purposes of receiving a supply of heating, cooling or hot water include a person who has a medical condition which means that, for medical reasons, they need to receive or may need to receive a supply of heating or hot water throughout the year; and
 - 9.16.2 it must, before it exercises any right it may have to Disconnect another relevant heat network, take all reasonable steps to ascertain whether any occupant of a Domestic Premises which is connected, directly or indirectly, to that relevant heat network for the purposes of receiving a supply of heating, cooling or hot water falls within the scope of paragraph 9.16.1.
- 9.17 Paragraphs 9.12 to 9.16 are without prejudice to the operation of, and are not be treated as affecting the interpretation of, any legal requirement or doctrine which may provide for landlords or other persons to be restricted from disconnecting the supply of certain services to their tenants or other specified persons in certain circumstances.

Provision of information

- 9.18 The authorised person must:
- 9.18.1 prepare a statement that sets out, in plain and intelligible language, its obligations under paragraphs 9.3 to 9.15;
 - 9.18.2 publish that statement on and make it readily accessible from its Website (if it has one);

Consultation Heat networks regulation: authorisation conditions

- 9.18.3 take all reasonable steps to inform each of its Domestic Consumers, at least once each year, of that statement and how to obtain it; and
- 9.18.4 give a copy of that statement on request and free of charge to any person.

Direct debits

- 9.19 Paragraphs 9.20, 9.21, and 9.22 apply where a Domestic Consumer pays the Charges by way of regular direct debit payments of a fixed amount (which amount may be varied from time to time in accordance with the relevant Domestic Supply Contract).
- 9.20 The authorised person must provide to each such Domestic Consumer an explanation in clear, plain and intelligible language of the basis which a fixed amount (and any variation of that fixed amount) has been determined.
- 9.21 The authorised person must ensure that the fixed amount of the regular direct debit payment is based on the best and most current information available (or which reasonably ought to be available) to the authorised person, including information as to the authorised person's reasonable estimates of the heating, cooling or hot water that has been or will be used at the relevant Domestic Premises.
- 9.22 Where any Consumer Credit Balance has accumulated under a Domestic Supply Contract and the relevant Domestic Consumer requests that the authorised person do so, the authorised person must, save where it is fair and reasonable in all the circumstances for the authorised person not to do so, refund to the relevant Domestic Consumer, in a timely manner, any such accumulated Consumer Credit Balance. Where the authorised person considers that it is fair and reasonable in all the circumstances for it not to refund any Consumer Credit Balance which has accumulated under a Domestic Supply Contract in accordance with this provision, it must inform the relevant Domestic Consumer of its view and of the reasons for holding that view.

10 Section B: Condition 10: Prepayment Meters

Information about Prepayment Meters

- 10.1 If the authorised person offers to enable a Domestic Consumer to pay or a Domestic Consumer asks to pay Charges through a Prepayment Meter, the authorised person must provide, within a reasonable period of time prior to the installation of a Prepayment Meter or the switching of an existing Supply Meter to a Prepayment Mode such that it then operates as a Prepayment Meter, appropriate information to that Consumer about:
- 10.1.1 the advantages and disadvantages of a Prepayment Meter;
 - 10.1.2 information relating to the operation of the Prepayment Meter, including information about the process for, and methods by which, the Domestic Consumer can pay in advance through the Prepayment Meter;
 - 10.1.3 where they may obtain information or assistance if:
 - (a) the Prepayment Meter is not operating effectively; or
 - (b) any device used to allow the Charges to be paid through the Prepayment Meter is not operating effectively;
 - 10.1.4 the authorised person's Emergency Credit, Friendly-hours Credit, Additional Support Credit and Prepayment Meter Credit facilities, as more fully described in authorisation condition (Self-Disconnection); and
 - 10.1.5 the procedures that the authorised person will follow when removing or resetting the Prepayment Meter, including the timescale and any conditions for removing or resetting it.

Safety and reasonable practicability of Prepayment Meters

- 10.2 Without prejudice to the operation of any other restriction which may apply under other paragraphs of this authorisation condition, including paragraphs 10.8 to 10.11, where:
- 10.2.1 the authorised person proposes to install a Prepayment Meter or to switch an existing Supply Meter to a Prepayment Mode such that it then operates as a Prepayment Meter; and
 - 10.2.2 the authorised person becomes aware or has reason to believe that it is not safe and reasonably practicable in all the circumstances of the case for the relevant Domestic Consumer to use the relevant Prepayment Meter (as proposed),
- the authorised person must not proceed with such installation or switching unless it has made such arrangements as are necessary to ensure that it would be safe and reasonably practicable in all the circumstances of the case for the relevant Domestic Consumer to use a Prepayment Meter.
- 10.3 Where a Domestic Consumer uses a Prepayment Meter (including as a result of an installation or switching of the kind described in paragraph 10.9) and the authorised person becomes aware or has reason to believe that it is not safe and reasonably practicable in all the circumstances of the case for the Domestic Consumer to continue using that Prepayment Meter, the authorised person must offer:
- 10.3.1 to alter the position of, or replace with a suitable, alternative one, the Prepayment Meter installed in the relevant Domestic Premises, if it would make it safe and reasonably practicable in all the circumstances of the case for the Domestic Consumer to continue to use a Prepayment Meter;

Consultation Heat networks regulation: authorisation conditions

- 10.3.2 to make such other arrangements as are necessary to ensure that it would be safe and reasonably practicable in all the circumstances of the case for the Domestic Consumer to continue to use a Prepayment Meter; or
 - 10.3.3 a facility for the Domestic Consumer to pay Charges through a means other than a Prepayment Meter, including, where paragraph 9.3 of authorisation condition (Security Deposits, Payment Difficulties, Disconnections and Direct Debits) applies, the services referred to in paragraph 9.6.1 (a) of that authorisation condition.
- 10.4 In complying with paragraph 10.3, the authorised person must contact the Domestic Consumer, in a Form that takes into account their communication preferences, as a minimum, on an annual basis, to assess whether it remains safe and reasonably practicable in all the circumstances of the case for the Domestic Consumer to continue using the relevant Prepayment Meter.

Prepayment Meter guidance

- 10.5 The expression “safe and reasonably practicable in all the circumstances of the case” is to be interpreted in accordance with any guidance which the Authority may issue in relation to Prepayment Meters.

Resetting of Prepayment Meters

- 10.6 Where a Domestic Consumer pays Charges through a Prepayment Meter, the authorised person must take all reasonable steps to ensure that the meter is reset within a reasonable period of time:
- 10.6.1 after any change is made to Charges; or
 - 10.6.2 if payments are being made by instalments using the meter:
 - (a) after any change is made to the amount due in instalments; or
 - (b) after instalments are no longer required.

Provision of information

- 10.7 The authorised person must:
- 10.7.1 prepare a statement that sets out, in plain and intelligible language, its obligations under this authorisation condition;
 - 10.7.2 publish that statement on and make it readily accessible from its Website (if it has one);
 - 10.7.3 take all reasonable steps to inform each of its Domestic Consumers who pay Charges through a Prepayment Meter, at least once each year, of the statement and how to obtain it; and
 - 10.7.4 give a copy of the statement on request and free of charge to any person.

Installation or switching without Explicit Consent

- 10.8 Where the installation of any Prepayment Meter or the switching of an existing Supply Meter to operate in a Prepayment Mode such that it then operates as a Prepayment Meter would require the authorised person or any relevant installer or other person acting on behalf of the authorised person to gain access to the relevant Domestic Premises, the authorised person must ensure that such installation or switching is not effected unless the relevant Consumer has given their Explicit Consent to this.
- 10.9 Without prejudice to the operation of any other restriction which may apply under paragraph 10.10 or paragraph 10.11, where:

Consultation Heat networks regulation: authorisation conditions

- 10.9.1 the installation of a Prepayment Meter or the switching of an existing Supply Meter to a Prepayment Mode such that it then operates as a Prepayment Meter can be effected without gaining access to the relevant Domestic Premises; but
- 10.9.2 the relevant Domestic Consumer has not given their Explicit Consent to such installation or switching,

the authorised person must ensure that such installation or switching is not effected unless all of the following requirements are met:

- 10.9.3 the Debt Trigger has been met;
- 10.9.4 the authorised person has made multiple attempts to engage with the relevant Domestic Consumer;
- 10.9.5 the authorised person has in respect of the relevant Domestic Consumer complied with its obligations to Domestic Consumers in payment difficulty (including under authorisation condition (Security Deposits, Payment Difficulties, Disconnections and Direct Debits);
- 10.9.6 appropriate Site Welfare Visits have been carried out;
- 10.9.7 the authorised person has determined that use of the relevant Prepayment Meter would be safe and reasonably practicable in all the circumstances of the case (including by reference to the Precautionary Principle, and having carried out checks of all relevant information relating to the Priority Services Register); and
- 10.9.8 prior to the relevant installation or switching being effected, the authorised person has provided a reasonable amount of advance notice in Writing to the relevant Domestic Consumer, explaining in a reasonable level of detail in the relevant notice what the impact of the relevant installation or switching will be on the way in which the Domestic Consumer is required to pay for their supply of heating, cooling or hot water.

10.10 Subject to paragraph 10.12, where:

- 10.10.1 the installation of a Prepayment Meter or the switching of an existing Supply Meter to a Prepayment Mode such that it then operates as a Prepayment Meter can be effected without gaining access to the relevant Domestic Premises; but
- 10.10.2 the relevant Domestic Consumer has not given their Explicit Consent to such installation or switching,

the authorised person must ensure that such installation or switching is not effected, in Winter, at a Domestic Premises if the authorised person knows or has reason to believe that the occupants of the premises include a person who is under the age of 2 or is over the age of 75, disabled, terminally ill or chronically sick.

10.11 If the authorised person knows or has to reason believe that the occupants of a Domestic Premises include any of the following persons:

- 10.11.1 a person who has a medical condition which means that, for medical reasons, they need to receive or may need to receive a supply of heating or hot water throughout the year;
- 10.11.2 a person who has a serious mental or developmental disability;
- 10.11.3 a person how is under the age of 5; or
- 10.11.4 a person who is temporarily in a vulnerable situation due to being pregnant or for another health related reason,

then where:

Consultation Heat networks regulation: authorisation conditions

- 10.11.5 the installation of a Prepayment Meter or the switching of an existing Supply Meter to a Prepayment Mode such that it then operates as a Prepayment Meter can be effected without gaining access to the relevant Domestic Premises; but
- 10.11.6 the relevant Domestic Consumer has not given their Explicit Consent to such installation or switching,

the authorised person must ensure that such installation or switching is not effected unless the authorised person has carried out a vulnerability assessment in respect of the occupants of the relevant Domestic Premises and has determined to its reasonable satisfaction that use of the relevant Prepayment Meter would not have a significant impact on the wellbeing of any of those occupants.

- 10.12 For a transitional period, paragraph 10.10 will not apply to any relevant heat network in respect of which the total number of individual premises being supplied, or capable of being supplied, with heating, cooling or hot water by means of that network is 10 (ten) or fewer.
- 10.13 In relation to any installation or switching of the kind described in paragraph 10.9, the authorised person:
 - 10.13.1 when considering the relevant Domestic Consumer's ability to pay and conducting financial assessments, must accept any information relevant to the subject matter of paragraph 10.9;
 - 10.13.2 must accept information from and actions on behalf of the relevant Domestic Consumer by any person or organisation to act on their behalf;
 - 10.13.3 must not link any staff incentives to the number of installations;
 - 10.13.4 must ensure that Site Welfare Visits include the use of audio recording equipment or body cameras;
 - 10.13.5 must ensure that post installation aftercare support is provided; and
 - 10.13.6 must retain any assessment documentation and audio or body camera recordings for an appropriate period.

Other Prepayment Meter related obligations

- 10.14 The authorised person must comply with any other obligations relating to Prepayment Meters (including but not limited to those in authorisation condition (Security Deposits, Payment Difficulties, Disconnections and Direct Debits)). In the event of any irreconcilable inconsistency between paragraphs 10.8 to 10.11 and any other authorisation condition or any other provision made under them, paragraphs 10.8 to 10.11 shall prevail.

Proportionality principle for debt recovery activities

- 10.15 In relation to the recovery of Outstanding Charges, Other Outstanding Charges or any other debt from a Domestic Consumer, the authorised person must ensure that:
 - 10.15.1 any action it or a Representative takes (including the exercise of any applicable statutory powers); and
 - 10.15.2 the costs which they seek to recover from that Domestic Consumer as a result,are proportionate in the context of the amount of the Outstanding Charges, Other Outstanding Charges or other debt as applicable.

Debt completion assessment

- 10.16 Where a Domestic Consumer who is using a Prepayment Meter as a result of an installation or switching of the kind described in paragraph 10.9 has repaid all debt owed, the authorised person must ensure that such Domestic Consumer is contacted and offered:

Consultation Heat networks regulation: authorisation conditions

- 10.16.1 an assessment of whether a Prepayment Meter remains the most appropriate payment method (including in accordance with paragraph 10.4 and any guidance issued under paragraph 10.5);
 - 10.16.2 appropriate information on alternative payment methods and tariffs; and
 - 10.16.3 the option to move to an alternative payment method.
- 10.17 If the relevant Domestic Consumer decides, pursuant to paragraph 10.16 to move to an alternative payment method, the authorised person must:
 - 10.17.1 agree to and implement this change as soon as reasonably practicable, subject to required credit checks; and
 - 10.17.2 ensure that any Security Deposit required as part of this process does not exceed a reasonable amount.

11 Section B: Condition 11: Self-Disconnection

Identifying Self-disconnection

- 11.1 Where a Domestic Consumer uses a Prepayment Meter the authorised person must:
- 11.1.1 take all reasonable steps, having regard to paragraph 11.2, to identify on an ongoing and continuous basis, whether that Domestic Consumer is Self-disconnecting; and
 - 11.1.2 if the authorised person identifies that the Domestic Consumer is Self-disconnecting, offer that Domestic Consumer appropriate support in accordance with this authorisation condition, authorisation condition (Security Deposits, Payment Difficulties, Disconnections and Direct Debits), authorisation condition (Assistance and Advice Information) and all other obligations relating to Prepayment Meter Consumers, and in deciding what is appropriate support for that Domestic Consumer, take into account whether any occupant of the relevant Domestic Premises is in a Vulnerable Situation, as appropriate.
- 11.2 For the purposes of paragraph 11.1.1, if the relevant Prepayment Meter does not have the functionality to enable the authorised person to identify itself whether the relevant Domestic Consumer is Self-disconnecting, the authorised person must ensure that appropriate communication channels are available for that Domestic Consumer to inform the authorised person that they are Self-disconnecting.

Provision of Emergency Credit and Friendly-hours Credit

- 11.3 Where a Domestic Consumer uses a Prepayment Meter the authorised person must offer a reasonable amount of Emergency Credit and Friendly-hours Credit to that Domestic Consumer, unless it is technically unfeasible and/or outside of the control of the authorised person to offer those credit facilities to that Domestic Consumer.
- 11.4 Where it is technically unfeasible and/or outside of the control of the authorised person to offer Emergency Credit and Friendly-hours Credit to the Domestic Consumer, the authorised person must take all reasonable steps to provide that Domestic Consumer with alternative short-term support in a timely manner.
- 11.5 Where paragraph 11.3 applies, if the authorised person becomes aware or has reason to believe that a Domestic Consumer is having or will have difficulty paying all or part of the Charges, the authorised person must adhere to paragraph 9.8 of authorisation condition (Security Deposits, Payment Difficulties, Disconnections and Direct Debits) when calculating instalments for the Domestic Consumer to repay the total amount of Emergency Credit and/or Friendly-hours Credit provided.

Provision of Additional Support Credit

- 11.6 Subject to paragraph 11.8, on each and every occasion on which:
- 11.6.1 an authorised person identifies that a Domestic Consumer who uses a Prepayment Meter has Self-disconnected or is Self-disconnecting in circumstances in which any occupant of the relevant Domestic Premises is in a Vulnerable Situation; and/or
 - 11.6.2 the authorised person becomes aware or has reason to believe that a Domestic Consumer who uses a Prepayment Meter has Self-rationed or is Self-rationing in circumstances in which any occupant of the relevant Domestic Premises is in a Vulnerable Situation,
- the authorised person must offer a reasonable amount of Additional Support Credit to that Domestic Consumer in a timely manner in addition to the support offered in paragraph 11.3.

Consultation Heat networks regulation: authorisation conditions

- 11.7 Where paragraph 11.6 applies, on each occasion on which the authorised person offers Additional Support Credit, the authorised person must assess the sum of Additional Support Credit it offers to the Domestic Consumer and calculate the instalments for the Domestic Consumer to repay the Additional Support Credit it offers to the Domestic Consumer in accordance with authorisation condition (Security Deposits, Payment Difficulties, Disconnections and Direct Debits).
- 11.8 Should the authorised person, acting reasonably and having fully considered and complied with its obligation in paragraph 11.6 and 11.7 (apart from actually offering the Domestic Consumer Additional Support Credit), determine that the provision of Additional Support Credit to the Domestic Consumer is not in the best interest of the Domestic Consumer the authorised person shall not be obliged to provide Additional Support Credit under 11.6 to that Domestic Consumer on that occasion; however, the authorised person must provide alternative appropriate support to that Domestic Consumer in accordance with authorisation condition (Supplier Standards of Conduct) and authorisation condition (Assistance and Advice Information).

Provision of Prepayment Meter Credit

- 11.9 On each occasion the authorised person installs a Prepayment Meter or switches an existing Supply Meter to a Prepayment Mode in the circumstances envisaged by paragraph 10.9 of authorisation condition (Prepayment Meters) where the relevant Domestic Consumer has not given their Explicit Consent to such installation or switching, the authorised person must ensure that the relevant Domestic Consumer receives Prepayment Meter Credit, unless it is technically infeasible and/or outside of the control of the authorised person to offer those credit facilities to that Domestic Consumer.
- 11.10 Where paragraph 11.9 applies, the authorised person must adhere to paragraph 9.8 of authorisation condition (Security Deposits, Payment Difficulties, Disconnections and Direct Debits) when calculating instalments for the Domestic Consumer to repay the total amount of Prepayment Meter Credit.
- 11.11 In the event it is technically infeasible to apply the Prepayment Meter Credit in paragraph 11.9, the authorised person must take all reasonable steps to ensure that the Domestic Consumer does not experience an interruption to their supply of heating, cooling or hot water.

Provision of Information

- 11.12 The authorised person must ensure that each Domestic Consumer who uses a Prepayment Meter is given adequate information in a Form and frequency that is sufficient to allow that Domestic Consumer to quickly and easily understand the authorised person's Emergency Credit, Friendly-hours Credit, Additional Support Credit and Prepayment Meter Credit facilities (as appropriate) including what this is, when this can be used and how this is repaid by the Domestic Consumer.

12 Section B: Condition 12: Social Obligations Reporting

- 12.1 The authorised person must provide the Authority, Citizens Advice, Citizens Advice Scotland and Consumer Scotland with information specified by the Authority in guidance relating to matters that it reasonably considers are relevant to the authorised person's dealings with its Domestic Consumers and/or (as applicable) any occupants of Domestic Premises supplied by the authorised person.
- 12.2 The information referred to in 12.1 may, in particular, include information about:
- 12.2.1 the number of the authorised person's Domestic Consumers using each method of payment for Charges;
 - 12.2.2 failures by the authorised person's Domestic Consumers to pay Charges by the date on which the payment was due;
 - 12.2.3 Disconnections carried out by the authorised person;
 - 12.2.4 the provision by the authorised person of energy efficiency information; and
 - 12.2.5 the services offered by the authorised person to persons on its Priority Services Register and the number of persons who are listed on that register.
- 12.3 The information provided by the authorised person under 12.1 must be in the form of a statistical record having such content and being presented in such a format and at such intervals of time as the Authority may from time to time specify for this purpose following consultation where relevant with the authorised person, Citizens Advice, Citizens Advice Scotland and Consumer Scotland.

SECTION C: Conditions applicable to authorised persons carrying on the regulated activity of operating

1 Section C: Condition 1: Operator Standards of Conduct

Consumer Objective for Operators

- 1.1 The objective of this condition is for the authorised person to ensure that:
- 1.1.1 each person who is a Consumer in relation to, and/or an occupant of a Domestic Premises which is connected to, a relevant heat network which the authorised person operates; and
 - 1.1.2 insofar as affected (or capable of being affected) by its activities, each person who is a Consumer in relation to, and/or an occupant of a Domestic Premises which is connected to, another relevant heat network connected directly or indirectly to the relevant heat network which the authorised person operates,
- is treated Fairly (“**the Consumer Objective for Operators**”).

Achieving the Operator Standards of Conduct

- 1.2 The authorised person must ensure it achieves the Operator Standards of Conduct in a manner consistent with the Consumer Objective for Operators.
- 1.3 The Operator Standards of Conduct are that the authorised person:
- 1.3.1 behaves and carries out any actions in a Fair, honest, transparent, appropriate and professional manner;
 - 1.3.2 provides such information and co-operation to another authorised person as may reasonably be requested in order that any such other authorised person is able to effectively and efficiently carry out or fulfil obligations imposed on it by or under the Regulations or the authorisation conditions;
 - 1.3.3 ensures that it has appropriate resources and processes in place to enable effective co-operation with any other authorised person whose regulated activities may be affected by its regulated activities; and
 - 1.3.4 without prejudice to the generality of paragraphs 1.3.2 and 1.3.3, where a Complaint is referred to the authorised person by another authorised person (being the authorised person with responsibility under its authorisation conditions for acting as the single point of contact in relation to the Complaint in question), the authorised person must use all reasonable endeavours to fully investigate and resolve the relevant Complaint in an efficient and timely manner in co-operation with the referring authorised person (and any other authorised person where relevant) and in accordance with the referring authorised person’s Complaints Handling Procedure.

Scope of condition

- 1.4 If there is any conflict or inconsistency between this authorisation condition and another authorisation condition (including authorisation condition (Fair Pricing)) which deals with a specific aspect of the Fair treatment of persons who are Consumers and/or occupants of a Domestic Premises, the latter will take priority.

2 Section C: Condition 2: Security of Supply

Ensuring a reliable supply of heating, cooling or hot water

- 2.1 In respect of each relevant heat network operated by the authorised person, the authorised person must operate that relevant heat network in a manner intended to ensure a reliable and consistent supply of heating, cooling or hot water by means of that relevant heat network, taking all reasonable steps to minimise outages and disruptions, including the following actions:
- 2.1.1 maintaining the applicable relevant heat network in accordance with manufacturers' recommendations and good industry practice in order to minimise interruptions to the supply of heating, cooling or hot water, including by way of promptly repairing or replacing any components of the applicable relevant heat network which are in need of repair or replacement for any reason;
 - 2.1.2 periodically reviewing and assessing the reliability of the applicable relevant heat network in accordance with good industry practice, and promptly making any upgrades or other modifications which may be required to ensure that the applicable relevant heat network is and remains capable of providing a reliable and consistent supply of heating, cooling or hot water; and
 - 2.1.3 monitoring and reporting in accordance with good industry practice on the performance of the applicable relevant heat network and the reliability and consistency of the supply to Consumers of heating, cooling or hot water by means of the applicable relevant heat network, addressing promptly any issues identified through this monitoring process.

Appendix 3. Scope of authorisation conditions

The below table sets out the applicability of the authorisation conditions on different sectors of the heat networks market.

The following authorisation conditions apply across all authorised persons, consumer types and network classifications:

- Application of General Authorisation Conditions
- Interpretation
- Definitions
- Revocation

Authorised person

Authorisation condition	Supplier	Operator
Supplier Standards of Conduct	Yes	No
Operator Standards of Conduct	No	Yes
Fair Pricing	Yes	Yes
Ongoing Fit and Proper Requirement	Yes	Yes
Provision of Information and reasoned comments to the Authority	Yes	Yes
Open and Co-operative	Yes	Yes
Independent Audits	Yes	Yes
Heat Supply Contracts	Yes	No
Contract Changes Information (Notifications of Price Information and Disadvantageous Unilateral Variations)	Yes	No
Complaints	Yes	Partially
Assistance and Advice Information	Yes	No

Consultation Heat networks regulation: authorisation conditions

Authorisation condition	Supplier	Operator
Provision of Billing and Price Transparency of Information	Yes	No
Back-billing	Yes	No
Priority Services Register	Yes	No
Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills	Yes	No
Prepayment Meters	Yes	No
Self-Disconnection	Yes	No
Social Obligations Reporting	Yes	No
Security of supply	No	Yes
Registration	Yes	Yes
Notification of changes	Yes	Yes
Continuity Arrangements	Partially	Partially
Availability of Resources and Financial Responsibility Principle	Partially	Partially
Operational Arrangements and Material Assets	Partially	Partially
Cost allocation	Yes	Yes

Consumer type

Authorisation condition	Domestic	Micro-business	Small business	Larger Non-domestic
Supplier Standards of Conduct	Yes	Partially	Partially	Partially
Operator Standards of Conduct	Yes	Partially	Partially	Partially
Fair Pricing	Yes	Yes	Yes	Yes
Ongoing Fit and Proper Requirement	Yes	Yes	Yes	Yes
Provision of Information and reasoned comments to the Authority	Yes	Yes	Yes	Yes
Open and Co-operative	Yes	Yes	Yes	Yes
Independent Audits	Yes	Yes	Yes	Yes
Heat Supply Contracts	Yes	Yes	Yes	No
Contract Changes Information (Notifications of Price Information and Disadvantageous Unilateral Variations)	Yes	Yes	Yes	No
Complaints	Yes	Yes	Yes	Partially
Assistance and Advice Information	Yes	Yes	Yes	Partially
Provision of Billing and Price Transparency of Information	Yes	Yes	Partially	Partially
Back-billing	Yes	Yes	No	No
Priority Services Register	Yes	No	No	No

Consultation Heat networks regulation: authorisation conditions

Authorisation condition	Domestic	Micro-business	Small business	Larger Non-domestic
Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills	Yes	No	No	No
Prepayment Meters	Yes	No	No	No
Self-Disconnection	Yes	No	No	No
Social Obligations Reporting	Yes	No	No	No
Security of supply	Yes	Yes	Yes	Partially
Registration	Yes	Yes	Yes	Yes
Continuity Arrangements	Yes	Yes	Yes	Yes
Availability of Resources and Financial Responsibility Principle	Yes	Yes	Yes	Yes
Operational Arrangements and Material Assets	Yes	Yes	Yes	Yes
Cost allocation	Yes	Yes	Yes	Yes

Network classification

Authorisation condition	Self-supply	Industrial	(Recipient of) bulk supply
Supplier Standards of Conduct	No	No	Yes
Operator Standards of Conduct	No	No	Yes
Fair Pricing	No	No	Yes
Ongoing Fit and Proper Requirement	Yes	Yes	Yes

Consultation Heat networks regulation: authorisation conditions

Authorisation condition	Self-supply	Industrial	(Recipient of) bulk supply
Provision of Information and reasoned comments to the Authority	Yes	Yes	Yes
Open and Co-operative	Yes	Yes	Yes
Independent Audits	Yes	Yes	Yes
Heat Supply Contracts	No	No	No
Contract Changes Information (Notifications of Price Information and Disadvantageous Unilateral Variations)	No	No	No
Complaints	No	No	No
Assistance and Advice Information	No	No	No
Provision of Billing and Price Transparency of Information	No	No	No
Back-billing	No	No	No
Priority Services Register	No	No	No
Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills	No	No	No
Prepayment Meters	No	No	No
Self-Disconnection	No	No	No
Social Obligations Reporting	No	No	No
Security of supply	No	Partially	Partially
Registration	Yes	Yes	Yes

Consultation Heat networks regulation: authorisation conditions

Authorisation condition	Self-supply	Industrial	(Recipient of) bulk supply
Notification of changes	Yes	Yes	Yes
Continuity Arrangements	No	No	Partially
Availability of Resources and Financial Responsibility Principle	No	No	Partially
Operational Arrangements and Material Assets	No	No	Partially
Cost allocation	No	No	Yes

Appendix 4. Privacy Policy

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, “Ofgem”). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

Consultation Heat networks regulation: authorisation conditions

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

Information: Include here all organisations outside Ofgem who will be given all or some of the data. There is no need to include organisations that will only receive anonymised data. If different organisations see different set of data then make this clear. Be as specific as possible.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for (be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time e.g. ‘six months after the project is closed’)

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use “the Data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this”).

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system. (If using a third party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

10. More information For more information on how Ofgem processes your data, click on the link to our “[ofgem privacy promise](#)”.