

# Decision

## Heat networks regulation: authorisation conditions

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Team: Heat networks

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This document sets out our decision for the '[Heat networks regulation- authorisation conditions](#)' consultation which was published on 3 November 2025.

We are now publishing a Notice under Regulation 18.1 of the [Heat Networks Market Framework Regulations](#) ("the Regulations") that these provisions will come into force on 27 January 2026 in line with Regulation 1.4 of the Regulations. This is set out in Appendix 1.

This document provides a summary of responses received and details of our decisions. This document sets out where we have updated the authorisation conditions following the consultation and sets out the rationale and effect of those changes.

Our initial set of general authorisation conditions as they will come into effect are attached as Appendix 2 of this document and are also published on the [Ofgem electronic public register](#).

A red line version of the general authorisation conditions is published at Appendix 3 showing the changes made to each condition compared to the versions published with the consultation document.

These authorisation conditions should be read in conjunction with the [relevant guidance](#).

## Decision Heat networks regulation: authorisation conditions

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### Foreword

The Energy Act 2023 named Ofgem as the Regulator for heat networks. We have engaged widely with heat network operators, suppliers, trade bodies and consumer advocacy organisations to develop the rulebook of authorisation conditions which will come into force on 27 January 2026.

The heat network sector is diverse, with an estimated over 14,000 networks ranging from small blocks of flats to large district heating systems, from large social housing schemes through to small private landlords, using a range of technologies such as gas boilers, biomass and heat pumps.

This range of regulated entities means that one set of prescriptive regulations would not be suitable for every network in every situation. We are also aware of the challenges of moving from a largely unregulated, to a regulated sector. That's why our rulebook will focus on principles and driving better consumer outcomes, rather than trying to create a rigid set of rules. This also mirrors the approach we are more widely seeking views on<sup>1</sup> for application in the gas and electricity retail energy market, balancing robust consumer protections with adaptability as markets evolve.

Whilst drafting these conditions, we have been mindful of the government's objective to ensure heat network consumers receive over time, comparable outcomes when compared to gas and electricity markets. We also recognise the monopolistic nature of these networks. That's why delivering fair pricing for consumers and providing clear information on what they are being billed for – along with clear complaints processes and escalation and resolution routes – is so important.

These new authorisation conditions set a consumer objective for heat networks to be fair in their dealings with their consumers, as well as setting out that prices charged must be fair and not disproportionate. Importantly, this approach also recognises the importance of attracting ongoing investment in the sector and balances consumer protections with the right for developers to make a fair and reasonable return that reflects the capital-intensive nature of heat networks.

Alongside these conditions, we are publishing guidance to support the sector in understanding their obligations. We expect suppliers and operators will need to take steps to comply in the early period of regulation to ensure they are meeting the new rules. We will take a proportionate approach, with a focus in this period on working with the sector to embed the new rules. If we see examples of serious harm to consumers, especially vulnerable consumers, we may intervene where appropriate. However, we intend to work collaboratively with the sector during the transition.

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<sup>1</sup> Ofgem (2025) [Consumer Outcomes](#)

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With the introduction of regulation, and through our digital service which will be launched in spring 2026, we will be collecting a range of data from the sector that will help us to better understand consumers' experience, identify good practice, and also highlight issues that may cause consumer detriment.

The regulatory framework will continue to develop from January onwards, and we have already identified a number of areas where we will be doing further work, including price benchmarking, and Guaranteed Standards of Performance.

There are also a number of areas where government will be leading further policy work, including powers of entry, debt socialisation, and exploring further the impacts of bundling – where heat is included with other charges, e.g. rent or service charges. We recognise that the supply and operation of a heat network is often one part of a broader housing service being provided, and that there are complicated interactions which may impact consumer outcomes. We are committed to working with government as they continue to work through these interactions.

We look forward to working together with the heat networks sector, consumers and government colleagues over the coming months and years to understand where these conditions are performing well in protecting consumers and where they will need to continue to evolve. We will take a balanced and pragmatic approach to regulation protecting consumers whilst supporting the growth of this important sector that is vital to the energy transition.

Helena Charlton

Director, Heat Networks

# Introduction

This is our response to the consultation [Heat networks regulation: authorisation conditions](#) which was open from 3 November 2025 to 1 December 2025. These draft conditions were all consulted on within the suite of policy consultations on the heat networks regulatory regime. This consultation brought together the initial set of draft heat network authorisation conditions for the first time. These conditions are intended as the first step on the journey to heat network regulation. They take an outcomes-based approach to regulation, while also seeking to ensure consumers receive over time, comparable outcomes when compared to gas and electricity markets.

We are now publishing these authorisation conditions alongside a Notice under Regulation 18 (2) of the [Heat Network \(Market Framework\) Regulations 2025](#) that these conditions will take effect from 27 January 2026.

We are also publishing copies of the authorisation conditions showing the changes made to these conditions following the consultation. This is to allow stakeholders to easily identify changes we have made.

## Context

- 1.1. In 2018, the Competition and Markets Authority (CMA) carried out a [market study of the heat networks sector](#). The study found that “*monopoly supply and supply chain incentives may mean that heat network providers face little competitive pressure to offer reasonable prices, reliable supply and high quality of service*” and expressed concern about the poor outcomes for heat network customers. The CMA recommended the sector should be subject to regulation and that heat network customers should be afforded the same degree of protection as gas and electricity customers. It recommended Ofgem would be well placed to take on the role of the regulator.
- 1.2. Heat networks have previously been subject to some regulatory requirements through the [Heat Network \(Metering and Billing\) Regulations](#) first introduced in 2014. These required notifications containing information on the location of the heat network, energy type, network size, numbers of customers and building supplied and set rules on information for billing. The intention was that customers should only be billed for their consumption on the heat network where meters were installed, and that meters must be installed where required. The scheme was overseen by the Office for Product Safety and Standards.
- 1.3. Following the CMA Study, the government consulted on [building a market framework for heat networks](#) in 2020 and sought to put consumers at the heart of heat network market growth.

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- 1.4. In October 2023, the government passed the [Energy Act 2023](#) naming Ofgem as the regulator for heat networks across Great Britain.
- 1.5. Shortly after, Ofgem and the Department for Energy Security and Net Zero (DESNZ) carried out a joint consultation [Heat networks regulation – consumer protection: Informing secondary legislation and authorisation conditions](#). This consultation marked our first step towards the development of these general authorisation conditions.
- 1.6. The [Heat Networks \(Market Framework\) Regulations 2025](#) introduced the heat networks authorisation regime setting out the process for the introduction of general authorisation conditions, as well as the scope of the subject matter the authorisation conditions can cover. This instrument also created a framework for consumer advocacy with Citizens Advice, Citizens Advice Scotland and Consumer Scotland named as consumer advocacy bodies for the heat networks sector replicating provision in the gas and electricity markets. It also created a complaint handling and redress scheme for heat network consumers administered by the Energy Ombudsman scheme. Redress, advocacy and advice services went live in April 2025.

## Related publications

- 1.7. The draft initial general authorisation conditions contained in the Heat network regulation: authorisation conditions consultation were all consulted on within the suite of consultations on the heat networks regulatory regime carried out since November 2023. These are set out in Table 1 below.
- 1.8. Following each consultation, where appropriate, updates were made to the relevant authorisation condition to accommodate considerations to stakeholder feedback. These amendments were explained in the relevant consultation response document.
- 1.9. We carried out further amendments to the authorisation conditions ahead of the publication of the Heat networks regulation: authorisation conditions consultation. These amendments were largely intended to ensure consistency across the full set of conditions.
- 1.10. We received 21 responses to the consultation from a range of stakeholders including local councils, consumer advice organisations, consumers and those involved in supplying and operating heat networks and their representative bodies.

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1.11. We have made some minor presentational and drafting changes to the ACs. In three of the ACs, we have made more substantive changes which are explained in this decision document.

1.12. These general authorisation conditions should be read alongside the [relevant guidance documents](#).

Table 1: Heat network authorisation condition consultations and response documents

Consultation	Authorisation conditions
<a href="#">Heat networks regulation: implementing consumer protections consultation</a>	Interpretation Supplier Standards of Conduct 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 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
<a href="#">Heat networks regulation: implementing consumer protections –government response</a>	

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	Revocation Application of general authorisation conditions Definitions
<a href="#">Heat networks regulation: authorisation and regulatory oversight consultation</a>  <a href="#">Heat Networks Authorisation and Regulatory Oversight decision</a>	Registration
<a href="#">Heat networks regulation: fair pricing protections consultation</a>  <a href="#">Response to consultation on heat networks regulation: fair pricing protections</a>	Fair Pricing Cost Allocation
<a href="#">Heat networks regulation: authorisation conditions and guidance on measure to mitigate the risk and impact of financial failure consultation</a>  <a href="#">Heat networks regulation: authorisation conditions and guidance on measure to mitigate the risk and impact of financial failure consultation response</a>	Availability of Resource and Financial Responsibility Principle Operational Arrangements and Material Assets Continuity Arrangements
<a href="#">Heat networks regulation: authorisation conditions for Registration, Nominated operator and Notification of changes consultation</a>  <a href="#">Heat networks regulation: authorisation conditions for Registration, Nominated operator and Notification of changes consultation response</a>	Registration Nominated Operator Notification of changes (as set out in the consultation document, this condition will not take effect from 27 January 2026 and was therefore not included in this consultation)

## Next steps

- 1.13. We are publishing a notice that the [general authorisation conditions](#) will come into effect on 27 January 2026.

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- 1.14. The Energy Act and associated secondary legislation set out that all heat networks operating before January 2027 will be automatically authorised. This is called ‘deemed authorisation’. We have consulted on how we will facilitate this approach in the [Heat networks regulation: registration guidance consultation](#) building on the approach set out in [the authorisation and regulatory oversight consultation](#). All heat networks will be required to register on a new digital service by January 2027, which will launch in spring 2026.
- 1.15. After January 2027, new heat networks will be required to apply to Ofgem for authorisation and we will consult on the details of this ahead of introduction.
- 1.16. We are also developing our approach to enforcement and ongoing monitoring requirements. In August 2025 we consulted on our [proposed enforcement guidelines and penalty policy](#). We have also consulted on our [regular data reporting guidance](#) seeking views on the details of the data that must be provided to Ofgem, the segments of the heat network market who must report data and reporting periods and timings for submission. We will publish our response to this in due course.

# Authorisation conditions

## Section summary

We consulted on whether stakeholders had any views on the drafting consistency of the heat networks regulation authorisation conditions.

Twenty-one responses were received. Respondents included three Energy Supply Companies, three Consumer Advocacy bodies, three heat network operators, two local authorities, two not-for-profit organisations, two metering and billing agents as well as consultancies, property developers, trade associations, and a consumer.

Whilst many changes are minor amendments correcting errors in the text, and ensuring consistency of drafting, there have been some more substantive amendments in three areas. We will accept recorded verbal consent to the installation of a prepayment meter (for example through a recorded phone call or discussion captured on body cam). We have removed references to 'relevant lease' and 'deemed contract' due to feedback about the interaction with housing legislation. We have also made some substantive changes to the Operational Arrangements and Material Assets authorisation condition (AC B12) which are detailed in Section 9. A full marked up list of the changes to the authorisation conditions is published alongside this document.

**Q1. Do you have any views on the drafting consistency of the heat networks regulation authorisation conditions?**

## Overview

- 2.1. A number of respondents noted that they had engaged with the previous consultations on the authorisation conditions and therefore were only responding on specific drafting points rather than on the wider policy.
- 2.2. For ease of understanding, we have grouped responses to authorisation conditions. Where responses requested clarity on definitions these are covered under the most appropriate section below.
- 2.3. We have given full consideration to the responses provided to the consultation, however we have sought to keep amendments at this stage of authorisation condition development to a minimum. In many cases, we have updated the relevant guidance to address stakeholder feedback.
- 2.4. The majority of changes are not substantive and instead fall within three main categories:
  - Correcting minor spelling or grammar errors in the text which do not affect the meaning of the conditions
  - Adding in cross referencing aids to ease reading and understanding

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- Drafting consistency amendments which do not affect the meaning of the conditions

2.5. We have amended the name of AC B9 Security Deposits, Payment Difficulties, Disconnections and Direct Debits to remove the reference to Final Bills. This is to better reflect the purpose of the AC as Final Bills are not addressed in this authorisation condition.

2.6. We have amended AC B10 on Prepayment meters to include that an audio recording of consent to a prepayment meter will be accepted as explicit consent.

2.7. We have made a number of changes to AC B12 Operational Arrangements and Material Assets to reduce the level of prescription, moving to a more clearly principles-based approach. We have set out the changes made and the rationale in Section 9 below.

## **General feedback**

2.8. Several respondents welcomed the publication of the draft authorisation conditions as a full set. One respondent welcomed the division into sections A, B and C, a further respondent also noted the drafting of the conditions is more consistent and structured than in previous versions. A further respondent felt there was a good standard of drafting consistency.

2.9. However, one respondent noted they found the publication of the list of authorisation conditions alongside the consultation document confusing and felt this was too onerous for small networks to understand. A further respondent also felt that drafting could be better aligned with Ofgem's goals of creating a tough but proportionate regulatory regime.

2.10. One respondent suggested that where authorisation conditions are cross referenced, it would be helpful to have the reference number alongside the name of the conditions.

2.11. One respondent highlighted the use of gendered language and suggested this should be amended to bring it in line with gas and electricity licence conditions.

2.12. Several respondents highlighted some typing mistakes and errors in the authorisation condition text.

2.13. One respondent noted that some planned authorisation conditions were missing from this list and asked whether there would be placeholders and commentary on where these would sit.

2.14. A number of respondents asked for clarity on the timelines and noted that there was limited time for operators and suppliers to interpret these rules before the new framework begins.

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- 2.15. Two correspondents highlighted the need to ensure that there was engagement with the devolved governments and to ensure that interactions with devolved legislation were considered.
- 2.16. Several respondents queried the use of 'all reasonable steps' and felt that further guidance or information on this would be helpful.
- 2.17. Several respondents highlighted the importance of monitoring and reviewing the implementation of the authorisation conditions to see how they are working in practice amongst heat networks.

## **Ofgem response**

We welcome the continued engagement from heat network operators, suppliers and consumers as well as consumer groups.

We welcome the helpful suggestions from respondents and the highlighting of errors and mistakes in the drafted versions. These have been corrected in the versions published alongside this response document.

We have also amended the authorisation conditions to accommodate the feedback on cross referencing of authorisation conditions and the use of gender neutral language.

We are not going to be introducing placeholders at this point for further authorisation conditions as our experience in developing this initial set has shown that these can often change as the policy develops through engagement and consultation, and that the number of conditions varies as drafting develops. We therefore believe that a fixed number of placeholders will restrict further development of authorisation conditions which may not be needed as we develop our thinking in these areas.

We have sought to engage with devolved governments throughout the development of the authorisation conditions and have been mindful of devolved legislation as part of this work.

We have considered the comment around the use of all reasonable steps however believe this is proportionate and reflects usage in other regulatory regimes. Further information on all the authorisation conditions is included in the accompanying guidance.

We welcome the feedback on monitoring the implementation of the authorisation conditions and the offers of further engagement amongst respondents. We will have a programme of engagement providing opportunities for suppliers and operators to engage with the Conditions, and to feed into ongoing policy development and review as the regime is implemented.

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### Registration

3.1. The following table sets out the authorisation conditions covered in this section and the number of responses for each.

Authorisation condition	Number of responses
A4 - Registration	2
A5 - Nominated Operator	3
A8 – Ongoing Fit and Proper Requirement	1

3.2. Respondents considered the responsibilities and processes associated with the Registration authorisation condition require more clarity, particularly in situations where asset ownership and operational duties are split across multiple parties.

3.3. Respondents noted that guidance specifically detailing digital service processes and data submissions is yet to be published.

3.4. Respondents also sought clarification of registration expectations for heat suppliers engaged in bulk supply and expressed uncertainty about how registration will interact with future processes for authorisation application.

3.5. One respondent suggested that the registration requirement to provide information about certain contractual arrangements could risk compromising commercially sensitive agreements.

3.6. One respondent asked about the registration requirements for heat sources such as data centres or energy to waste incinerators which are providing heat but to networks but do not serve end customers.

3.7. One respondent raised concerns about the volume of information that could be required to be passed between the supplier and operator where these are separate entities, and how this will work in practice.

3.8. Two respondents sought clarity on the process to agree a nominated operator and the responsibilities and liability of the nominated operator.

3.9. One respondent suggested that relying on parties to reach an agreement to nominate an operator as the single point of contact may not be effective in achieving this outcome. They also proposed requiring naming of a contact for consumer advocacy services engagement in multi-party arrangements.

3.10. One respondent sought clarification of how failure to nominate an operator would be enforced and another respondent requested clarity on the liability of the nominated operator for the actions of other parties.

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3.11. One respondent felt the ongoing fit and proper requirement provisions should mirror the equivalents in gas and electricity licensing.

### **Ofgem response**

We have recently consulted on our draft guidance for registration, which also covers the scope of authorisation, the nominated operator requirement, and the ongoing fit and proper requirement. In preparing our final registration guidance, we will provide further clarity on responsibilities in situations involving multiple parties such as housing, and for bulk supply arrangements. We will also consider providing further detail on the registration requirements for waste heat sources.

We are developing resources to support use of the digital service and will set out in future guidance what further help will be available. These resources will be timed for the launch of the digital service in spring 2026.

We recognise that heat network entities may have contractual arrangements that are commercially sensitive. For the purposes of registration, we will request information to identify the parties involved with a heat network and their roles. We will put in place appropriate arrangements to ensure appropriate treatment of commercially sensitive information.

Where the operator and supplier for a heat network are separate entities, we expect that these parties will share information to enable fulfilment of regulatory obligations. For completion of registration, each party will be requested to provide information that is specific to their role on the heat network. This process is explained further in our guidance for registration.

Following consideration on whether a specified process is required for nominating an operator and what, if any, our role should be in this process, we can confirm we will not prescribe this process.

We expect that for heat networks where multiple parties are in control of different parts of the physical network, these parties may have established arrangements for decision making. We do not consider it would be appropriate for us to prescribe a process that may risk impacting established, effective arrangements where these are in place, or risk mandating a one-size-fits-all approach. Instead, we consider it important that parties retain the flexibility to determine a process that reflects their commercial and operational relationships and are able to adopt an approach best suited to their circumstances.

The nominated operator authorisation condition is intended to reduce complexity of regulatory engagement for heat networks with multiple operators. We anticipate that multiple operator scenarios will involve unique circumstances and arrangements between parties. As such, our expectations of how parties will comply with the nominated operator requirement will be proportionate and we will take a case-by-case approach.

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At this time, we do not intend to create a specific requirement to name a party for engagement with consumer advocacy bodies. Our guidance for registration which covers roles and responsibilities in heat networks will assist in determining the appropriate party for engagement.

We will keep this policy area under review during the registration period and will consider where changes may be required. In finalising our guidance in this area, we will take any opportunities to provide further clarity on the roles and responsibilities of the nominated operator.

We have worked to align the fit and proper requirement to the provisions in the gas and electricity licence conditions and will keep this policy under review as gas and electricity policy development evolves.

## Revocation

- 4.1. We received three responses to this authorisation condition.
- 4.2. These respondents asked questions around how revocation will work in practice including who would step in to take over the running of the network in the event of revocation and whether authorisation would only be revoked once a replacement operator or supplier is in place.
- 4.3. Three respondents also raised concerns about the 30-day notification window. It was questioned where there should be an obligation for landlords to notify residents of pending revocation.
- 4.4. One respondent expressed concern about the potential impact of revocation on heat network consumers in the housing sector and suggested a requirement for landlords to be required to inform residents of pending action within the revocation notice period.

## Ofgem response

We want to restate our position that revocation is a last-resort power that we can use in the circumstances that are provided in the authorisation conditions. We are developing our approach to monitoring and compliance, however, this will focus on an early identification of any emerging concerns about a network, and a compliance approach that starts from the position of working with networks to support them through the compliance journey, in line with our proportionate approach to regulation of heat networks. Consideration of consumer outcomes will be an integral part of all of our compliance and enforcement activities.

The Continuity Arrangements condition requires that authorised persons should take steps to minimise the risk of disruption and detriment to consumers if they face revocation. They should also ensure that the regulated activity continues on terms that are the same, or as similar as possible to, the terms in place immediately before the transfer or revocation of the authorisation.

## Fair pricing and cost allocation

5.1. The following table sets out the authorisation conditions covered in this section and the number of responses for each.

<b>Authorisation Condition</b>	<b>Number of Responses</b>
A6 – Fair pricing	3
A7 – Cost Allocation	3

5.2. Respondents raised questions around interactions between the authorisation conditions and other legislation, interactions with specific devolved legislation, and asked for clarity on the definition of relevant payments. Respondents also raised broader points beyond the scope of this consultation related to guidance.

5.3. Two respondents queried the term ‘relevant payment’, with one requesting definition and another suggesting a change to better reflect what the term relevant payment refers to.

5.4. Similarly, one respondent questioned the cost allocation prescriptive rule that penalties and redress must not be passed on to customers. The respondent queried whether the clause ‘unless otherwise specified’ included not for profit heat networks where there is no other source of income. It should be noted, as we will cover in our response, that this is not the wording used within the authorisation condition itself.

5.5. Another respondent commented on a perceived conflict between the fair pricing requirement for charges to be ‘fair and not disproportionate’, and the statutory requirements for service charges to be reasonable under the Landlord and Tenant Act. They note that it is unclear when Ofgem will consider changes to bundled charges or how landlords should navigate competing requirements when fair pricing principles diverge from the Landlord and Tenant Act reasonable tests.

5.6. Additional feedback related specifically to guidance or broader topics outside of the authorisation conditions. This included:

- concern that only cost recovery is mentioned in the authorisation condition (and not price promise models which are included in the fair pricing and cost allocation guidance)
- opposition to including larger non-domestic customers within the fair pricing framework
- implementation concerns

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- potential for wide interpretation of ‘reasonable allocation’
- request to not overlook relevant Scottish legislation and engage with the Scottish government on this
- comment on debt cost recovery

5.7. We have taken these points into consideration within the appropriate areas.

## Ofgem response

### Relevant payments

In the Cost Allocation authorisation condition (AC A7), the use of the word payment is intended to cover a wide range of outcomes of enforcement actions, which includes (but is not limited to) penalties and compensations. As such, we believe that the term relevant payment is an accurate representation of the policy intent. We also note that a definition of relevant payment has been provided within the draft authorisation condition under section 1.6.2. We have, however, changed the placement of this definition to make this clearly visible upon first use of the term.

### Exceptional circumstances

‘Unless otherwise specified’ refers to situations mentioned in guidance where the authorised persons are allowed to pass on the costs for any relevant payments to the authorities. The specific wording within the Cost Allocation authorisation condition (AC A7) refers to ‘exceptional circumstances’ and clarifies that these relate only to what has been set out in the guidance, adding ‘(if any)’ to note that guidance may not deem any circumstances appropriate for cost pass through. At this stage, there is no situation specified in guidance that would permit the passing of these costs. As a result, we expect all authorised entities, including not for profit authorised entities, to not pass on to consumers the costs incurred due to any relevant payments made to the authority.

However, we also set out in guidance our position that “in deciding whether it would be appropriate to impose a financial penalty and/or make a consumer redress order, we will take account of the relevant facts and circumstances of the contravention or failure under consideration. This includes but is not limited to, the nature of the operating heat network and the circumstances under which the heat network is operating.” This position allows network circumstances, similar to the approach taken in the gas and electricity market, to be considered in enforcement decision making.

### Interactions with the Landlord and Tenant Act

We consider these requirements to be compatible and able to exist side by side. We expect the relevant authorised persons to consider their responsibilities in order to comply to any relevant legislation that they fall under the scope of. If issues between legislations arise, these will be considered on a case-by-case basis.

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DESNZ and the Ministry for Housing, Community, and Local Government (MHCLG) are working closely to further explore potential options for unbundling heat charges from housing charges.

### **Alternative pricing models**

The obligations for fair pricing and cost allocation applies to all authorised entities within the scope, regardless of their pricing methodology. The draft authorisation conditions do not individually outline all the types of pricing methodologies in the market. The Fair Pricing authorisation condition (AC A6) in this area states that the authorisation condition “shall be interpreted in accordance with guidance published by the Authority”, setting the expectation that guidance in this area will determine what can be construed as “fair and not disproportionate”. Likewise, the Cost Allocation authorisation condition (AC A7) states “charges imposed [...] 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”. This sets the expectation within cost allocation practices that guidance will inform the charging structures and cost attributions that meet this outcome.

These pricing methodologies are discussed further in guidance in their relevant areas.

Additionally, our guidance sets out expectations and examples of best practice in relation to the fair pricing principles. We recognise that there is diversity within the sector which may require an alternative approach under certain circumstances. For this reason, we have stated our expectation in guidance that heat networks in scope should “abide by the proposed best practices wherever possible and only deviate in situations where they are unable to abide by them due to legacy arrangements such as contractual agreements made prior to regulation which cannot be broken or renegotiated by authorised persons, other requirements in legislation, or when they can establish that deviating from proposed examples can provide better consumer outcomes.” This position acknowledges the potential for alternative approaches in a variety of circumstances and provides a carve out for deviations from guidance in these cases.

### **Inclusion of large non-domestic consumers**

The scope of the authorisation condition is discussed in the guidance referred to in the Fair Pricing and Cost Allocation authorisation conditions (AC A6 and AC A7). Though we agree that larger non-domestic consumers can possess greater expertise and resources, the heat network supplying these consumers still has market power in that there is a large barrier to moving away from the supplier, especially when compared to the gas and electricity market. We will include larger non-domestic networks within the pricing framework and intend to do further engagement and research with non-domestic consumers to better understand their needs. We have, however, taken this opportunity to clarify our position within the Cost Allocation and Fair Pricing

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authorisation conditions (AC A6 and AC A7) that industrial and self-supply networks are excluded from the scope of these authorisation conditions.

### **Devolved legislation**

Ofgem is working with Scottish and Welsh stakeholders to engage on interactions between heat networks regulation and other relevant GB legislation such as housing.

### **Debt cost recovery**

The scope of the authorisation condition is limited to the authorisation conditions that imposes obligations of fair pricing and cost allocation on the authorised entities.

Comments on how best to deal with debt issues is out of the scope of this consultation. However, we see our consumer protections in this area, particularly relating to the debt pathway, as both a form of debt prevention and a way to protect the most vulnerable customers. There will be different outcomes for some consumers at the start of regulation, for example, due to how the proposed protections will need to be phased in.

Whilst debt socialisation is outside the scope of our guidance this area is being explored further by DESNZ.

## Monitoring and compliance

6.1. The following table sets out the authorisation conditions covered in this section and the number of responses for each.

<b>Authorisation condition</b>	<b>Number of responses</b>
A9 – Provision of Information to the Authority	2
A10 – Open and Cooperative	5
A11 – Independent Audits	4

6.2. Four respondents who commented on the ‘Open and Cooperative’ authorisation condition (AC A10) requested more detail on what information authorised persons should be expected to disclose with some asking for guidance or examples.

6.3. Two respondents sought clarity as to how Independent Audits would be funded. Both comments noted it was not clear whether Ofgem or the authorised person would fund the audit.

6.4. Another respondent asked for more information about the Independent Auditors and the powers they would hold.

6.5. One respondent noted that the scope of information that must be given to the Authority was wide and it was not clear that all the information would fall within the General Data Protection Regulations (GDPR) exemption of legitimate interest.

## Ofgem response

### Provision of Information to the Authority

We have not amended the Provision of Information to the Authority authorisation condition (AC A9). The information we will require under the authorisation condition will relate to the regulated activity and the authorised person. The information that must be provided, such as monitoring information requested on an enduring basis, will be found in guidance issued by Ofgem or included as part of the request when issued for an individual purpose. We have previously amended the authorisation condition following the Heat Networks: implementing consumer protection consultation, to ensure it was meeting GDPR principles.

### Open and Cooperative

We have amended the name of the authorisation condition to Open and Cooperative (AC A10). We welcome feedback on the information we would ask the authorised

## **Decision Heat networks regulation: authorisation conditions**

person to disclose. This will be information that would evidence a breach of an authorisation condition. The intention is to help with authorised persons self-reporting breaches of conditions designed to protect consumers or promote financial resilience. We will communicate our expectations for self-reporting and remedying non-compliance during our engagement with the heat network sector.

### **Independent Audits**

We have made a small amendment to the Independent Audits authorisation condition (AC A11), capitalising references to Independent Audits in the provisions. We will provide further detail on the approach for audits at a future point in time. This will include details such as where a heat network may be required to fund an audit as well as our process to secure the auditors who will undertake the Independent Audits on behalf of Ofgem.

## Financial Resilience

7.1. The following table sets out the authorisation conditions covered in this section and the number of responses for each.

<b>Authorisation condition</b>	<b>Number of responses</b>
A12 – Operational Arrangements and Material Assets	6
A13 – Availability of Resources and Financial Responsibility Principle	2
A14 - Continuity Arrangements	3

## Operational Arrangements and Material Assets

7.2. There were six respondents who addressed the Operational Arrangements and Material Assets authorisation condition (AC A12). A number of these respondents raised concerns that this authorisation condition could conflict with some of the existing financing arrangements in the sector, including where funders or investors have ‘first call’ or ‘first charge’ over assets. Some respondents also asked for more detail on permitted security interests and what arrangements would be compliant. One respondent also noted that funding arrangements can typically have requirements around consent when transferring assets.

7.3. Another theme raised was that the authorisation condition was too restrictive such that it may interfere with the ability of authorised persons to finance their networks with standard security arrangements, including mortgages and loans.

7.4. We also received feedback that this authorisation condition could conflict with some housing models, in particular where prevailing arrangements may dictate transfer arrangements in Right to Manage or Resident Management situations.

7.5. A number of respondents asked whether Ofgem will be seeking to approve permitted financing structures, or whether a list of permitted structures will be provided.

7.6. Two respondents raised questions around Energy Service Companies (ESCOs) and Concession models and raised that they believed the requirement for Material Assets to be transferable is incompatible with these models.

7.7. One respondent asked for further detail on the requirements for the Material Assets register.

## **Availability of Resources and Financial Responsibility**

### **Principle**

- 7.8. One respondent raised concerns that consumer protections linked to consumer debt introduced under the regulatory framework could impact the ability of heat networks, particularly not-for-profit networks, to manage their financial resources.
- 7.9. One respondent asked whether there is an expectation that fixed charges will need to be aggregated into a sinking fund.

## **Continuity Arrangements**

- 7.10. One respondent asked whether Ofgem will be providing a template for continuity plan requirements.
- 7.11. Two respondents asked for more information on requirements within the continuity plan including whether these should include operational procedures to be followed, and whether the Priority Service Register should be included.
- 7.12. One respondent was concerned about the impact on operators of stepping in to the role of supplier in the event of supplier insolvency.

## **Ofgem response**

### **Operational Arrangements and Material Assets**

We have made a number of changes to the Operational Arrangements and Material Assets authorisation condition (AC A12) to reduce the level of prescription, moving to a more clearly principles-based approach. We have introduced a new term, the ‘continuity objective’, which defines more clearly the objective we are seeking to achieve, namely that an authorised person’s operational arrangements, including in relation to their Material Assets, safeguard the continuity of the regulated activities (in an effective and efficient manner that minimises the risk of consumer detriment). Setting out this objective more clearly has allowed us to focus on the intent of this condition, while removing some of the more prescriptive rules in favour of principles-focused conduct requirements.

We have also updated our financial resilience guidance to address some of the concerns respondents raised in relation to revocation and transfer of authorisation, and to more clearly signpost to the requirements that apply if a heat network faces or seeks revocation or seeks to transfer their authorisation to another party. In these circumstances, the authorised party is required to minimise the risk of disruption or detriment to customers, including seeking to ensure continuity of the regulated activity. We expect that this would include authorised parties engaging with their investors and funders.

## **Decision Heat networks regulation: authorisation conditions**

We have summarised the specific changes we have made to the Operational Arrangements and Material Assets authorisation condition (AC A12) below.

### **Modifications to avoid absolute obligations in certain areas**

We have modified some of the requirements so that they are no longer specific obligations; rather, the requirements are for the authorised person to conduct themselves in a responsible manner that is calculated to secure the relevant outcome. This is to accommodate circumstances where the authorised person may not have the opportunity to negotiate additional rights, or where arrangements in statute may conflict with such a prescriptive approach. We are maintaining a clear obligation on authorised persons to conduct themselves in a responsible manner calculated to meet the continuity objective. In most situations, we see the existence of appropriate legally enforceable rights over Material Assets as a prerequisite to achieving the continuity objective and avoiding consumer detriment in the event that an authorised person fails.

### **Clearer distinction between Material Assets and the authorised person's interests in them**

We have modified the definition of Material Assets and have introduced a new defined term, 'relevant interest', to more clearly distinguish between the Material Assets themselves and the relevant rights held by the authorised person in relation to the Material Asset, reflecting the fact that, depending on the nature of the authorised person and the arrangements for the relevant heat network, the 'relevant interests' could be statutory or contractual rights as well as ownership interests. We then use this term, 'relevant interest', instead of 'Material Assets', in key parts of the authorisation condition so that it is clear that the obligations of the authorised person in relation to matters such as the prohibition on disposals and/or the transferability requirement attach to the rights that the authorised person holds rather than the asset itself. For example, where an ESCO holds a lease of a network or has a contractual right to use the network, the obligations in paragraphs 12.3 and 12.6 of the authorisation condition attach to these rights rather than the ownership interest in the land and buildings.

### **Increasing the circumstances in which 'relevant interests' (previously Material Assets) are not required to be capable of transfer**

Relevant interests that are not legally capable of transfer are excluded from the scope of paragraph 12.3. In addition, where the lack of transferability does not create an undue risk of the continuity objective not being met, there would be no breach of paragraph 12.3. We intend to set out in guidance some examples of when we would see this limb applying and we would expect them to include the following:

- i. Where the asset/interest would typically be personal to the authorised person. For example, we would not expect any financing arrangements to be capable of transfer

## **Decision Heat networks regulation: authorisation conditions**

and would expect a successor to make their own financing arrangements. This is in contrast to an asset that is necessary for operating the network, which any incoming authorised person would not be able to readily replace without incurring significant costs.

ii. Where the third-party rights are governance rights held by an Employer under a typical ESCO concession agreement and are intended to ensure that the authorised person carries on its functions appropriately.

We have also clarified that, for the purposes of paragraph 12.3, a requirement for third party consent/approval/agreement to a transfer does not include such rights where they arise from legislation.

### **Financing arrangements and security**

#### **Principles-based rule for disposals/security**

We have clarified that the ‘no disposal’ and ‘no security interest’ requirements should be assessed using a principles-based approach rather than a prescriptive rule. The restriction on disposals and the creation of security interests only applies if the particular circumstances involved (i.e. financial distress) or the terms of the arrangements create an undue risk of the continuity objective not being met. We have removed the prescriptive list of permitted security interests, including the suggestion Ofgem would assess such arrangements.

We note that the condition relating to security interests refers to the authorised person not creating security interests or allowing them to be created. This means that security interests that already exist on the launch date or that arise as a result of the operation of law such that their creation is outside the control of the authorised person would not be within the ambit of this condition. However, on a refinancing involving the creation of new security interests, the new security interests would come within the ambit of this condition and the authorised person would be expected to consider carefully whether the security interests create an undue risk.

Finally, we note that we intend to keep this condition under review to ensure that the principles-based approach provides sufficient protection for consumers whilst facilitating investment into, and the financing of, heat networks.

#### **Continuity Arrangements**

We will provide further details of the requirements for the information required in the Continuity Plan in guidance.

We are not being prescriptive about the arrangements for how consumer monies are protected, but where a supplier collects funds from customers for maintenance, repair or replacement of the heat network, this must remain available for the purpose for which it has been collected.

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### **Availability of Resources and Financial Responsibility Principle**

In line with the response to the fair pricing authorisation conditions, comments on debt recovery and vulnerability protections are outside the scope of this authorisation condition, though we do understand the connections being made by respondents. Debt socialisation is outside the scope of our guidance; this area is being explored further by DESNZ.

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### Consumer Protection

8.1. The following table sets out the authorisation conditions covered in this section and the number of responses for each.

Authorisation condition	Number of responses
B1 – Supplier Standards of Conduct	3
B2 – Heat Supply Contracts	10
B3 – Contract Changes Information	6
B4 – Complaints	6
B5 – Assistance and Advice	4
B6 – Provision of Billing and Price Transparency of Information	6
B7 – Back-billing	0
B8 – Priority Services Register	2
B9 – Security Deposits, Payment Difficulties, Disconnections and Direct Debits	7
B10 – Prepayment Meters	7
B11 – Self-Disconnection	5
B12 – Social Obligations Reporting	2
C1 – Operator Standards of Conduct	1
C2 – Security of Supply	2

8.2. We received an additional five comments which did not make mention of any specific authorisation condition but were more reflective of consumer protections generally. The points raised by these respondents included:

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- concern that some of the principles-based terminology within the authorisation conditions would be too open to interpretation
- request for further clarification on any intended transition periods relevant to the full suite of authorisation conditions
- a call for further consideration of, and engagement with, differences in the terminology, legislative and regulatory environment of housing associations in Wales

## **Standards of Conduct**

8.3. Four respondents left comments specifically related to both the Supplier and Operator Standards of Conduct authorisation conditions (AC B1 and C1).

8.4. Some of these respondents requested further clarification regarding who would be classified as 'representatives' under section 1.1 of the authorisation condition. These comments called for further detail about how authorised persons can comply with the requirements in cases where third parties, including metering and billing agents, are contracted to deliver regulated activities. Another comment queried how responsibility for any non-compliant activities carried out by one operator will be assessed in cases where two or more operators operate the heat network.

8.5. Another comment sought further detail on section 1.3.6 of the authorisation condition which relates to consumer engagement requirements. They were uncertain whether the requirement to seek feedback on proposed decision making refers to the consumption amount or about customers choosing the network's fuel type.

## **Heat Supply Contracts**

8.6. Ten respondents made comments relating to the drafting of the Heat Supply Contracts authorisation condition (AC B2).

8.7. Several of these comments made specific reference to deemed contracts, requesting further guidance on their implementation as a new requirement to many in the sector.

8.8. Some respondents noted that some of the required information to be included on contracts would not be suitable for long-term leases and that it would not be possible, in many cases, for suppliers to vary leases. Where it is not possible, respondents called for further clarity on any transitional arrangements.

8.9. With regards to section 2.4.3 of the relevant authorisation condition, multiple respondents suggested that seven days' notice would be too short and prevent consumers from securing an alternative means of supply.

8.10. A few of these respondents also suggested that some of the requirements within this authorisation condition could cause undue administrative burden, which may

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result in increased costs for consumers. These respondents asked for guidance on providing information in other formats, such as websites or one-off updates, rather than in recurring contracts.

### **Contract Changes Information**

- 8.11. Six respondents made specific reference to the Contract Changes authorisation condition (AC B3).
- 8.12. Several of these comments questioned the proposed requirement for consumers to be informed that they may terminate their contract within 30 days following a change. Respondents questioned the practical outcome of offering termination rights in circumstances where switching is not possible and asked whether suppliers should explicitly state that ending the contract does not end the physical heat supply.
- 8.13. Other comments highlighted perceived inconsistencies in notice periods and requested alignment. They also sought a clearer definition of ‘Disadvantageous Unilateral Variation’ and guidance on notice for tariff reductions.
- 8.14. Some respondents raised concerns about limiting price increases to once every six months. They noted that wholesale energy costs can fluctuate monthly or quarterly, and this restriction could lead to under-recovery of costs and threaten financial viability. Respondents asked whether the rule is intended to mirror price-cap indexation and requested guidance on managing quarterly cost changes.
- 8.15. Another respondent questioned the relevance of the ‘informed choice’ requirement where consumers cannot switch supplier or metering method. They asked for clarity on whether this applies to changes in payment method or tariff type and whether suppliers should provide behavioural impact information or limit notices to factual terms.

### **Complaints**

- 8.16. Six respondents made specific reference to the Complaints authorisation condition (AC B4).
- 8.17. Several respondents raised concerns that the current drafting of the authorisation condition does not require suppliers to engage with consumer advice bodies before establishing referral arrangements. Respondents noted that this contrasts with standards in the retail energy market, where referral processes are developed following a consultation with consumer advocacy bodies.
- 8.18. Some respondents echoed concerns raised in other sections regarding the involvement of multiple organisations and third parties, listing the often complex nature of heat network complaints. These comments raised an uncertainty on how a single point of contact can be maintained in these scenarios.

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8.19. Several respondents raised more specific points related to the authorisation condition, including but not limited to:

- noting it is not feasible to display documents, including complaints policies, on certain in-home displays
- query whether Ofgem will require the same complaint types and reporting templates as are used in the gas and electricity retail market

## **Assistance and Advice**

8.20. Four respondents made specific reference to the Assistance and Advice authorisation condition (AC B5).

8.21. Some respondents supported the inclusion of provisions requiring authorised persons to publish or signpost relevant publications and guidance but requested further clarity on the types of documents this might refer to. These comments were largely concerned with ensuring compliance with the 28-day requirement.

8.22. Another respondent queried that mentions of providing a Unique Meter Reference Number (UMRN) were inconsistent across the consultation summary and the authorisation condition and asked for clarity on this requirement.

## **Provision of Billing and Price Transparency of Information**

8.23. Six respondents made specific reference to the Provision of Billing and Price Transparency of Information authorisation condition (AC B6).

8.24. Some of these comments raised concerns about compliance with requirements where billing responsibilities are managed by third parties. They noted that this may lead to non-compliance which is not at the direct fault of the authorised person.

8.25. Several respondents commented on the requirement for suppliers to include a comparison of consumption for the same period in the previous year on every bill. They argued that this obligation imposes significant costs and often provides limited value to consumers. Respondents proposed a more flexible approach, such as signposting to online accounts where historical data is available, alongside direct channels for customers to discuss usage and receive advice.

8.26. Another comment called for confirmation that bills or statements can be provided electronically and aligned with broader billing requirements.

8.27. Respondents requested clarification between the prohibition on charging consumers for bills, and the provision allowing costs to be passed on in multi-occupancy buildings.

8.28. Several respondents raised more specific points related to the authorisation condition, including but not limited to:

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- clarification on consequences where property access is not provided for meter readings
- guidance on what constitutes a reasonable cost for providing copy bills
- further clarity about whether future charge calculations should use the last 12 months of consumption
- concerns about displaying extensive contact information on bills

## **Priority Services Register**

8.29. Two respondents made specific reference to the Priority Services Register authorisation condition (AC B8).

8.30. Some responses noted that delegated billing arrangements can make compliance more difficult with regards to priority services, direct debit, and prepayment requirements. Respondents suggested requiring authorised persons to publish a clear statement identifying any third parties for the benefit of the consumer.

8.31. Another comment called for a clearer definition of ‘relevant occupants’, and questioned if this term includes temporary residents, dependants, sub-tenants, or only those named on tenancy agreements. Respondents also asked for guidance on the responsibilities of landlords acting as bulk customers in passing this information to suppliers.

## **Security Deposits, Payment Difficulties, Disconnections, and Direct Debits**

8.32. Seven respondents made specific reference to the Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills authorisation condition (AC B9)

8.33. Some respondents welcomed protections against winter disconnections but argued that limiting these to winter months does not go far enough. Respondents urged Ofgem and DESNZ to set strict standards and monitor disconnections closely.

8.34. Several respondents expressed concern about the removal of managed deductions from benefits as an option for customers in payment difficulty. They noted that this mechanism is well established in the energy market and provides a practical solution for debt repayment while maintaining supply.

8.35. Multiple comments highlighted the significant challenge of debt within the heat network sector, noting that operators have less financial resilience than gas and electricity suppliers. These respondents called for the development of a robust

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debt strategy, including consideration of expanding the Debt Relief Scheme to heat networks or introducing alternative targeted support.

8.36. Respondents raised concerns about the complexity and clarity of definitions for ‘credit limit’ and ‘debt trigger’, suggesting simpler drafting in plain English.

Respondents also highlighted that some requirements do not reflect common practice in the heat network market and recommended alignment with existing methods.

8.37. Further comments questioned how bulk suppliers are expected to continue supply if unpaid by customers, particularly in winter, and called for consistency in references to direct debit types across conditions and reporting requirements.

## **Prepayment Meters**

8.38. Seven respondents made specific reference to the Prepayment Meters authorisation condition (AC B10).

8.39. Several respondents noted that the requirement in section 10.9.6, related to welfare visits, should align with Ofgem’s guidance for gas and electricity markets, which recommends that such visits be carried out by individuals independent of debt recovery and installation teams.

8.40. Multiple respondents argued that recorded verbal consent should be accepted as a form of explicit consent under section 10.8, in order to avoid unnecessary delays and barriers for customers seeking to manage debt or budget effectively.

8.41. Several respondents expressed concern that the authorisation conditions appear to treat prepayment meters solely as a debt prevention measure and do not adequately address circumstances where consumers are already on prepayment arrangements by choice. Respondents noted that many consumers prefer prepayment to manage budgeting and that payment options for prepayment customers are often equivalent to those for credit billing customers.

8.42. Another comment suggested a drafting error in section 10.11.3 in the reference to ‘how’ instead of ‘who’ in the condition relating to occupants under the age of five.

## **Self-Disconnection**

8.43. Five respondents made specific reference to the Self-Disconnection authorisation condition (AC B11).

8.44. Some of these respondents raised concerns about applying disconnection bans directly to bulk suppliers. They noted that bulk suppliers have no direct relationship with end-consumers and therefore cannot apply vulnerability rules effectively.

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8.45. Other respondents called for further clarity on what actions would constitute all reasonable steps to prevent supply interruption where applying credit is technically infeasible.

8.46. Another comment sought clarity on the basis for identifying self-disconnection, noting that residents may disconnect for multiple reasons.

## **Social Obligations Reporting**

8.47. Two respondents made specific reference to the Social Obligations Reporting authorisation condition (AC B12).

8.48. Concerns were raised about the level of reporting required under this authorisation condition. Respondents noted that providing data at a scheme level rather than portfolio level would be challenging and costly. These comments questioned whether the benefit of this data justifies the additional administrative burden.

8.49. Another respondent called for further clarity on the form of energy efficiency information, and how it should be presented. This comment also noted that the authorisation condition does not specify the nature of the statistical records to be maintained or the intervals at which data should be gathered. They requested further guidance to ensure consistency.

## **Security of Supply**

8.50. Two respondents made specific reference to the Security of Supply authorisation condition (AC C2).

8.51. Some of these noted the term ‘good industry practice’ in section 2.1.1 is not defined and queried whether this is intended to align with future Heat Network Technical Assurance Scheme (HNTAS) requirements. Respondents highlighted that manufacturer recommendations may exceed good industry practice, creating a potential conflict between obligations.

8.52. Respondents sought clarity on the requirement for operators to promptly make upgrades or modifications to ensure continuity of supply. They questioned how this obligation interacts with existing requirements under [section 20 of the Landlord and Tenant Act 1985](#), which impose consultation requirements before recovering service charges for qualifying works.

8.53. Another comment warned that limiting authorised persons’ ability to collect funds from consumer, could undermine their ability to pay contractors and maintain security of supply.

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### Ofgem response

#### Supplier Standards of Conduct / Operator Standards of Conduct

While we appreciate that some authorised persons may use third parties, we expect all responsible parties to negotiate appropriate contract terms if choosing to do so, including expectations regarding compliance with our consumer protection requirements. In all instances, we are clear that the authorised person is responsible for ensuring that all consumer outcomes are aligned to our expectations and the requirements in the authorisation conditions. We have not made changes to the relevant authorisation conditions, but we have provided further clarity in our guidance.

In situations where there is more than one operator involved in a single heat network, and each is an authorised person, we would expect each to comply with the relevant requirements. The requirements are explained in more detail in the Heat networks registration guidance, which provides guidance on the obligations outlined in the heat networks nominated operator authorisation condition. Expectations of cooperation and information sharing between authorised persons, including situations where there are multiple operators, are set out in the ‘Standards of Conduct’ section within the Heat Networks consumer protection guidance.

With regards to consumer engagement requirements, we expect that consumers are kept informed of significant decisions regarding the network, and the rationale behind them. We understand that factoring consumer preferences, however, into business decisions may not always be possible, including in relation to fuel type. In guidance, we have provided further wording to this effect and set out expectations of how suppliers should inform consumers of such decisions.

#### Heat Supply Contracts

We acknowledge respondents’ concerns regarding deemed contracts and their nascence to some in the sector and have updated our guidance accordingly. This includes further clarity regarding deemed contracts and examples of what is accepted as an equivalent contract.

We acknowledge that certain contractual requirements may not align with the structure of long-term leases and that variations may not always be feasible. 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. For additional clarity, authorised persons should consult our guidance on transitional arrangements.

We recognise that seven days’ notice may not provide sufficient time for consumers to make alternative arrangements. To ensure fairness and continuity of supply, authorised persons should allow a longer notice period where practicable and clearly communicate any changes well in advance. We will consider how further guidance on minimum notice requirements could support compliance and consumer protection.

## **Decision Heat networks regulation: authorisation conditions**

We appreciate stakeholder concern that providing some information on heat supply contracts may risk both additional administrative burden and increased costs to the consumer. Historic consumption information can help consumers to better understand their heat usage and charges. However, we are also interested in doing further work to better understand consumer billing needs. The authorisation condition has been updated to encourage inclusion of this information where practical, and guidance provides further clarity on acceptable alternative formats.

### **Contract Changes Information**

In response to comments that questioned the intention of offering contractual termination rights to heat network consumers, we have provided more detail in guidance for heat supply contracts, and this is an area we will keep under review in future updates to the guidance. The authorisation conditions need to account for the diversity in the sector and the range of commercial arrangements and have been drafted for those scenarios where termination could be possible.

We have updated the authorisation condition to ensure consistency in the drafting of any required notice periods as well as providing further drafting to clarify the intent of the term ‘Disadvantageous Unilateral Variation’.

We acknowledge that the ‘informed choice’ requirement may appear less relevant where consumers cannot switch supplier or metering method. We provided further clarity in guidance, however, the authorisation conditions need to account for the diverse range of arrangements across the sector. Authorised persons should ensure notices clearly explain any changes to payment methods or tariff types in factual terms.

### **Complaints**

Following requests to mirror the common practice of suppliers in the gas and electricity retail market, we have updated the guidance to encourage authorised persons to engage with statutory advice and advocacy bodies before implementing referral pathways. We will continue to work with our statutory advice and advocacy partners to assess if this requirement needs strengthened through the authorisation conditions.

We recognise business structures can complicate heat network complaints, but consumers should not have to navigate these complexities or be referred between organisations. All authorised parties should work together to ensure consumers have consistent and reliable contact with their supplier, regardless of fault.

Given the diversity of the heat network sector, we have not set prescriptive methods by which authorised persons should share information. Therefore, we do not think it necessary to update the authorisation condition based on respondents’ concerns they would be unable to display documents, including complaints policies, on their consumer’s in-home displays.

While we have used learnings from our experience of monitoring complaints data in the gas and electricity retail market, the reporting requirements for authorised persons in

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heat networks are different. We encourage stakeholders to review the complaints authorisation condition and guidance alongside the [draft regular data reporting guidance](#) for a rounded understanding of how we will use the monitoring of complaints data to interpret market trends and consumer experiences.

### Assistance and Advice

We expect authorised persons to be aware of consumer-focused publications made by Ofgem, and the relevant consumer advice bodies. We expect authorised persons to regularly check and signpost to related publications. However, we are not amending the authorisation conditions as sources for this information may evolve over time.

Clearer and more detailed information on what is required of authorised persons in terms of signposting to the advice services and the provision of ‘assistance and advice’ information to consumers, as requested by the stakeholder, is addressed through changes to our guidance. The relevant consumer advice bodies as they apply to consumers in each region are also detailed in the Assistance and Advice guidance.

We acknowledge inconsistencies in references to the UMRN between the consultation summaries and authorisation conditions. References to the UMRN are no longer relevant as authorised persons are expected to provide an enquiry service to all consumers experiencing interruptions, not just those that have an interruption due to a meter fault.

### Provision of Billing and Price Transparency of Information

We have provided further clarity in our guidance regarding billing responsibilities when services are managed by third parties. The authorised person is responsible for ensuring that all consumer outcomes are aligned to our expectations and the requirements in the authorisation conditions. Where third parties are providing billing services we would expect the responsible person to be managing these relationships and any contracts to ensure they align with the appropriate requirements.

We recognise the concerns about cost implications of mandatory year-on-year consumption comparisons on every bill. While transparency on usage remains important, we think this information should be provided where reasonable, such as that it is readily available if the consumer requests it.

In response to calls for bills and statements to be considered compliant with the authorisation conditions if provided electronically we have provided clarification in guidance.

We have also provided additional drafting in our guidance to address questions regarding the cost pass through for bills in multi-occupancy buildings. It is important that consumers have the appropriate information to understand the basis on which they are being charged, and heat networks are clear how costs are being apportioned.

## **Decision Heat networks regulation: authorisation conditions**

### Priority Services Register

We recognise that some authorised persons may delegate certain services to third party organisations, we are clear, however, that this does not lessen the authorised persons' responsibility for ensuring compliance with our requirements.

We have now updated the guidance to provide clarity on the term, 'relevant occupants'. Authorised persons should interpret this term broadly to include individuals who occupy the premises and may be affected by service. Landlords acting as bulk customers should ensure accurate and timely communication of occupant details to suppliers to maintain compliance and consumer protection.

### Security Deposits, Payment Difficulties, Disconnections and Direct Debits

We welcome stakeholder support and appreciate calls for further protections; however we are not making any changes to the authorisation condition on this basis, at this time. We are clear that disconnections represent a significant concern, however, we are also committed to a proportionate regulatory commencement and want to work with the sector to understand instances of disconnection before introducing any further measures.

We acknowledge comments questioning the removal of managed deductions from their benefits, however, access to support and wider affordability measures are for government to make decisions on. This is beyond Ofgem's remit and, as such, not something we have updated the authorisation conditions on. DESNZ have committed to further debt mitigation work and we will continue to work closely with them on this.

The current Debt Relief Scheme (DRS) proposal is designed specifically for consumers with a direct relationship with licensed gas and electricity suppliers. As the scheme was proposed to be funded through network charges and implemented via modifications to the gas and electricity supply licences, its scope was limited to consumers who fall within those regulatory boundaries. While heat network consumers are out of scope for the DRS, we will continue to engage with the work DESNZ is undertaking on debt mitigation.

We have provided further clarity on the definitions of 'credit limit' and 'debt trigger' in guidance.

In response to respondents' concerns regarding the continuity of supply in instances of non-payment to bulk suppliers we have updated our guidance to reflect to that we would expect the appropriate information to be shared with the bulk supplier. We have not amended the authorisation conditions because of the impact this could have on the outcome of the disconnection protections. This is an area we will keep under review and keen to engage with stakeholders on how regulation is affecting these types of arrangements as it phases in.

## **Decision Heat networks regulation: authorisation conditions**

### **Prepayment Meters**

In response to calls for welfare visit requirements to align with our position in the gas and electricity markets, we have updated our guidance to provide further detail and encourage appropriate safeguarding in line with existing protections.

We recognise the practical benefits of accepting recorded verbal consent as a form of explicit consent. We have updated both our authorisation condition and guidance to reflect that both written and recorded verbal consent (for example body camera or audio recording) are acceptable forms of explicit consent.

We recognise many consumers pay for energy and heating through prepayment meters, and that prepayment meters are not solely a measure of debt prevention. Our protections and guidance focus on ensuring it is safe and reasonably practicable for a consumer to use a Prepayment meter and provide stronger protections against involuntary switching to Prepayment meter mode for debt recovery. We have amended our guidance to further acknowledge that some consumers may wish to use a prepayment meter to manage their energy usage more closely and feel more in control of their energy spend and that we understand some heat networks widely use Prepayment meters. We have reviewed some of the requirements in guidance and considered where a more outcomes-based approach might be more appropriate. We will continue to keep these requirements and protections under review and consider their impact on authorised persons and consumers beyond regulatory commencement.

### **Self-Disconnection**

In finalising the drafting of the authorisation conditions, we have evaluated respondents' concerns about applying disconnection bans directly to bulk suppliers and decided it does not require any immediate change. While we appreciate that some bulk-suppliers may not interact directly with end-consumers, we believe that by disapplying the relevant protections, there is a risk vulnerable consumers could be disconnected. We have provided some updated drafting in guidance to support our expectation that communal suppliers ensure their bulk supplier is aware there are vulnerable consumers on the heat network.

We have provided further clarity in our guidance on protections for consumers in vulnerable situations in response to respondents' queries on taking reasonable steps to prevent supply interruption where applying credit is technically infeasible.

In response to comments seeking further guidance on identifying self-disconnection, we have provided some further detail on self-disconnection. In this area we expect guidance to evolve as best practice is developed. We welcome input from heat network stakeholders.

## Decision Heat networks regulation: authorisation conditions

### Social Obligations Reporting

We appreciate respondents' concerns regarding the level of reporting required under this authorisation condition. We have previously consulted the level of reporting as part of our Authorisation and Regulatory Oversight consultation. Following our response, we are no longer requesting data at the level of the individual building on a district network. We do consider it necessary to have scheme level data as portfolio level data would not provide adequate oversight of how customers, in particular vulnerable customers are being served on their heat network.

We acknowledge calls for clarity on the format and presentation of energy efficiency information, as well as the requirements for statistical records and data intervals. Authorised persons should ensure that any information provided is clear, accessible, and supports consumer understanding. We encourage stakeholders to review the [draft regular data reporting guidance](#) alongside the relevant authorisation condition.

### Security of Supply

We are clear that this authorisation condition is not an alternative to the incoming Heat Network Technical Assurance Scheme (HNTAS) but is intended to reinforce the broader ambition of ensuring consumers have a secure and reliable supply of heat, sector wide. It is our understanding that the aim of HNTAS is to be a baseline for technical performance across the sector and as such may represent good industry practice. We encourage stakeholders to engage with the current draft heat network technical standard (TS1) that sets out the minimum requirements necessary for the proper design, installation, and operation of heat networks.

In response to respondents' queries on the impact of section 20 of the LTA 1985, specifically the need to consult tenants ahead of 'major works', we have not made changes to the relevant authorisation condition, but we have provided further clarity in our guidance. We remain of the position that authorised persons should prioritise restoring supply to consumers in cases of interruptions and take all reasonable steps to ensure this is achieved promptly.

We understand that some costs may need to be recovered through charges to the consumer and we advise all authorised persons to reference our heat networks fair pricing and cost allocation guidance, as well as ensuring any incoming costs are effectively communicated to impacted consumers.

## 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 decision. 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](mailto:stakeholders@ofgem.gov.uk).

## Appendix 1. Notice under 18.2 of the Heat Networks (Market Framework)(Great Britain) Regulations 2025



**To: Heat network stakeholders**

### **Notice of Determination of Conditions included in Heat Network Authorisations**

#### **The Heat Networks (Market Framework) (Great Britain) Regulations 2025**

##### **Regulation 18(2) – general authorisation conditions**

- The Gas and Electricity Markets Authority (the '**Authority**') has determined 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 by:
  - Determining general authorisation conditions that will have effect from the launch date of the market framework regulatory regime (27 January 2026)
- The Authority has determined that the conditions set out in the Appendix to this notice have effect as general authorisation conditions in each heat network authorisation from 27 January 2026 for the purposes of deemed heat network authorisations and conferral of heat network authorisations.

**Helena Charlton**

**Director, Heat networks**

**Duly authorised on behalf of the**

**Gas and Electricity Markets Authority**

**13/01/2026**

## Appendix 2. General authorisation conditions

GAS AND ELECTRICITY MARKETS AUTHORITY

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

## Decision Heat networks regulation: authorisation conditions

### 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 and 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
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 and Direct Debits
B10	Prepayment Meters
B11	Self-Disconnection
B12	Social Obligations Reporting

## Decision Heat networks regulation: authorisation conditions

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

C1	Operator Standards of Conduct
C2	Security of Supply

## **Decision Heat networks regulation: authorisation conditions**

### **SECTION A: CONDITIONS APPLICABLE TO EACH AUTHORISED PERSON**

## Decision Heat networks regulation: authorisation conditions

### 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)	<p>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:</p> <ul style="list-style-type: none"><li>(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/or Self-Supply Networks; and</li><li>(b) where an authorised person carries on the regulated activity of supply by means of one or more Industrial Heat Networks and/or Self-Supply 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 or Self-Supply Network.</li></ul>
Section C (Operator)	<p>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:</p> <ul style="list-style-type: none"><li>(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</li><li>(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.</li></ul>

## Decision Heat networks regulation: authorisation conditions

### 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; and
  - 2.3.2 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;

## **Decision Heat networks regulation: authorisation conditions**

- 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;
- 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.

## **Decision Heat networks regulation: authorisation conditions**

### **Continuing effect**

- 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.

## Decision Heat networks regulation: authorisation conditions

### 3 Section A: Condition 3: Definitions

<b>Additional Support Credit</b>	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;
<b>Affiliate</b>	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;
<b>Applicable Consumer</b>	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;
<b>Authority</b>	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;
<b>Bill</b>	means a statement of Charges applicable to the Consumer and " <b>Bills</b> " shall be construed accordingly;
<b>Billing</b>	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;
<b>Billing Information</b>	is to be interpreted in accordance with authorisation condition B6 (Provision of Billing and Price Transparency Information);
<b>Bulk Supply</b>	means where heating, cooling or hot water is supplied to a Bulk Supply Consumer by means of a relevant heat network and " <b>Bulk Supplier</b> " shall be construed accordingly;
<b>Bulk Supply Consumer</b>	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;
<b>Charge</b>	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;

## Decision Heat networks regulation: authorisation conditions

<b>Compensation Payment</b>	<p>means any payment made by the authorised person (including any voluntary payment) to a specific Domestic Consumer in accordance with any customer service, complaint handling or redress arrangements which:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(b) in all other cases, is a payment which is made solely on the basis of a specific issue which: <ul style="list-style-type: none"> <li>(i) relates to customer service, complaint handling or redress; and</li> <li>(ii) specifically affects the Domestic Consumer to whom the payment is made;</li> </ul> </li> </ul>
<b>Complaint</b>	<p>means an expression of dissatisfaction about the standard of service, action or inactions of the authorised person, or those acting on its behalf, where:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(b) one or more Relevant Consumers are affected; and</li> <li>(c) a response is explicitly or implicitly required or expected to be provided thereafter;</li> </ul>
<b>Complaints Handling Procedure</b>	is to be interpreted in accordance with authorisation condition B4 (Complaints);
<b>Consumer</b>	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);
<b>Consumer Credit Balance</b>	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;
<b>Credit Limiting</b>	means the practice by which the authorised person limits the amount by which the total Charges accrued by a Domestic Consumer under a Domestic Supply Contract may exceed the payments made by that Domestic Consumer to the authorised person under or in accordance with the relevant Domestic Supply Contract and related expressions must be read accordingly;

## Decision Heat networks regulation: authorisation conditions

<b>Customer</b>	(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;
<b>Debt Trigger</b>	means, where Charges have been outstanding for three (3) 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;
<b>Disadvantageous Unilateral Variation</b>	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;
<b>Disconnect</b>	in relation to a supply of heating, cooling or hot water, means to stop that supply and related expressions must be read accordingly;
<b>Discount</b>	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 Supply Contract with a Relevant Consumer (and includes goods and services provided to a Consumer free of charge or at a reduced charge);
<b>Domestic Consumer</b>	means a Consumer taking (or requiring) a supply for domestic purposes; and “ <b>Non-Domestic Consumer</b> ” shall be construed accordingly;
<b>Domestic Premises</b>	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;
<b>Domestic Supply Contract</b>	means a Supply Contract between an authorised person and a Domestic Consumer;
<b>Electricity Supplier</b>	means any person who holds an Electricity Supply Licence;
<b>Electricity Supply Licence</b>	means an electricity supply licence granted or treated as granted under Section 6(1)(d) of the Electricity Act 1989;
<b>Electronic Communication</b>	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;

## Decision Heat networks regulation: authorisation conditions

<b>Emergency Credit</b>	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;
<b>Energy Services Provider</b>	means a person who supplies energy efficiency services;
<b>Excepted Company</b>	means: <ul style="list-style-type: none"> <li>(a) a registered provider of social housing;</li> <li>(b) a body registered as a social landlord under Part 1 of the Housing Act 1996 (social rented sector regulated by Welsh Ministers); or</li> <li>(c) a body registered in the register maintained under Section 20(1) of the Housing (Scotland) Act 2010;</li> </ul>
<b>Explicit Consent</b>	means consent by a Consumer which satisfies the following conditions: <ul style="list-style-type: none"> <li>(a) the consent is unmistakably given by the relevant Consumer, rather than implied or retained in terms and conditions;</li> <li>(b) the consent is given in Writing or, in the case of consent only given verbally, the consent is given in clear and unambiguous terms in response to a clear and unambiguous question from the authorised person or any Representative and the relevant verbal exchange (between the authorised person or Representative and the relevant Consumer) is recorded by audio recording equipment or a body camera;</li> <li>(c) the consent is not given under pressure from the authorised person or any Representative; and</li> <li>(d) a record is made by the authorised person of the date on which and method by which the consent is given;</li> </ul>
<b>'Fair' and cognate expressions</b>	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;
<b>First-Tier Tribunal</b>	means the first-tier tribunal (Property Chamber – Residential Property);
<b>Form</b>	includes the means by which information is communicated and the way in which information is presented or structured;
<b>Friendly-hours Credit</b>	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;
<b>Gas Supplier</b>	means any person who holds a Gas Supply Licence;

## Decision Heat networks regulation: authorisation conditions

<b>Gas Supply Licence</b>	means a gas supply licence granted or treated as granted under Section 7A of the Gas Act 1986;
<b>Historic Consumption Data</b>	means: <ul style="list-style-type: none"> <li>(a) except where a Relevant Consumer has held its Supply Contract for less than twelve (12) months, the quantity of heating, cooling or hot water supplied to the Relevant Consumer's premises during the previous twelve (12) months; and</li> <li>(b) where the Relevant Consumer has held its Supply Contract for less than twelve (12) months, the quantity of heating, cooling or hot water supplied to the Relevant Consumer's premises during the duration of that Supply Contract;</li> </ul>
<b>Independent Audit</b>	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;
<b>Industrial Heat Network</b>	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;
<b>Industrial Process</b>	means a process for or incidental to any of the following purposes: <ul style="list-style-type: none"> <li>(a) the making of any article or part of any article (including a ship or vessel, or a film, video or sound recording);</li> <li>(b) the altering, repairing, maintaining, ornamenting, finishing, cleaning, washing, packing, canning, adapting for sale, breaking up or demolition of any article; or</li> <li>(c) the getting, dressing or treatment of minerals,</li> </ul> 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;
<b>Information</b>	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;
<b>Last Resort Supply Direction</b>	<ul style="list-style-type: none"> <li>(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</li> <li>(b) in respect of a Gas Supplier, has the meaning given in standard licence condition 1 of the standard conditions of Gas Supply Licence;</li> </ul>
<b>Local Authority</b>	means either a Local Authority (England and Wales) and/or a Local Authority (Scotland) as the context so requires;

## Decision Heat networks regulation: authorisation conditions

<b>Local Authority (England and Wales)</b>	has the meaning given to 'Local Authority' in Section 1 of the Local Government Act 2000;
<b>Local Authority (Scotland)</b>	means a council constituted under Section 2 of the Local Government etc. (Scotland Act) 1994;
<b>Material Assets</b>	means such assets, contracts or arrangements, as applicable, used or needed by the authorised person to carry on 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;
<b>Microbusiness Consumer</b>	means a Consumer taking (or requiring) a supply for the purposes of a micro-business;
<b>Minimum Details</b>	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 B8 (Priority Services Register) as the Authority may from time to time publish in guidance;
<b>Other Outstanding Charges</b>	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 twenty-eight (28) days previously and remain unpaid;
<b>Outstanding Charges</b>	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 twenty-eight (28) days previously and remain unpaid;
<b>Outstanding Charges Discount</b>	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;
<b>Payment Difficulty Discount</b>	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 B9 (Security Deposits, Payment Difficulties, Disconnections and Direct Debits) applies in respect of that Domestic Consumer;
<b>Pensionable Age</b>	means, in relation to any person, pensionable age within the meaning given by Section 48(2B) of the Gas Act 1986;

## Decision Heat networks regulation: authorisation conditions

<b>Personal Characteristics</b>	means, in relation to any person: <ul style="list-style-type: none"> <li>(a) the person being of Pensionable Age;</li> <li>(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</li> <li>(c) the person having any other characteristics identified by the authorised person as being relevant due to the nature of the Priority Services;</li> </ul>
<b>Precautionary Principle</b>	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;
<b>Prepayment Meter</b>	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;
<b>Prepayment Meter Consumer</b>	means a Consumer with a Prepayment Meter;
<b>Prepayment Meter Credit</b>	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 B11 (Self-Disconnection);
<b>Prepayment Mode</b>	means, in relation to a Supply Meter, a mode of operation which requires the relevant Consumer to pay Charges in advance;
<b>Principal Terms</b>	means all terms and information required to be included in a Supply Contract with a Relevant Consumer by authorisation condition B2 (Heat Supply Contracts) and any other term that may reasonably be considered to significantly affect the evaluation by the Consumer of the Supply Contract ;
<b>Priority Services</b>	is to be interpreted in accordance with authorisation condition B8 (Priority Services Register);
<b>Priority Services Register</b>	has the meaning given in paragraph 8.1 of authorisation condition B8 (Priority Services Register);
<b>Public Electronic Communications Network</b>	has the meaning given in Section 151 of the Communications Act 2003;
<b>Qualifying Redress Scheme</b>	means the Energy Ombudsman Scheme or Housing Ombudsman Scheme (as appropriate);
<b>Regulations</b>	means the Heat Network (Market Framework) (Great Britain) Regulations 2025;

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<b>Relevant Consumer</b>	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;
<b>Relevant Consumer Advice Body</b>	means one or more of: <ul style="list-style-type: none"> <li>(a) Citizens Advice;</li> <li>(b) Citizens Advice Scotland;</li> <li>(c) Consumer Scotland;</li> </ul>
<b>Relevant Dispute Resolution Body</b>	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;
<b>Relevant Energy Licensee</b>	means any person who holds a licence granted or treated as granted under any of: <ul style="list-style-type: none"> <li>(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</li> <li>(b) Section 7, 7A and/or 7AB of the Gas Act 1986;</li> </ul>
<b>Relevant Industry Mechanisms</b>	means arrangements for the purposes of sharing the Minimum Details with specified persons as the Authority may from time to time publish in guidance;
<b>Relevant Order</b>	means: <ul style="list-style-type: none"> <li>(a) a prohibition order under Section 20 or 21 of the Housing Act 2004;</li> <li>(b) a demolition order under Section 46 of the Housing Act 2004;</li> <li>(c) an interim management order under Section 102 of the Housing Act 2004; or</li> <li>(d) a final management order under Section 103 of the Housing Act 2004;</li> </ul>
<b>Relevant Year</b>	means a year beginning on 1 April of each calendar year and ending on 31 March of the following calendar year;
<b>Representative</b>	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;
<b>Security Deposit</b>	means a deposit of money as security for the payment of Charges;
<b>Self-disconnection</b>	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 ' <b>Self-disconnected</b> ' and ' <b>Self-disconnecting</b> ' shall be construed accordingly;

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<b>Self-rationing</b>	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 ' <b>Self-ration</b> ' and ' <b>Self-rationed</b> ' shall be construed accordingly;
<b>Self-Supply Network</b>	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;
<b>Service Charge</b>	means a service charge within the meaning of s18(1) of the Landlord and Tenant Act 1985 or any similar charge to which equivalent legal protections in any jurisdiction within Great Britain apply;
<b>Significant Managerial Responsibility or Influence</b>	means where a person plays a role in <ul style="list-style-type: none"> <li>(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</li> <li>(b) the actual managing or organising of the whole or a substantial part of those activities;</li> </ul>
<b>Site Welfare Visit</b>	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;
<b>Small Business Consumer</b>	means a Consumer taking (or requiring) a supply for the purposes of a small business;
<b>Special Administration Order</b>	<ul style="list-style-type: none"> <li>(a) in respect of an authorised person means a heat network administration order;</li> <li>(b) in respect of a Relevant Energy Licensee means either: <ul style="list-style-type: none"> <li>(i) an energy administration order as defined in Section 154 of the Energy Act 2004;</li> <li>(ii) an esc administration order as defined in Section 94 of the Energy Act 2011; or</li> <li>(iii) an smcl administration order as defined in Section 2 of the Smart Meters Act 2018;</li> </ul> </li> </ul>
<b>Standing Charge</b>	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;
<b>Successor</b>	means 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;

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<b>Supply Contract</b>	means a contract (including a deemed contract or any other form of contract, including a lease) for the supply of heating, cooling or hot water between an authorised person and a Consumer;
<b>Supply Meter</b>	means a meter used or to be used for measuring the quantity of heating, cooling or hot water supplied to a Consumer;
<b>Unit Rate</b>	means the price charged per unit of heating, cooling or hot water supplied to a Consumer;
<b>Vulnerable Situation</b>	means where the personal circumstances and characteristics of a person create a situation where they are: <ul style="list-style-type: none"> <li>(a) significantly less able than a typical person to protect or represent their interests; and/or</li> <li>(b) significantly more likely than a typical person to suffer detriment or that detriment is likely to be more substantial;</li> </ul>
<b>Website</b>	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;
<b>Winter</b>	means the months of October, November, December, January, February and March;
<b>Working Day</b>	means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day that is a bank holiday in England and Wales or in Scotland within the meaning of the Banking and Financial Dealings Act 1971; and
<b>Writing</b>	includes writing sent or received by Electronic Communication and “Written” shall be construed accordingly.

## Decision Heat networks regulation: authorisation conditions

### 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.

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### 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, two or more persons are treated as authorised to operate 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 C1 (Operator Standards of Conduct).

## **Decision Heat networks regulation: authorisation conditions**

### **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.

### **Application of authorisation condition**

- 6.7 Where the authorised person carries on regulated activities only in relation to relevant heat networks that are either Industrial Heat Networks or Self-Supply Networks, this authorisation condition shall not apply.
- 6.8 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.

## Decision Heat networks regulation: authorisation conditions

### 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). For the purposes of this condition a “**relevant payment**” means:
  - 7.2.1 any penalty imposed under regulation 31;
  - 7.2.2 any amount payable to a heat network consumer pursuant to a consumer redress order; and/or
  - 7.2.3 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.
- 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.

### Application of authorisation condition

- 7.6 Where the authorised person carries on regulated activities only in relation to relevant heat networks that are either Industrial Heat Networks or Self-Supply Networks, this authorisation condition shall not apply.
- 7.7 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.

## Decision Heat networks regulation: authorisation conditions

### 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 twelve (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 twelve (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

## **Decision Heat networks regulation: authorisation conditions**

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

## **Decision Heat networks regulation: authorisation conditions**

### **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.

## **Decision Heat networks regulation: authorisation conditions**

### **10 Section A: Condition 10: Open and Co-operative**

#### **Principle to be open and co-operative**

- 10.1 The authorised person must be open and co-operative 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.

## **Decision Heat networks regulation: authorisation conditions**

### **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.

#### **Co-operation with Independent Audit and the Authority**

11.3 The authorised person must:

- 11.3.1 co-operate 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 co-operate 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.

## Decision Heat networks regulation: authorisation conditions

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

#### Operational Arrangements

12.1 The authorised person must at all times act in a responsible manner that is calculated to secure that its operational arrangements, including in relation to the Material Assets, safeguard the continuity (in an efficient and effective manner that minimises the risk of Consumer detriment) of each regulated activity that it is authorised (or treated as authorised) to carry on, including in the event that it ceases to carry on any such activity or it is affected by any of the events set out in paragraph 15.1.2 of authorisation condition A15 (Revocation) (the “continuity objective”).

#### Legally enforceable rights over Material Assets

12.2 The authorised person must at all times act in a responsible manner that is calculated to secure that it has and maintains, subject to any permitted security interests, appropriate legally enforceable rights (whether by way of direct ownership or otherwise) in relation to the Material Assets (with such rights as held by the authorised person from time to time being the authorised person’s “relevant interests”).

#### Relevant interests to be capable of transfer

12.3 Subject to paragraphs 12.4 to 12.5 and to any permitted security interests, the authorised person must at all times act in a responsible manner that is calculated to secure that its relevant interests are capable of transfer to any Successor, without either:

- 12.3.1 any requirement for consent, approval or agreement from or by a third party except where any such requirement arises from legislation; or
- 12.3.2 the Successor being unreasonably disadvantaged or, if applicable, subject to materially different terms.

12.4 Where a third party’s consent, approval or agreement must be obtained to enable the transfer of a relevant interest to a Successor, the authorised person will be treated as complying with paragraph 12.3 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 in the context of the continuity objective.

12.5 The authorised person need not ensure that a relevant interest is capable of transfer in accordance with paragraph 12.3 if, having considered all the circumstances of the case, the authorised person has satisfied itself that:

- 12.5.1 the relevant interest is of a type that is not legally capable of transfer; or
- 12.5.2 the fact of the relevant interest not being capable of transfer in accordance with paragraph 12.3 does not create an undue risk of the continuity objective not being met.

#### Disposals and security interests

12.6 The authorised person must not:

- 12.6.1 create (or allow to be created) a security interest over; or
- 12.6.2 liquidate, sell or otherwise dispose of, any relevant interest where doing so, having regard to the circumstances and the terms of the arrangements, would create an undue risk of the continuity objective not being met. For the purposes of this condition, a “**security interest**” means a mortgage, pledge, lien, security interest or other charge or encumbrance or other agreement having the same economic effect and “**permitted security interest**” shall be construed as a security interest that is not prohibited in accordance with this paragraph 12.6.

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### **Register of Material Assets**

12.7 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**

12.8 This authorisation condition shall not apply where the authorised person:

- 12.8.1 is a Local Authority or, an Excepted Company; or
- 12.8.2 carries on regulated activities only in relation to relevant heat networks that are either Industrial Heat 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.

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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:

- 13.2.1 will have available to it the resources (on the terms and with the rights); or
- 13.2.2 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 or otherwise dispose of any asset (except where that payment, loan or transfer or disposal 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 carry on 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 Heat 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.

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### 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 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, where applicable;
  - 14.5.3 arrangements relating to the maintenance, updating of, and access to, all relevant metering and billing information, where applicable;
  - 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 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 A12 (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 A15 (Revocation), is given notice of revocation (in whole or in part) under authorisation condition A15 (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 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

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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 Heat 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.

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### 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 thirty (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 thirty (30) days after it has become due and remains unpaid for a period of fourteen (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 (3) 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 (3) 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 (3) 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

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(e) if the authorised person:

- (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 twenty-four (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 seven (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.

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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.

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

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### 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):

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- (a) seek to identify each such person, in a manner which is effective and appropriate, having regard to the interests of that person;
- (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 B8 (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 A6 (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.

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### 2 Section B: Condition 2: Heat Supply Contracts

#### Obligation to supply

- 2.1 Subject to paragraph 2.3, 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 supply that Relevant Consumer.
- 2.2 Subject to paragraph 2.3, the authorised person must supply the Relevant Consumer in accordance with a Supply Contract and any other requirements of the authorisation conditions.

#### Exceptions to authorised person's obligations to supply

- 2.3 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:
  - 2.3.1 the Relevant Consumer's premises are not connected to the applicable relevant heat network;
  - 2.3.2 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;
  - 2.3.3 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
  - 2.3.4 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 B9 (Security Deposits, Payment Difficulties, Disconnections and Direct Debits).

#### Notification of terms and provision of information

- 2.4 Before the authorised person enters into a Supply Contract that will apply to the supply of heating, cooling or hot water to a Relevant Consumer, 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:
  - 2.4.1 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
  - 2.4.2 the Principal Terms of that Supply Contract, insofar as they relate to the supply of heating, cooling or hot water.
- 2.5 Each Supply Contract must:
  - 2.5.1 be in Writing;
  - 2.5.2 drafted in plain and intelligible language; and

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- 2.5.3 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.
- 2.6 Where the authorised person supplies a Relevant Consumer under a Supply Contract, the authorised person must provide that Relevant Consumer with a complete copy of the Supply Contract in a format that is accessible to the Relevant Consumer:
  - 2.6.1 in Writing;
  - 2.6.2 at the outset of the supply;
  - 2.6.3 at any time a copy is requested by a Relevant Consumer within a reasonable period of time after receiving the request; and
  - 2.6.4 when any changes to such Supply Contract are sent to the Relevant Consumer by the authorised person.
- 2.7 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:
  - 2.7.1 the Principal Terms of the deemed contract; and
  - 2.7.2 notice that other 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.
- 2.8 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.
- 2.9 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

- 2.10 The authorised person must include in each Supply Contract with a Relevant Consumer (or, until such time as any existing Supply Contract has been updated, in a separate document provided to the Consumer):
  - 2.10.1 all terms and conditions for the supply of heating, cooling or hot water including the Principal Terms;
  - 2.10.2 where applicable, a term separately identifying the Charges and the charges for any other good or service to be provided;
  - 2.10.3 relevant Billing Information;
  - 2.10.4 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;
  - 2.10.5 details of the authorised person's Complaints Handling Procedure;
  - 2.10.6 details of services that will be provided by the authorised person directly or by any third parties, including operation, maintenance, metering, and billing services;

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- 2.10.7 where the services referred to in paragraph 2.10.6 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;
- 2.10.8 key performance indicators of the heat network, including network efficiency;
- 2.10.9 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;
- 2.10.10 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;
- 2.10.11 where applicable, information on the availability of consumer advocacy from the Relevant Consumer Advice Body;
- 2.10.12 information on the source of thermal energy and the environmental impacts of the operation of the relevant heat network;
- 2.10.13 contact information, including where applicable Website addresses, for organisations from which information may be obtained on available energy efficiency improvement measures;
- 2.10.14 details of the process by which a Relevant Consumer may request Historic Consumption Data;
- 2.10.15 any other terms and conditions or requirements stated as required to be included in any Supply Contract with a Relevant Consumer in accordance with the authorisation conditions.

- 2.11 The authorised person must take all reasonable steps to ensure that the terms of each of its Supply Contracts with a Relevant Consumer are not unduly onerous.
- 2.12 The authorised person must not include, enforce or take advantage of, any term of a Supply Contract if:
  - 2.12.1 the inclusion of that term is incompatible with the authorisation conditions; or
  - 2.12.2 the enforcement or the taking advantage of that term would be so incompatible.

### Term and Termination

- 2.13 In relation to any 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:
  - 2.13.1 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
  - 2.13.2 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 they have stopped owning or occupying the premises; or

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(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.

2.14 In relation to any Supply Contract, the authorised person must ensure that the notice period for termination by a Relevant Consumer is no longer than thirty (30) Working Days.

2.15 In relation to any deemed contract, the authorised person must ensure that:

- 2.15.1 where a Consumer intends to be supplied with heating, cooling or hot water under an agreed Supply Contract, the deemed contract will continue to have effect until the authorised person begins to supply such heating, cooling or hot water under such 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
- 2.15.2 the deemed contract does not provide for any fixed term period or any termination fee to be payable by the Consumer.

2.16 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**

2.17 Where the authorised person supplies a Relevant Consumer pursuant to an existing Supply Contract, the authorised person must:

- 2.17.1 use reasonable endeavours to vary the Supply Contract, so that it meets the requirements imposed by this authorisation condition in relation to its terms; and
- 2.17.2 act, wherever appropriate, in its dealings with any Relevant Consumer as if the Supply Contract, did meet the requirements imposed by this authorisation condition in relation to its terms.

2.18 The Authority shall publish guidance on transitional arrangements relating to existing Supply Contracts with Relevant Consumers.

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### 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 Supply Contract within a period of no longer than thirty (30) days; and
  - (b) of the consequences of ending the 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.

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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).

### **Exception to compliance with condition**

3.6 The obligations in paragraphs 3.1.2 and 3.2 do not apply to the extent that the relevant Charges are Service Charges.

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### 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

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- (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

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- 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:
  - 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:

## **Decision Heat networks regulation: authorisation conditions**

- (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

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

## **Decision Heat networks regulation: authorisation conditions**

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:

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;

## **Decision Heat networks regulation: authorisation conditions**

- 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:

- 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 five (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 co-operate 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.

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### 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; 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.

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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.

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

#### Application of Condition

6.1 Where the supply to a Consumer is subject to a lease to which Sections 18 to 24 of the Landlord and Tenant Act 1985 apply (or any other agreement governed by legislative provisions with similar effect in any jurisdiction within Great Britain), 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.

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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:

- 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 where practicable, 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;

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- 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(s) allocated by the Authority (if any) in relation to the authorised person and/or its organisation; and
- 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**

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- 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;
  - 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*” where the Charges to which the Bill relates are Service Charges.
- 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 to the extent the Bill or Billing Information relates to Charges that are Service Charges.
- 6.24 The authorised person must not make a specific charge to a Relevant Consumer for the provision of a Bill or Billing Information relating to Charges that are Service Charges other

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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 their costs of management any costs incurred by them in connection with making those facilities so available.

### Provision of Billing and Billing Information

6.25 Paragraph 6.9 shall not apply where the Charges to which the Bill or Billing Information relates are Service Charges, 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;
- 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 Where the Charges to which the Billing Information relates are Service Charges, paragraph 6.10 applies subject to paragraphs 6.10.3 and 6.10.10 being read as follows:

*6.10.3: where practicable, 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 Where the Bills, Billing Information or payment method relate to Charges that are Service Charges, 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 in respect of Charges that are Service Charges must cover a period as determined pursuant to the terms of the relevant lease or agreement.

### Consumers using Prepayment Meters

6.29 Paragraphs 6.18 and 6.19 shall not apply where the Charges that the Prepayment Meter relates to are Service Charges.

6.30 Where the authorised person supplies a Relevant Consumer using a Prepayment Meter where the Prepayment Meter relates to Charges that are Service Charges, 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 or agreement.

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;

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- 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.

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### 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 twelve (12) months preceding the date the charge recovery action was taken; and
- 7.1.2 where applicable, other amounts if accrued within the twelve (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 in relation to a Charge that is a Service Charge, paragraph 7.1 does not apply.

#### Terms of contracts

7.4 The authorised person must ensure that the terms and conditions of each Supply 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 Supply 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.

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### 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;

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- 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
- 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.

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

#### 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 applicable to the relevant heat network and 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

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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 B5 (Assistance and Advice).
- 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;

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- (c) not insisting on substantial upfront payments before reconnection; and
- (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 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 B10 (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 stipulates, for the avoidance of doubt, that the relevant terms and 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.

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### Disconnection for unpaid charges

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 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 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 to 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:

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- 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);
- 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.

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### 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 B11 (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;

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- 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 B9 (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.

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10.9 Without prejudice to the operation of any other restriction which may apply under paragraph 10.10 or paragraph 10.11, where:

- 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 B9 (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 reason to 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;

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- 10.11.3 a person who 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:

- 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 B9 (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,

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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:
  - 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.

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### 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 B9 (Security Deposits, Payment Difficulties, Disconnections and Direct Debits), authorisation condition B5 (Assistance and Advice) 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 B9 (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.

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- 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 B9 (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 B1 (Supplier Standards of Conduct) and authorisation condition B5 (Assistance and Advice).

### **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 B10 (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 B9 (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.

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### **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.

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

## Decision Heat networks regulation: authorisation conditions

### 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 contract 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 A6 (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.

## Decision Heat networks regulation: authorisation conditions

### 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 the occurrence and duration of any network outages or other events which cause an interruption to the supply of heating, cooling or hot water, including the following actions:

- 2.1.1 maintaining the applicable relevant heat network in accordance with manufacturers' recommendations and good industry practice and otherwise in a manner intended to minimise the occurrence and duration of any network outages or other events which cause an interruption 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. General authorisation conditions – marked versions showing the changes from the previous published version**

**GAS AND ELECTRICITY MARKETS AUTHORITY**

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

## Decision Heat networks regulation: authorisation conditions

### 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- <del>&amp;</del> and 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
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 <del>and</del> Direct Debits <del>and Final Bills</del>
B10	Prepayment Meters
B11	Self-Disconnection
B12	Social Obligations Reporting

## Decision Heat networks regulation: authorisation conditions

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

C1	Operator Standards of Conduct
C2	Security of Supply

## **Decision Heat networks regulation: authorisation conditions**

### **SECTION A: CONDITIONS APPLICABLE TO EACH AUTHORISED PERSON**

## Decision Heat networks regulation: authorisation conditions

### 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)	<p>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:</p> <ul style="list-style-type: none"><li>(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 <b>and/or Self-Supply Networks</b>; and</li><li>(b) where an authorised person carries on the regulated activity of supply by means of one or more Industrial Heat Networks <b>and/or Self-Supply Networks</b> 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 <b>or Self-Supply Network</b>.</li></ul>
Section C (Operator)	<p>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:</p> <ul style="list-style-type: none"><li>(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</li><li>(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.</li></ul>

### 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; **and**
  - 2.3.2 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 subparagraph 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;

## **Decision Heat networks regulation: authorisation conditions**

- 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;
- 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:

## **Decision Heat networks regulation: authorisation conditions**

- 2.13.1 that date; or
- 2.13.2 the means by which that date is to be determined.

### **Continuing effect**

- 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.

## Decision Heat networks regulation: authorisation conditions

### 3 Section A: Condition 3: Definitions

<b>Additional Support Credit</b>	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;
<b>Affiliate</b>	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;
<b>Applicable Consumer</b>	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;
<b>Authority</b>	means the Gas and Electricity Markets Authority established under <b>Section section</b> n 1 of the Utilities Act 2000 or, where applicable, the Office of Gas and Electricity Markets on its behalf;
<b>Bill</b>	means a statement of Charges applicable to the Consumer and “ <b>Bills</b> ” shall be construed accordingly;
<b>Billing</b>	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;
<b>Billing Information</b>	is to be interpreted in accordance with authorisation condition <b>B6</b> (Provision of Billing and Price Transparency Information);
<b>Bulk Supply</b>	means where heating, cooling or hot water is supplied to a Bulk Supply Consumer by means of a relevant heat network and “ <b>Bulk Supplier</b> ” shall be construed accordingly;
<b>Bulk Supply Consumer</b>	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;
<b>Charge</b>	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;
<b>Charge Recovery Action</b>	<b>has the meaning given in authorisation condition (Back-billing);</b>

## Decision Heat networks regulation: authorisation conditions

<b>Compensation Payment</b>	means any payment made by the authorised person (including any voluntary payment) to a specific Domestic <del>Customer</del> Consumer in accordance with any customer service, complaint handling or redress arrangements which: <ul style="list-style-type: none"> <li>(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</li> <li>(b) in all other cases, is a payment which is made solely on the basis of a specific issue which:               <ul style="list-style-type: none"> <li>(i) relates to customer service, complaint handling or redress; and</li> <li>(ii) specifically affects the Domestic <del>Customer</del> Consumer to whom the payment is made;</li> </ul> </li> </ul>
<b>Complaint</b>	means an expression of dissatisfaction about the standard of service, action or inactions of the authorised person, or those acting on its behalf, where: <ul style="list-style-type: none"> <li>(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;</li> <li>(b) one or more Relevant Consumers are affected; and</li> <li>(c) a response is explicitly or implicitly required or expected to be provided thereafter;</li> </ul>
<b>Complaints Handling Procedure</b>	is to be interpreted in accordance with authorisation condition B4 (Complaints);
<b>Consumer</b>	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);
<b>Consumer Credit Balance</b>	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;
<b>Consumer Objective for Operators</b>	<del>has the meaning given in paragraph 1.1 of authorisation condition (Operator Standards of Conduct);</del>
<b>Consumer Objective for Suppliers</b>	<del>has the meaning given in paragraph 1.1 of authorisation condition (Supplier Standards of Conduct);</del>
<b>Credit Limiting</b>	means the practice by which the authorised person limits the amount by which the total Charges accrued by a Domestic <del>Customer</del> Consumer under a Domestic Supply Contract may exceed the payments made by that Domestic <del>Customer</del> Consumer to the authorised person under or in accordance with the relevant Domestic Supply Contract and related expressions must be read accordingly;

## Decision Heat networks regulation: authorisation conditions

<b>Customer</b>	(a) in respect of an Electricity Supplier, has the meaning given in standard licence condition 1 of the Standard conditions of <b>Electricity Supply Licence</b> <b>electricity supply licence</b> ; and (b) in respect of a Gas Supplier, has the meaning given in standard licence condition 1 of the Standard conditions of <b>Gas Supply Licence</b> <b>gas supply licence</b> ;
<b>Debt Trigger</b>	means, where Charges have been outstanding for three (3) 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;
<b>Deemed Contract</b>	<del>means a Deemed Contract by Conduct or a Deemed Contract by Statute;</del>
<b>Deemed Contract by Conduct</b>	<del>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;</del>
<b>Deemed Contract by Statute</b>	<del>a contract deemed to have been made with a heat network consumer in accordance with the Regulations;</del>
<b>Disadvantageous Unilateral Variation</b>	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;
<b>Disconnect</b>	in relation to a supply of heating, cooling or hot water, means to stop that supply and related expressions must be read accordingly;
<b>Discount</b>	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 <b>Relevant Supply Contract</b> <del>or Deemed Contract with a Relevant Consumer</del> (and, includes goods and services provided to a Consumer free of charge or at a reduced charge);
<b>Domestic Consumer</b>	means a Consumer taking (or requiring) a supply for domestic purposes; and “ <b>Non-Domestic Consumer</b> ” shall be construed accordingly;
<b>Domestic Premises</b>	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;
<b>Domestic Supply Contract</b>	means a Supply Contract between an authorised person and a Domestic Consumer;
<b>Electricity Supplier</b>	means any person who holds an Electricity Supply Licence;
<b>Electricity Supply Licence</b>	means an electricity supply licence granted or treated as granted under <del>Section section</del> 6(1)(d) of the Electricity Act 1989;

## Decision Heat networks regulation: authorisation conditions

<b>Electronic Communication</b>	means a message comprising text or an image of text that:
	<ul style="list-style-type: none"> <li>(a) is sent over a Public Electronic Communications Network;</li> <li>(b) can be stored in that network or in the recipient's terminal equipment until it is collected by the recipient; and</li> <li>(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;</li> </ul>
<b>Emergency Credit</b>	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;
<b>Energy Services Provider</b>	means a person who supplies energy efficiency services;
<b>Excepted Company</b>	means: <ul style="list-style-type: none"> <li>(a) a registered provider of social housing;</li> <li>(b) a body registered as a social landlord under Part 1 of the Housing Act 1996 (social rented sector regulated by Welsh Ministers); or</li> <li>(c) a body registered in the register maintained under <b>Section section</b> 20(1) of the Housing (Scotland) Act 2010;</li> </ul>
<b>Explicit Consent</b>	means consent by a Consumer which satisfies the following conditions: <ul style="list-style-type: none"> <li>(a) the consent is unmistakably given by the relevant Consumer <b>in Writing</b>, rather than implied or retained in terms and conditions <b>and/or just given verbally</b>;</li> <li>(b) <b>The consent is given in Writing or, in the case of consent only given verbally, the consent is given in clear and unambiguous terms in response to a clear and unambiguous question from the authorised person or any Representative and the relevant verbal exchange (between the authorised person or Representative and the relevant Consumer) is recorded by audio recording equipment or a body camera;</b></li> <li>(c) the consent is not given under pressure from the authorised person or any Representative; and</li> <li>(d) a record is made by the authorised person of the date on which and method by which the consent is given;</li> </ul>
<b>'Fair' and cognate expressions</b>	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;
<b>First-Tier Tribunal</b>	means the first-tier tribunal (Property Chamber – Residential Property);
<b>Form</b>	includes the means by which information is communicated and the way in which information is presented or structured;

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<b>Friendly-hours Credit</b>	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;
<b>Gas Supplier</b>	means any person who holds a Gas Supply Licence;
<b>Gas Supply Licence</b>	means a gas supply licence granted or treated as granted under <b>Section section 7A</b> of the Gas Act 1986;
<b>Historic Consumption Data</b>	means: <ul style="list-style-type: none"> <li>(a) except where a Relevant Consumer has held its Supply Contract for less than <b>twelve (12)</b> months, the quantity of heating, cooling or hot water supplied to the Relevant Consumer's premises during the previous <b>twelve (12)</b> months; and</li> <li>(b) where the Relevant Consumer has held its Supply Contract for less than <b>twelve (12)</b> months, the quantity of heating, cooling or hot water supplied to the Relevant Consumer's premises during the duration of that Supply Contract;</li> </ul>
<b>Independent Audit</b>	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 pany by the Authority, the Auditor must be a person or firm regulated by an appropriate professional body;
<b>Industrial Heat Network</b>	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;
<b>Industrial Process</b>	means a process for or incidental to any of the following purposes: <ul style="list-style-type: none"> <li>(a) the making of any article or part of any article (including a ship or vessel, or a film, video or sound recording);</li> <li>(b) the altering, repairing, maintaining, ornamenting, finishing, cleaning, washing, packing, canning, adapting for sale, breaking up or demolition of any article; or</li> <li>(c) the getting, dressing or treatment of minerals,</li> </ul> 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;
<b>Information</b>	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;
<b>Last Resort Supply Direction</b>	<ul style="list-style-type: none"> <li>(a) in respect of an Electricity Supplier, has the meaning given in standard licence condition 1 of the standard conditions of <b>Electricity Supply Licence electricity-supply licence</b>; and</li> <li>(b) in respect of a Gas Supplier, has the meaning given in standard licence condition 1 of the standard conditions of <b>Gas Supply Licence gas-supply licence</b>;</li> </ul>

## Decision Heat networks regulation: authorisation conditions

<b>Local Authority</b>	means either a Local Authority (England and Wales) and/or a Local Authority (Scotland) as the context so requires;
<b>Local Authority (England and Wales)</b>	has the meaning given to 'Local Authority' in <del>s4 Section 1</del> of the Local Government Act 2000;
<b>Local Authority (Scotland)</b>	means a council constituted under <del>s2 Section 2</del> of the Local Government etc. (Scotland Act) 1994;
<b>Material Assets</b>	means <del>all such assets, contracts or arrangements, as applicable, used or needed by the authorised person to deliver carry on 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).</del>
<b>Microbusiness Consumer</b>	means a Consumer taking (or requiring) a supply for the purposes of a micro-business;
<b>Minimum Details</b>	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 <del>B8</del> (Priority Services Register) as the Authority may from time to time <del>specify by publishing a statement publish in Writing (following public consultation and giving at least two months' prior notice);</del> guidance;
<b>Operator Standards of Conduct</b>	<del>is to be interpreted in accordance with authorisation condition (Operator Standards of Conduct);</del>
<b>Other Outstanding Charges</b>	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 <del>twenty-eight (28)</del> days previously and remain unpaid;
<b>Outstanding Charges</b>	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 <del>twenty-eight (28)</del> days previously and remain unpaid;
<b>Outstanding Charges Discount</b>	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;
<b>Payment Difficulty Discount</b>	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 <del>B9</del> (Security Deposits, Payment Difficulties, Disconnections, and Direct Debits) applies in respect of that Domestic Consumer;
<b>Pensionable Age</b>	means, in relation to any person, pensionable age within the meaning given by <del>Section section</del> 48(2B) of the Gas Act 1986;

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<b>Permitted Security Interest</b>	means a Security Interest which:
	<ul style="list-style-type: none"> <li>(a) was in effect at the launch date;</li> <li>(b) arises as a matter of law;</li> <li>(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;</li> <li>(d) was conferred as a condition of the provision of finance to the authorised person on arm's length terms;</li> <li>(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</li> <li>(f) is a wayleave or easement;</li> </ul>
<b>Personal Characteristics</b>	means, in relation to any person:
	<ul style="list-style-type: none"> <li>(a) the person being of Pensionable Age;</li> <li>(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</li> <li>(c) the person having any other characteristics identified by the authorised person as being relevant due to the nature of the Priority Services;</li> </ul>
<b>Precautionary Principle</b>	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 <b>Self-disconnect</b> ;
<b>Prepayment Meter</b>	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;
<b>Prepayment Meter Consumer</b>	means a Consumer with a Prepayment Meter;
<b>Prepayment Meter Credit</b>	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 <b>B11</b> (Self-Disconnection);
<b>Prepayment Mode</b>	means, in relation to a Supply Meter, a mode of operation which requires the relevant Consumer to pay Charges in advance;
<b>Principal Terms</b>	means all terms and information required to be included in a <b>Relevant Supply Contract, Deemed Contract or with a Relevant Lease, as applicable, Consumer</b> by authorisation condition <b>B2</b> (Heat Supply Contracts) and any other term that may reasonably be considered to significantly affect the evaluation by the Consumer of the <b>Relevant Supply Contract, Deemed Contract or Relevant Lease, as applicable, under which heating, cooling or hot water may be supplied; Supply Contract</b>

## Decision Heat networks regulation: authorisation conditions

<b>Priority Services</b>	is to be interpreted in accordance with authorisation condition B8 (Priority Services Register);
<b>Priority Services Register</b>	has the meaning given in paragraph 8.1 of authorisation condition B8 (Priority Services Register);
<b>Public Electronic Communications Network</b>	has the meaning given in <del>Section section</del> 151 of the Communications Act 2003;
<b>Qualifying Redress Scheme</b>	means the Energy Ombudsman Scheme or Housing Ombudsman Scheme (as appropriate);
<b>Regulations</b>	means the Heat Network (Market Framework) (Great Britain) Regulations 2025;
<b>Relevant Consumer</b>	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;
<b>Relevant Consumer Advice Body</b>	means one or more of: <ul style="list-style-type: none"> <li>(a) Citizens Advice;</li> <li>(b) Citizens Advice Scotland;</li> <li>(c) Consumer Scotland;</li> </ul>
<b>Relevant Contract Change Notice</b>	<del>is a notice that is served pursuant to paragraph 3.1 of authorisation condition (Contract Changes Information);</del>
<b>Relevant Costs</b>	<del>has the meaning given in s18(2) and (3) of Landlord and Tenant Act 1985;</del>
<b>Relevant Dispute Resolution Body</b>	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;
<b>Relevant Energy Licensee</b>	means any person who holds a licence granted or treated as granted under any of: <ul style="list-style-type: none"> <li>(a) <del>Section section</del> 6(1)(b), 6(1)(c), 6(1)(d), 6(1)(da) and/or 6(1)(f) of the Electricity Act 1989; and</li> <li>(b) <del>Section section</del> 7, 7A and/or 7AB of the Gas Act 1986;</li> </ul>
<b>Relevant Industry Mechanisms</b>	means arrangements for the purposes of sharing the Minimum Details with specified persons as <del>designated by</del> the Authority <del>by publishing a statement may from time to time publish in Writing (following public consultation and giving at least two months' prior notice);</del> guidance;
<b>Relevant Lease</b>	<del>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;</del>

## Decision Heat networks regulation: authorisation conditions

<b>Relevant Order</b>	means: (a) a prohibition order under <del>Section section</del> 20 or 21 of the Housing Act 2004; (b) a demolition order under <del>Section section</del> 46 of the Housing Act 2004; (c) an interim management order under <del>Section section</del> 102 of the Housing Act 2004; or (d) a final management order under <del>Section section</del> 103 of the Housing Act 2004;
<b>Relevant Supply Contract</b>	<del>means a Supply Contract between an authorised person and a Relevant Consumer;</del>
<b>Relevant Year</b>	means a year beginning on 1 April of each calendar year and ending on 31 March of the following calendar year;
<b>Representative</b>	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;
<b>Security Deposit</b>	means a deposit of money as security for the payment of Charges;
<b>Security Interest</b>	<del>has the meaning given in paragraph 12.5 of authorisation condition (Operational Arrangements and Material Assets);</del>
<b>Self-disconnection</b>	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 ' <b>Self-disconnected</b> ' and ' <b>Self-disconnecting</b> ' shall be construed accordingly;
<b>Self-rationing</b>	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 ' <b>Self-ration</b> ' and ' <b>Self-rationed</b> ' shall be construed accordingly;
<b>Self-Supply Network</b>	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;
<b>Service Charge</b>	means a service charge within the meaning of s18(1) of the Landlord and Tenant Act 1985 <del>together with Relevant Costs or any similar charge to which equivalent legal protections in any jurisdiction within Great Britain apply;</del>
<b>Significant Managerial Responsibility or Influence</b>	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;

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<b>Site Welfare Visit</b>	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;
<b>Small Business Consumer</b>	means a Consumer taking (or requiring) a supply for the purposes of a small business;
<b>Special Administration Order</b>	<p>(a) in respect of an authorised person means a heat network administration order;</p> <p>(b) in respect of a Relevant Energy Licensee means either:</p> <p>(i) an energy administration order as defined in <b>Section section</b> 154 of the Energy Act 2004;</p> <p>(ii) an esc administration order as defined in <b>Section section</b> 94 of the Energy Act 2011; or</p> <p>(iii) an smcl administration order as defined in <b>Section section</b> 2 of the Smart Meters Act 2018;</p>
<b>Standing Charge</b>	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;
<b>Sufficient Control Successor</b>	means, <del>in relation to Material Assets, having either direct ownership or other legally enforceable rights over them so that any successor to the authorised person can legally rely on them and enjoy in relation to the benefit applicable regulated activity, including in circumstances in which there is a transfer or revocation of the authorisation; of them;</del>
<b>Supplier Standards of Conduct</b>	<del>is to be interpreted in accordance with paragraph 1.3 of authorisation condition (Supplier Standards of Conduct);</del>
<b>Supply Contract</b>	means a contract <del>(including a deemed contract or any other form of contract, including a lease)</del> for the supply of heating, cooling or hot water between an authorised person and a Consumer <del>but does not include a Deemed Contract</del> ;
<b>Supply Meter</b>	means a meter used or to be used for measuring the quantity of heating, cooling or hot water supplied to a Consumer;
<b>Unit Rate</b>	means the price charged per unit of heating, cooling or hot water supplied to a Consumer;
<b>Vulnerable Situation</b>	means where the personal circumstances and characteristics of a person create a situation where <del>he or she is they are</del> :
	<p>(a) significantly less able than a typical person to protect or represent <del>his or her</del> their interests; and/or</p> <p>(b) significantly more likely than a typical person to suffer detriment or that detriment is likely to be more substantial;</p>
<b>Website</b>	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;

## Decision Heat networks regulation: authorisation conditions

<b>Winter</b>	means the months of October, November, December, January, February and March;
<b>Working Day</b>	means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day that is a bank holiday <b>in England and Wales or in Scotland</b> within the meaning of the Banking and Financial Dealings Act 1971; and
<b>Writing</b>	includes writing sent or received by Electronic Communication and " <b>Written</b> " shall be construed accordingly.

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### 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.

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### 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, **two or more persons are a person who is treated as authorised and one or more other persons treated as authorised each operates to operate** 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 **C1** (Operator Standards of Conduct).

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### 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.

#### Application of authorisation condition

- 6.7 Where the authorised person carries on regulated activities only in relation to relevant heat networks that are either Industrial Heat Networks or Self-Supply Networks, this authorisation condition shall not apply.
- 6.8 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.

## Decision Heat networks regulation: authorisation conditions

### 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). For the purposes of this condition a “relevant payment” means:

- 7.2.1 any penalty imposed under regulation 31;
- 7.2.2 any amount payable to a heat network consumer pursuant to a consumer redress order; and/or
- 7.2.3 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.

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.

#### Application of authorisation condition

7.6 Where the For the purposes of authorised person carries on regulated activities only in relation to relevant heat networks that are either Industrial Heat Networks or Self-Supply Networks this authorisation condition shall not apply.

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.

7.7 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.

## Decision Heat networks regulation: authorisation conditions

### 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 **twelve (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 **twelve (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~~ 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~~ 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

## **Decision Heat networks regulation: authorisation conditions**

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

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### **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.

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

#### Principle to be open and ~~cooperative~~—co-operative

- 10.1 The authorised person must be open and ~~cooperative~~ co-operative with the Authority.
- 10.2 In complying with paragraph 10.1, the authorised person must disclose to the Authority in ~~writing~~ 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.

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### 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~~ 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 Co-operation~~ with Independent Audit and the Authority

11.3 The authorised person must:

- 11.3.1 ~~cooperate co-operate~~ 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 co-operate~~ 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.

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

#### Operational Arrangements

12.1 The authorised person must ~~ensure~~ at all times act in a responsible manner that, ~~were~~ is calculated to secure that its operational arrangements, including in relation to the Material Assets, safeguard the continuity (in an efficient and effective manner that minimises the risk of Consumer detriment) of each regulated activity that it ~~to cease~~ authorised (or treated as authorised) to carry on, including in the event that it ceases to carry on any ~~regulated~~ such activity (~~due to insolvency, revocation or transfer~~ it is affected by any of ~~its heat network~~ the events set out in paragraph 15.1.2 of authorisation condition A15 (Revocation) (the “continuity objective”), ~~or in any other circumstances~~, its operational arrangements are such that any successor to the

#### Legally enforceable rights over Material Assets

12.2 The authorised person ~~(including any administrator)~~ ~~would be able~~ must at all times act in a responsible manner that is calculated to ~~efficiently and effectively carry on the regulated activity~~ secure that it has and maintains, subject to any permitted security interests, appropriate legally enforceable rights (whether by way of direct ownership or otherwise) in relation to the Material Assets (with such rights as held by the authorised person from time to time being the authorised person’s “relevant interests”).

#### Material Assets Relevant Interests to be capable of ~~legal~~ transfer

12.3 Subject to paragraphs ~~12.4 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 12.5 and to any permitted security interests~~, the authorised person ~~in relation to the applicable regulated activity, including in circumstances in which there is a transfer or revocation of the authorisation~~ must at all times act in a responsible manner that is calculated to secure that its relevant interests are capable of transfer to any Successor, without either:

- 12.3.1 any requirement for consent, approval or agreement from or by a third party ~~except where any such requirement arises from legislation~~; or
- 12.3.2 the ~~successor~~ Successor being unreasonably disadvantaged or, ~~if applicable~~, subject to materially different terms.

12.4 Where a third party’s consent, approval or agreement must be obtained to enable the ~~legal~~ transfer of a ~~Material Asset~~ relevant interest to a ~~successor to the authorised person~~ Successor, the authorised person will be treated as complying with paragraph ~~12.23~~ 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 in the context of the continuity objective~~.

12.5 The authorised person need not ensure that a ~~Material Asset~~ relevant interest is capable of ~~legal~~ transfer in accordance with paragraph 12.3 if, having considered all the circumstances of the case, the authorised person has satisfied itself that:

- 12.5.1 ~~if the relevant interest is not reasonably practicable for the Material Asset to be of a type that is not legally capable of legal transfer; and/or~~
- 12.5.2 ~~the fact of the Material Asset relevant interest 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 accordance with paragraph 12.43 does not create an undue risk of the continuity objective not being met.~~

#### ~~Restriction on Disposals and security over Material Assets interests~~

## Decision Heat networks regulation: authorisation conditions

12.6 The authorised person must ~~ensure that there is no~~ not:

- 12.6.1 create (or allow to be created) a security interest over; or
- 12.6.2 liquidate, sell or otherwise dispose of,

any relevant interest where doing so, having regard to the circumstances and the terms of the arrangements, would create an undue risk of the continuity objective not being met. For the purposes of this condition, a “**security interest**” means a 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.~~ and “**permitted security interest**” shall be construed as a security interest that is not prohibited in accordance with this paragraph 12.6.

### ~~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

12.7 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

12.8 This authorisation condition shall not apply where the authorised person:

~~12.11.1 is a Local Authority or an Excepted Company; or~~

12.8.1 ~~carries on regulated activities only in relation to relevant heat networks that are either Industrial Supply or a Local Authority or, an Excepted Company; or~~

12.8.2 ~~carries on regulated activities only in relation to relevant heat networks that are either Industrial Heat 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.

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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:

- 13.2.1 will have available to it the resources (on the terms and with the rights); or
- 13.2.2 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 **or otherwise dispose of** any asset (except where that payment, loan or transfer **or disposal** 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—carry on** 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 Heat 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.

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### 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 continuity plan**").
- 14.2 The authorised person must ensure that the information included in the **Continuity Plan 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 continuity plan** is maintained and kept-up-to date at all times.
- 14.4 The authorised person must upon request provide the **Continuity Plan continuity plan** to the Authority at any time after the first part of the initial period has ended.
- 14.5 The **Continuity Plan 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~~ Successor 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, **where applicable**;
  - 14.5.3 arrangements relating to the maintenance, updating of, and access to, all relevant metering and billing information, **where applicable**;
  - 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 continuity plan** will be satisfied if the **Continuity Plan 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 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~~ Successor 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 **A12** (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 **A15** (Revocation), is given notice of revocation (in whole or in part) under authorisation condition **A15** (Revocation), or otherwise intends to cease carrying on a regulated activity, the authorised person must take all reasonable steps:

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- 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 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 Heat** 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.

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### 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 **thirty (30)** days' (or such shorter period as the Authority and the authorised person agree in **writing** **Writing**) notice in **writing** **Writing** to the authorised person:

(a) if the authorised person agrees in **writing** **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 **thirty (30)** days after it has become due and remains unpaid for a period of **fourteen (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 (3)** months after the Authority has given notice in **writing** **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 (3)** months after the Authority has given notice in **writing** **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 (3)** months after the Authority has given notice in **writing** **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** **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

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(e) if the authorised person:

- (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 **twenty-four (24)** hours' notice in **writing** **Writing** to the authorised person if the authorised person:

- (a) is unable to pay its debts (within the meaning of **section** **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** **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** **Writing** by the Authority) or the occurrence of any analogous event;
- (b) has a receiver (which expression shall include a fixed charge receiver, a **received receiver** appointed pursuant to the Law of Property Act 1925, an administrative receiver or other receiver within the meaning of **section** **Section** 29 of the Insolvency Act 1986 in England and Wales or a receiver within the meaning of **section** **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** **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 **seven (7)** days' notice in **writing** **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** **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.

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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.

## **Decision Heat networks regulation: authorisation conditions**

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

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### 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 consumer objective for Suppliers suppliers**”).

#### Achieving the Supplier Standards of Conduct

1.2 The authorised person must achieve, and must ensure that its Representatives achieve, the **Supplier Standards supplier standards- of Conduct conduct** in a manner consistent with the **Consumer Objective consumer objective for Suppliers-suppliers**.

1.3 The **Supplier Standards “supplier standards of Conduct 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):

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- (a) seek to identify each such person, in a manner which is effective and appropriate, having regard to the interests of that person;
- (b) when applying the **Supplier Standards** supplier standards of **Conduct** 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 **B8** (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 contract 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 **A6** (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.

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### 2 Section B: Condition 2: Heat Supply Contracts

#### Obligation to supply

- 2.1 Subject to paragraph 2.43, 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~~ supply that Relevant Consumer ~~for the requested supply except where paragraph 2.3 applies.~~
- 2.2 Subject to paragraph 2.3, ~~4, if the Relevant Consumer accepts the terms of the Relevant Supply Contract offered to them under paragraph 2.13~~, the authorised person must supply the Relevant Consumer in accordance with ~~that Relevant~~ a 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

- 2.3 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:
  - 2.3.1 the Relevant Consumer's premises are not connected to the applicable relevant heat network;
  - 2.3.2 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;
  - 2.3.3 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
  - 2.3.4 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 B9 (Security Deposits, Payment Difficulties, Disconnections and Direct Debits).

#### Notification of terms and provision of information

- 2.4 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 to a Relevant Consumer, 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:
  - 2.4.1 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
  - 2.4.2 the Principal Terms of ~~the proposed Relevant~~ that Supply Contract or ~~Relevant Lease~~, insofar as they relate to the supply of heating, cooling or hot water.
- 2.5 Each ~~Relevant~~ Supply Contract must:

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- 2.5.1 be in Writing;
- 2.5.2 drafted in plain and intelligible language; and
- 2.5.3 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.
- 2.6 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:
  - 2.6.1 in Writing;
  - 2.6.2 at the outset of the supply;
  - 2.6.3 at any time a copy is requested by a Relevant Consumer within a reasonable period of time after receiving the request; and
  - 2.6.4 when any changes to such **Relevant Supply Contract** are sent to the Relevant Consumer by the authorised person.
- 2.7 If the authorised person supplies heating, cooling or hot water to a Consumer under a **deemed contract Deemed Contract**, it must take all reasonable steps to provide that Consumer with:
  - 2.7.1 the Principal Terms of the **deemed contract Deemed Contract**; and
  - 2.7.2 notice that **other Supply Contracts**, with terms that may be different from the terms of **deemed contracts Deemed Contracts** may be available and of how information about such Supply Contracts may be obtained.
- 2.8 If a person requests a copy of a **deemed contract 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.
- 2.9 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

- 2.10 The authorised person must include in each **Relevant Supply Contract with a Relevant Consumer 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):
  - 2.10.1 all terms and conditions for the supply of heating, cooling or hot water including the Principal Terms;
  - 2.10.2 where applicable, a term separately identifying the Charges and the charges for any other good or service to be provided;
  - 2.10.3 relevant Billing Information;
  - 2.10.4 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;
  - 2.10.5 details of the authorised person's Complaints Handling Procedure;

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- 2.10.6 details of services that will be provided by the authorised person directly or by any third parties, including operation, maintenance, metering, and billing services;
- 2.10.7 where the services referred to in paragraph 2.104.6 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;
- 2.10.8 key performance indicators of the heat network, including network efficiency;
- 2.10.9 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;
- 2.10.10 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;
- 2.10.11 where applicable, information on the availability of consumer advocacy from the Relevant Consumer Advice Body;
- 2.10.12 information on the source of thermal energy and the environmental impacts of the operation of the relevant heat network;
- 2.10.13 contact information, including where applicable Website addresses, for organisations from which information may be obtained on available energy efficiency improvement measures;
- 2.10.14 details of the process by which a Relevant Consumer may request Historic Consumption Data;
- 2.10.15 any other terms and conditions or requirements stated as required to be included in any ~~Relevant Supply Contract with a Deemed Contractor~~ Relevant Consumer Lease, as applicable, in accordance with the authorisation conditions.

- 2.11 The authorised person must take all reasonable steps to ensure that the terms of each of its ~~Deemed Contracts and Relevant~~ Supply Contracts with a Relevant Consumer are not unduly onerous.
- 2.12 The authorised person must not include, enforce or take advantage of, any term of a ~~Relevant Supply Contract or a Deemed~~ Contract if:
  - 2.12.1 the inclusion of that term is incompatible with the authorisation conditions; or
  - 2.12.2 the enforcement or the taking advantage of that term would be so incompatible.

### Term and Termination

- 2.13 In relation to any ~~Deemed Contractor~~ 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:
  - 2.13.1 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
  - 2.13.2 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 ~~they have~~ ~~he has~~ stopped owning or occupying the premises; or

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- (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.
- 2.14 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 **thirty (30) Working Days**.
- 2.15 In relation to any **deemed contract Deemed Contract**, the authorised person must ensure that:
  - 2.15.1 where a Consumer intends to be supplied with heating, cooling or hot water under **an agreed a Supply Contract**, the **deemed contract Deemed Contract** will continue to have effect until the authorised person begins to supply such heating, cooling or hot water under **a such 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 Deemed Contract**; and
  - 2.15.2 the **deemed contract Deemed Contract** does not provide for any fixed term period or any termination fee to be payable by the Consumer.
- 2.16 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 Deemed Contract**.

### Transitional Arrangements

- 2.17 Where the authorised person supplies a Relevant Consumer pursuant to an existing **Relevant Supply Contract Deemed Contract or Relevant Lease**, the authorised person must:
  - 2.17.1 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
  - 2.17.2 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.
- 2.18 The Authority shall publish guidance on transitional arrangements relating to existing **Relevant Supply Contracts with Deemed Contracts or Relevant Consumers Leases**.

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### 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** ~~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** ~~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 **thirty** (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.

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3.5 A relevant contract change notice ~~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).

### Exception to compliance with condition

3.6 The obligations in ~~paragraphs 3.1.2 and 3.2 this authorisation condition~~ do not apply to ~~the extent that the relevant Charges are Service Charges the authorised person in relation to a Relevant Consumer whose supply is subject to a Relevant Lease~~.

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### 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** ~~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;

## **Decision Heat networks regulation: authorisation conditions**

- (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
- (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;

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- 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:
  - 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:

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- 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
- 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;

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- 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:

- 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:

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- 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:

- 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 **five (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 ~~co-operate~~ **co-operate** 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.

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### 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.

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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.

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### 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 lease to which Sections 18 to 24 of the Landlord and Tenant Act 1985 apply (or any other agreement governed by legislative provisions with similar effect in any jurisdiction within Great Britain), 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

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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:

- 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 **where practicable**, 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;

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- 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(s) allocated by the Authority (if any) in relation to the authorised person and/or its organisation; and
- 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.

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### 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;
- 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*” **where the Charges to which the Bill relates are Service Charges**.

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 **to the extent the Bill or Billing Information relates to Charges that are Service Charges**.

6.24 The authorised person must not make a specific charge to a Relevant Consumer for the provision of a Bill or Billing Information **relating to Charges that are Service Charges** other

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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 **their his** costs of management any costs incurred by **them him** in connection with making those facilities so available.

### Provision of Billing and Billing Information

6.25 Paragraph 6.9 shall not apply **where the Charges to which the Bill or Billing Information relates are Service Charges**, 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;
- 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 **Where the Charges to which the Billing Information relates are Service Charges**, paragraph **Paragraph** 6.10 applies subject to paragraphs 6.10.3 and 6.10.10 being read as follows:

*6.10.3: where **practicable 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 **Where the Bills, Billing Information or payment method relate to Charges that are Service Charges**, paragraphs **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 **in respect of Charges that are Service Charges** must cover a period as determined pursuant to the terms of the **relevant lease or agreement Relevant Lease**.

### Consumers using Prepayment Meters

6.29 Paragraphs 6.18 and 6.19 shall not apply **where the Charges that the Prepayment Meter relates to are Service Charges**.

6.30 Where the authorised person supplies a Relevant Consumer using a Prepayment Meter **where the Prepayment Meter relates to Charges that are Service Charges**, 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 or agreement 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;

## **Decision Heat networks regulation: authorisation conditions**

- 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.

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### 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 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 twelve (12) months preceding the date the charge recovery action Charge Recovery Action was taken; and
- 7.1.2 where applicable, ~~other Charges incurred by the authorised person~~ amounts if accrued within the twelve (12) months preceding the date the charge recovery action 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 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 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 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 Charge Recovery Action in relation to a Domestic Consumer or Microbusiness Consumer ~~in relation to a Charge that is a Service Charge, 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~~ 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 ~~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.

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### 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

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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.

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### 9 Section B: Condition 9: Security Deposits, Payment Difficulties, Disconnections and 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 applicable to the relevant heat network and~~ 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

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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 **B5** (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;

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- (c) not insisting on substantial upfront payments before reconnection; and
- (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 **B10** (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 **terms and conditions** referred to in paragraphs 9.9 and 9.10 will continue to bind the authorised

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person notwithstanding that it ceases to be authorised including where its heat network authorisation is revoked.

### Disconnection for unpaid charges

- 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 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 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

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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);
- 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.

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### 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 B11 (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;

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- 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 **B9** (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.

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10.9 Without prejudice to the operation of any other restriction which may apply under paragraph 10.10 or paragraph 10.11, where:

- 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 **B9** (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 reason to 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 **who ~~how~~** is under the age of 5; or

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10.11.4 a person who is temporarily in a **Vulnerable Situation** ~~vulnerable situation~~ due to being pregnant or for another health related reason,

then where:

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 B9 (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,

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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:
  - 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.

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### 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 **B9** (Security Deposits, Payment Difficulties, Disconnections and Direct Debits), authorisation condition **B5** (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 **B9** (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.

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- 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 **B9** (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 **B1** (Supplier Standards of Conduct) and authorisation condition **B5** (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 **B10** (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 **B9** (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](#) [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.

## **Decision Heat networks regulation: authorisation conditions**

### **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.

## **Decision Heat networks regulation: authorisation conditions**

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

## Decision Heat networks regulation: authorisation conditions

### 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 Consumer Objective for Operators**”).

#### Achieving the Operator Standards of Conduct

1.2 The authorised person must ensure it achieves the operator standards of conduct **Operator Standards of Conduct** in a manner consistent with the **consumer objective for operators Consumer Objective for Operators**.

1.3 The “operator standards of conduct **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 contract 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 **A6** (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.

## Decision Heat networks regulation: authorisation conditions

### 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 **the occurrence and duration of any heat network outages or other events which can cause an interruption to the supply of heating, cooling or hot water, 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 **and otherwise in a manner intended to minimise the occurrence and duration of any network outages or other events which cause an interruption 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.