

Januaury 2000

**Social Action Plan:
Improving Social Obligations**

Proposals Document

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1. Introduction

This Document

1.1 This document makes proposals for improving the provision of services to disadvantaged customers. In particular, it:

- summarises views on these issues from consumer groups and suppliers;
- taking account of these views, formally proposes the revised Licence requirements for electricity and gas suppliers in respect of social obligations;
- seeks suppliers' consent for changes to the Licences, as required under: section 11 of the Electricity Act 1989; Condition 33 of the Public Electricity Supply (PES) Licence (Scotland, 28); Condition 41 of the Second Tier Licence (Scotland, 42); and Section 23 of the Gas Act 1986;
- seeks comments on draft Guidance Notes, concerning the detailed contents and operation of Codes of Practice required under the Licence Conditions;
- seeks views on the monitoring of companies' performance under the Codes of Practice.

Background

1.2 In March 1998, in its Green Paper "A Fair Deal For Consumers"¹, the Government asked the electricity and gas regulators, in consultation with consumer groups and in partnership with the electricity and gas industries, to prepare an industry-wide action plan to ensure efficiency, choice and fairness in the provision of gas and electricity to disadvantaged customers. The Government's objective is to ensure that the economic benefits of liberalisation are spread fairly

¹ CM 3898.

amongst everyone, including the most vulnerable customers. The Government asked that the Plan establish timescales and identify milestones to be achieved over the next five years so that progress in assisting such customers can be judged against measurable targets.

- 1.3 The *Social Action Plan: Discussion Document*, published by Ofgem in May 1999, set out issues surrounding fuel poverty, discussed the contribution of regulation and competition and considered a range of possible areas for action. The document was circulated widely among the electricity and gas industries, customer and voluntary groups, Government and the finance sector. Taking into account comments received, the subsequent *Social Action Plan: Framework Document* (the Framework Document), published in October 1999, described a framework for action across a wide range of activities, including proposals for Licence changes to improve protection for disadvantaged customers. This document sets out Ofgem's proposals for these changes in more detail.

Improving Social Obligation Licence Requirements

- 1.4 Ofgem is proposing revised Licence obligations which will establish a common regime for electricity and gas companies on social obligations, i.e. on ***payment methods, energy efficiency advice, services for vulnerable customers, and debt and disconnection***. Ofgem's overall aim is to enhance the present social obligations on suppliers by levelling up to best practice between the two industries; providing a "dual fuel" regime if suppliers want one Code of Practice to cover both electricity and gas; and providing for more involvement and consultation with consumers' councils. The Licence proposals include new obligations on suppliers with regard to service to prepayment meter customers, and the provision of frequent cash payment methods.
- 1.5 This is one of a series of initiatives by Ofgem under the Social Action Plan. A consultation document concerning customers in debt and their access to the competitive market was issued in December 1999. A paper on provision of price information for consumers and a document summarising the final Plan will be published shortly.

1999 Utilities Bill

- 1.6 These proposals are separate from the Licence changes consequent on the 1999 Utilities Bill, on which Ofgem is consulting in its November 1999 paper, 'Initial Proposals on Standard Licence Conditions'. The changes in that paper result, predominantly, from powers which will be included in the Bill. The amendments to social obligations described in this document are not directly consequent on the Bill and, in order that customer protection can be enhanced from an early date, industry consent is being sought for them as Licence amendments.
- 1.7 Ofgem considers, however, that the revised conditions contained in this document, when revised as necessary to reflect the new Licence structure proposed under the Bill, should form standard conditions in the new Licences as replacements for the present conditions on these issues.

Structure of Document

- 1.8 The Chapters in this document are structured in the following way:
- Chapter 2** considers the key issues arising from the consultation on changes to Licence Conditions, and introduces the Guidance Notes on the Codes of Practice and proposals on monitoring.
- Chapter 3** summarises the changes proposed to the Licence Conditions.
- Chapter 4** describes the consents required from Licence holders for the proposed changes to Licences.
- Chapter 5** briefly summarises this document, and the next steps.

Comments Invited

- 1.9 Comments are invited on the proposals set out in this document. It would be helpful to receive responses to this document by 14 February 2000. Responses should be sent to:

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Deputy Director General

Office of Gas and Electricity Markets
Stockley House
130 Wilton Road
London
SW1V 1LQ

Fax 0171 932 1677

E-mail: boormant@ofgas.gov.uk

- 1.10 It is open to respondents to mark all or part of their responses as confidential. However, we would prefer, as far as possible, that responses were provided in a form that can be placed in the Ofgem library. If you have any queries concerning this document, Dave Barnes (0171 932 1634) would be pleased to help.

2. Responses to Licence Proposals – Key Issues

2.1 The Framework document set out for comment proposals for improving the social obligation Licence requirements. Apart from aligning requirements between electricity and gas, the most significant of the changes proposed were as follows:

- to make it a requirement that suppliers' offers of contractual terms include provision for payment of agreed sums in cash on a fortnightly or more frequent basis. This was to address concerns about the availability of frequent cash payment facilities for low income customers;
- to require suppliers to publish Codes of Practice specifically for their prepayment meter customers, to ensure that these customers receive better information and advice about the services available to them;
- to level up to best practice the provision of energy efficiency advice, and the provision of services to pensioners, or disabled or chronically sick persons. Further action included the re-designation of the special services register as the "Priority Services Register", and an obligation on suppliers to promote the availability of all the Codes of Practice at least annually;
- the revision of Guidance Notes, previously available only in electricity, describing the levels of service which the Director will accept in approving the Codes of Practice, which suppliers must publish on their Licence obligations. Suppliers would need to consult the Electricity Consumers' Committees (ECC's) and, for the first time, the Gas Consumers' Council (GCC), on their Codes of Practice prior to submitting them for the Director's approval;
- the harmonisation and improvement of the monitoring of social obligations.

- 2.2 A summary of the comments received on Ofgem's proposals, together with a list of non-confidential respondents, are included as Appendices 1 and 2 to this document. Appendices 3, 4 and 5 include the relevant Licence conditions, and give notice of the changes.

Issues of Most Concern in the Consultation

- 2.3 Overall, the responses to the Framework Document support the action Ofgem has proposed for aligning the Licence requirements and Codes of Practice for electricity and gas suppliers' social obligations, and for improving these, subject to some concerns. The key issues are discussed below.

Regular Payments

- 2.4 Many consumer groups take the view that Ofgem should increase the obligations on suppliers to provide regular cash payment facilities, so that these include the requirements that these should be both at no extra charge and available at a minimum weekly, rather than fortnightly as proposed in the Framework Document. A number of suppliers already provide weekly free cash payment facilities, and accordingly would not anticipate any problems with this requirement. However, other suppliers have raised concerns about the cost of providing frequent payment facilities, particularly when at no extra charge. Where the cost is not met by the supplier, customers have to pay a commission charge up to 90p at Post Offices. For customers using Paypoint agents, where suppliers make this facility available, there is no extra charge.
- 2.5 Smaller suppliers' concerns are typified by one new entrant supplier which commented that it already provides frequent cash payment facilities at no extra charge when customers request them, although these are extremely expensive due to the much higher transaction costs charged by payment agents e.g. Post Office Counters Limited (POCL), to smaller companies. Accordingly, if this company attracted large numbers of frequent payment customers, it maintains that its costs, and hence prices, would need to increase substantially, prejudicing its competitive position. Recognising this as a potential problem, several consumer groups suggested that obligations on frequent payment should not apply to smaller companies.

- 2.6 Several suppliers have emphasised that in a competitive market the range of payment options should in general be up to the supplier to determine, with customers choosing the supplier that offers the payment arrangement best suited to their particular circumstances. The Licence conditions should in the view of these suppliers allow scope to do this.
- 2.7 Ofgem considers that Licence provisions on methods of payment should be set at a level that adequately protects customers' interests. To do this, it is necessary to ensure that all suppliers (regardless of their size) have an obligation to provide an adequate minimum level of service to frequent payment customers, many of whom will have low incomes. However, Ofgem also wishes to allow some flexibility for suppliers to differentiate themselves on the offer of payment facilities. Accordingly, Ofgem does not intend to increase the Licence obligations, beyond the fortnightly minimum proposed, to make it mandatory for all suppliers to provide weekly and free payment facilities. However, it will monitor the range of payment facilities available in the market to check on the choices available. Ofgem will keep the provision of payment facilities under review in the light of this.
- 2.8 Ofgem also notes the concern of some consumer groups and suppliers about whether the proposed Licence requirement to provide for customers "paying fortnightly or more regularly, such sums as agreed", includes the offer of flexible payment facilities where customers can pay a non-determined sum regularly towards their bills (sometimes called 'pay as you go' schemes). Ofgem confirms that its proposal is intended to cover both non-determined and determined sums. The overall effect of the change is to ensure frequent cash payment facilities are made more widely available.
- 2.9 Customer groups widely support Ofgem's proposals for new Licence conditions requiring suppliers to prepare Codes of Practice specifically for their prepayment meter customers, because this group of customers is also seen as meriting more attention to ensure they receive good service. Both the Licence conditions, and the Guidance Notes on the Codes of Practice (see below), contain considerable detailed criteria on services prepayment meter customers should receive, substantially beyond any previous requirements in this area.

Level of debt recovery

- 2.10 Ofgem notes the continuing concern of consumer groups about the debt recovery policies of suppliers, and about the absence of proposals from Ofgem to include as Licence requirements mandatory caps on levels of debt repayment. Consumer groups are particularly concerned about customers on benefits or low incomes, who would be protected on levels of debt repayment if they were on Fuel Direct (where DSS prescribes how much can be deducted from benefits), but get no statutory protection if they are on a company debt plan. On the other hand, suppliers have commented that they prefer to retain flexibility to determine debt repayment levels, to meet customers' circumstances. Where customers prefer to repay debt more quickly than Fuel Direct rate, suppliers believe that they should be allowed to do so.
- 2.11 Ofgem has considered these issues carefully, and feels that the best approach is to allow suppliers some flexibility, but within clearly defined criteria, rather than requiring suppliers to adopt an overly rigid approach to debt recovery.
- 2.12 Ofgem agrees with consumer groups that for customers on benefits, suppliers should adopt a weekly repayment rate equivalent to Fuel Direct. This will also be suitable for most customers on low incomes just above benefit levels. It is essential that in all cases, the supplier asks the customer to confirm that debt repayment arrangements are manageable, in accordance with Licence obligations to take account of ability to pay. Ofgem will give suppliers guidelines on debt repayment levels and will ensure Codes of Practice take full account of these (see Guidance Notes on the Codes of Practice below). As a part of the monitoring of social obligations, Ofgem will keep a close check on the operation of these guidelines, including a requirement on companies to report on repayment levels applied to customers in debt.
- 2.13 Companies that routinely seek to collect debts at higher levels than those proposed under the guidelines can be assumed, in the absence of information to the contrary, to be in breach of their Licence obligation to make payment arrangements which take into account customers' ability to comply with those arrangements. While debt and disconnection policies must be applied sensitively, Ofgem does not consider that abolishing the right of suppliers to disconnect for

nonpayment, either in all cases or in cases of 'no contact' with the customer will, as some consumer groups believe, result in more effective treatment of customers in difficulties.

Services to Pensioners, Disabled or Chronically Sick Customers

- 2.14 Ofgem has also noted the concern of suppliers about the provision of free services to customers who are of pensionable age or disabled, or chronically sick. The provision of free services has not previously been a requirement for electricity customers. It is not Ofgem's intention to require provision of these services to be made whether they are needed or not, and accordingly the Licence provision has been amended to require services free of charge "on request" as in the case of gas. The proposal to re-designate the special services register as the "Priority Services Register" is generally welcomed, as is the greater promotion of this facility.

Enforceability of Codes of Practice

- 2.15 Consumer groups have expressed concern about the extent to which obligations are weakened if they are not expressly provided for in Licence conditions. Ofgem takes the view that while the Licences provide the legal framework for the social obligations, issues about the detailed delivery and operation of these obligations are best dealt with in the Codes of Practice, in order to allow for flexibility. The Licence conditions require each licensee to ensure, as far as reasonably practical, that in their dealings with any customer to whom the Code applies, they comply with such arrangements or procedures (as the case maybe) as are contained or described in the Code. Non compliance with Codes of Practice is a matter for the exercise of the Director's enforcement powers. The Director can also request the licensee to review Codes of Practice and the manner in which they are operated. Ofgem is satisfied that these powers are sufficient to ensure social obligations are properly delivered, and for rectifying any problems.

Guidance Notes on the Codes of Practice

- 2.16 Consumer groups have welcomed Ofgem's proposal to prepare revised Guidance Notes giving guidelines on the preparation and operation of the Codes of Practice. These will deal with a wide range of detailed points which consumer groups have raised, which include: access to

charging facilities and fault rectification for prepayment meter customers; contact with customers in debt; levels of debt recovery; methods of delivering energy efficiency advice; consultation and liaison between suppliers and specialist agencies; and publication and promotion of the Codes of Practice. Ofgem would welcome comments on the draft Guidance Notes which are included in this document as Appendix 6.

- 2.17 Once finalised, the Guidance Notes will be circulated to the ECC's and GCC and electricity and gas suppliers and, together with the Licence conditions, will form the basis for revision of the Codes of Practice and for consultation on these revisions between suppliers and the Consumer Councils. It is anticipated that for the review of the dual fuel codes, the ECC's and GCC will work together. Codes of Practice for electricity suppliers were last reviewed by the ECC's in 1998. The Licences and Guidance Notes, when amended in future to take into account changes arising from the Utilities Bill, should provide for consultation with the Gas and Electricity Consumers' Council.

Monitoring the Codes of Practice

- 2.18 Customer groups have welcomed Ofgem's commitment to harmonising and improving the monitoring of social obligations. However, some suppliers have raised concerns about the burden of information requests and the potential for duplication with requests from ECCs, GCC, and new Gas and Electricity Consumers' Council when established.
- 2.19 Under the respective electricity and gas Licence conditions, the Director will need to designate the standard form in which suppliers will present statistical information on the operation of social obligations to Ofgem and the Consumer Councils, and for wider publication. As a first step, Ofgem has reviewed the existing monitoring requirements for social obligations established by OFFER and OFGAS for electricity and gas suppliers.
- 2.20 During 1999 OFFER agreed revised information requirements with Public Electricity Suppliers and Second Tier Suppliers to take account of the introduction of competition. Arrangements for gas suppliers were dealt with by designation by OFGAS in 1997. Ofgem has used the most recent model established for electricity suppliers, with the addition of some further information

from the designation for gas supplies and additional information relating to prepayment meters and methods of payment, to develop the draft statistical returns included as Appendix 7.

- 2.21 Ofgem proposes that suppliers should continue to make returns on a quarterly basis to the Regulator and Consumer Councils, together with an obligation on suppliers to publish reports annually.
- 2.22 Ofgem would welcome comments on revised monitoring requirements for electricity and gas suppliers. It is proposed to establish a small working group, comprising Ofgem and representatives from the Consumer Councils and suppliers, to consider monitoring requirements further in the light of comments made. Further consideration will need to be given to additional monitoring methods, such as qualitative research, and interaction with the overall key indicators for the Social Action Plan proposed in the Framework Document. Further relevant information is expected to result from the Electricity Association sponsored research into self-disconnection.

3. Summary of Changes to Licence Conditions

- 3.1 Based on the considerations in the previous chapter, Ofgem has decided to proceed with formal proposals for Licence amendments. This section gives a general summary of the main changes proposed to the Licence conditions. A list of all the Licence conditions concerned and the revised conditions themselves are reproduced in Appendix 3. The broad summary here should not replace a detailed reading of the Licence conditions proposed in Appendix 3. These versions have undergone some revisions to those included in the Framework Document.

Enhancement of Existing Obligations

- 3.2 As well as levelling up to best practice between the two industries, the revised Licence conditions impose a number of new obligations on electricity and gas suppliers. These reflect many of the concerns of consumer groups. This section describes how the changes proposed will enhance the protection and range of services customers receive in the principal areas of concern.

(i) Range of Payment Options

- 3.3 All electricity and gas suppliers are required to have available a range of payment methods. These include payment by cash at reasonable locations, cheque, an agreed monthly amount or quarterly in arrears, and in electricity payment by prepayment meter
- **The changes proposed will increase existing obligations by requiring suppliers to offer facilities for cash payment on a fortnightly or more frequent basis. Gas suppliers will also be required to offer contractual terms on prepayment meters to any customer requesting this method of payment.**

(ii) Special Services

- 3.4 Electricity and gas suppliers are required to supply special services to domestic customers who are of pensionable age, disabled or chronically sick. Suppliers have to keep a register of customers who qualify, and request to be included. The special services include: bill re-

direction; communications appropriate to blind or partially sighted customers or deaf or hearing impaired customers; advance notice of interruptions to electricity supply; special means of identifying company officials; repositioning meters; advice on fuel use; and the provision (where practicable) of special controls and adapters for appliances and meters. The requirements for gas also include a free safety check and quarterly meter reading.

- **To ensure that electricity customers get the same level of service as gas customers, electricity suppliers will have to provide services free of charge where requested. Additionally, services to electricity customers will in future include quarterly meter reading where eligible. Electricity suppliers will also have to prepare a separate Code of Practice for customers who are blind or deaf. The special services register is to be renamed the “Priority Service Register”, and the availability of this will have to be notified by suppliers to all customers at least annually.**

(iii) Treatment of Customers in Debt

3.5 All suppliers have to treat customers with payment difficulties sympathetically. They must accept payment in the following ways: through deductions from Social Security benefit where these facilities are available; by accepting repayment of debt by instalments, taking into account the customer’s ability to pay; and by offering a prepayment meter where this is safe and practicable, calibrated to recover the debt at a level the customer is able to afford. Customers in debt must also be provided with information on how they might reduce their future bills by the more efficient use of energy.

- **Both electricity and gas suppliers are to be required to publish Codes of Practice on services to prepayment customers, including such matters as access to charging facilities, and timely fault rectification. Arrangements for security deposits are to be revised to give gas customers an improved rate of interest on deposits and the right to determination of disputes by the Director. These changes will align gas with the existing arrangements on security deposits in electricity.**

(iv) Energy Efficiency

3.6 All electricity and gas suppliers have to provide advice to their customers on the efficient use of energy, including details of how they can obtain further information and advice from sources additional to the supplier. However, there are some differences in the requirements between electricity and gas suppliers.

- **In order to align practice between the two industries, and ensure advice is of a consistent quality, gas suppliers will have to operate telephone advice lines for their customers (currently a requirement in electricity) and electricity suppliers will have to ensure that staff giving advice are suitably qualified (currently a requirement in gas).**

(v) Promotion of Codes of Practice

3.7 A frequent concern of consumer groups has been that awareness of the Codes of Practice among customers has been low, principally because these have not been adequately promoted. In order to address this concern a new obligation is to be introduced into the electricity and gas Licences, requiring suppliers to inform customers at least annually about the Codes of Practice. The Guidance Notes on the Codes of Practice address how this should be done. The following section summarises how the changes above affect the respective electricity and gas suppliers' Licences.

Changes to Electricity Supply Licences

3.8 The changes will require electricity suppliers to improve service in the following ways:

- provide facilities for customers to pay bills in cash on a fortnightly or more frequent basis;
- publish a Code of Practice on services to prepayment meter customers;
- ensure that staff giving energy efficiency advice are suitably qualified;
- prepare a Code of Practice for blind and deaf customers;
- notify all customers annually of the availability of the "Priority Service Register" (formerly "Special Needs Register") for pensioners, disabled and chronically sick customers;

- make available free of charge certain additional services to pensioners, disabled or chronically sick customers;
- inform customers annually of the availability of Codes of Practice;
- revise arrangements for payment of interest on security deposits.

Changes to Gas Supply Licences

3.9 As a result of the changes, gas suppliers will, for the first time, be required to consult the Gas Consumers Council, and submit Codes of Practice for the Director's approval. The Codes will include additional requirements, over and above suppliers' existing arrangements, to:

- provide facilities for customers to pay bills in cash on a fortnightly or more frequent basis;
- publish a Code of Practice on services to prepayment meter customers;
- provide contractual terms on prepayment meters to all customers requesting this method of payment;
- notify all customers annually of the availability of the "Priority Service Register" (formerly "Special Needs Register") for pensioners, disabled and chronically sick customers ;
- revise arrangements for giving energy efficiency advice, including the maintenance of a telephone information service;
- inform customers annually of the existence of the Codes of Practice;
- revise arrangements for security deposits.

3.10 The changes described in paragraphs 3.8 and 3.9 above have also been incorporated into the Guidance Notes (see Appendix 6), to ensure that suppliers put these Licence requirements properly into operation in their Codes of Practice.

4. The Consent Of Licence Holders

- 4.1 This chapter describes the arrangements for amending the Licence conditions. The Director may modify the Conditions of Licences subject to the consent of Licence holders. The method of obtaining the consent of Licence holders to changes to the Licences varies according to the Licence Conditions concerned.

Electricity Licence Holders

- 4.2 The changes proposed in this document to contract terms and security deposits will be dealt with in accordance with Condition 33 of the PES Supply Licence (Scotland, 28) and Condition 41 of the Second Tier Supply Licence (Scotland, 42). Under the relevant conditions of these Licences, it is necessary that not less than 90 per cent of electricity suppliers, which are eligible to supply electricity to Designated Premises ², both by number and the number of premises supplied, agree to the modification. The Director is required to allow not less than 28 days from the giving of notice of the changes for suppliers to express their views on his proposals.
- 4.3 The Director will obtain from Metering Point Administration System Operators information showing the number of Designated customers being supplied with electricity on the date of the Director's request for information.
- 4.4 For the purpose of assessing consent or non-consent to the proposal, all designated suppliers will be sent a form for return to the Director on which they will be asked to indicate whether they consent to the modification or not. That form will also show the number of Designated Premises for that supplier provided by Meter Point Administration System Operators and will seek the supplier's acceptance of that number, for the purposes of the determination by the Director of the percentage of Designated Premises of suppliers consenting to the proposed modification. If a supplier regards the number to be used by the Director in respect of his supply as inappropriate he should provide the Director with an alternative number and a statement of reasons for preferring his number over that proposed by the Director.

² Premises using no more than 12,000 kWh annually.

- 4.5 The remaining changes will be dealt with under section 11 of the Electricity Act 1989. Under this section, the Director may modify the conditions of a Licence if the holder of the Licence consents to the modifications. The Director is required to allow not less than 28 days from the giving of notice of the changes for suppliers to make representations or objections with respect to the proposed modifications.
- 4.6 The Director's formal notice of the proposal to modify the electricity Licences is included at Appendix 4.

Gas Licence Holders

- 4.7 Under the Gas Act 1986, the Director may modify the Standard Conditions of Licences, where Licence holders agree to such modifications. It is necessary, under section 23 of that Act, that not less than 90 per cent of Licensed gas suppliers, both by number and by volume of gas supplied, consent to the modifications. For this purpose, the volume of gas of each supplier is as estimated by the Director on the basis of information made available to him. The Director is required to allow not less than 28 days from the giving of notice of the changes for suppliers to express their views on his proposals.
- 4.8 The Director will obtain from Transco information showing the volume of gas supplied in the last twelve months. For the purposes of assessing consent or non-consent to the proposals, Licence holders will be sent a form for return to the Director on which they will be asked to indicate whether they consent to the modifications or not. That form will also show the estimate of gas volume provided by Transco for the supplier and will seek the supplier's acceptance of that volume, for the purposes of the determination by the Director of the percentage by volume of suppliers consenting to the proposed modification. If a supplier regards the volume to be used by the Director in respect of his supply as inappropriate he should provide the Director with an alternative estimate and a statement of reasons for preferring his estimate over that proposed by the Director.
- 4.9 The Director General's formal notice of the proposal to modify the gas Licences is included at Appendix 6.

5. Summary and Next Steps

- 5.1 This document describes improvements to the social obligations which electricity and gas companies are required to provide to their customers. These improvements are an important part of the Social Action Plan.
- 5.2 The changes proposed to the Licence conditions require the consent of Licence holders under formal procedures in the Electricity and Gas Acts and relevant electricity Licence conditions. Ofgem will write to Licence holders to seek consent. Notice of the proposals to modify the Licences is included at Appendices 4 and 5. The Director is required to allow 28 days for representations or objections and the closing date is 14 February 2000.
- 5.3 This document also includes Guidance Notes which the Director proposes to issue to facilitate the preparation and operation of the Codes of Practice which Licencees will be required to publish, and initial details on the monitoring information which Ofgem proposes to collect. Views are also invited on these matters by 14 February 2000.

Next Steps

- 5.4 Subject to the comments invited above, and requisite supplier consent, Ofgem envisages the following timetable for further work on social obligations:
- 14 March 2000 New Licence Conditions and Guidance Notes published by Ofgem.
 - 28 April 2000 Closing date for suppliers to submit Codes of Practice to ECC's/GCC for comment.
 - 30 June 2000 Closing date for suppliers to submit Codes of Practice to Ofgem for Director's approval.
 - 31 August 2000 Latest date for suppliers to publish Codes of Practice implementing revised Licence requirements.
- 5.5 Ofgem also envisages that following the necessary consultation, revised monitoring arrangements for social obligations should commence on 1 July 2000, with the first quarterly returns under these arrangements falling due for the quarter ending 30 September 2000.

Appendix 1 Respondents

Age Concern
Bourne, A C
Centre for Utility Consumer Law
Consumers' Association
Eaga
EBICO Ltd
Eddyshaw, James
Electricity Association
Electricity Consumers' Committee, Eastern Region
Electricity Consumers' Committee, East Midlands
Electricity Consumers' Committee, London Region
Electricity Consumers' Committee, Merseyside and North Wales
Electricity Consumers' Committee, North East Region
Electricity Consumers' Committee, North of Scotland
Electricity Consumers' Committee, North West
Electricity Consumers' Committee, South East
Electricity Consumers' Committee, South Wales
Electricity Consumers' Committee, South West Region
Electricity Consumers' Committee, Southern Region
Energy Action Scotland
Energy Saving Trust
Gas Consumers Council
Independent Energy
London Electricity
Mind
Midlands Electricity
Money Advice Association
National Association of Citizens Advice Bureau
National Consumer Council

National Electricity Consumers Council
National Power
National RIGHT TO FUEL Campaign
Northern Electric & Gas
Northumberland Distance Debt Unit
Norweb Energi
PayPoint
Powergen
Public Utilities Access Forum
Royal National Institute for the Blind
Scottish and Southern Energy plc
Scottish Executive
Seeboard
Siemens Metering Limited
Solid Fuel Association
Swalec
Transco
Unison
Yorkshire Electricity

Appendix 2 Overview of Responses

Licence Changes, Social Obligations

The *Framework Document*, published in October of this year, outlined Ofgem's proposals to revise the electricity and gas Licence provisions on social obligations in order to enhance them and to align provisions for electricity and gas. The proposals incorporated suggestions made in response to the original Discussion Document.

Views

This chapter gives an overview of the comments in the responses to the *Framework Document* that relate specifically to the Licence condition amendments or Guidance Notes. It attempts to draw out some common threads from all the responses. It is necessarily drawn very broadly in order to represent the balance of opinion.

From customer groups

A number of issues are highlighted by customer agencies. In particular, there is support for action in the areas set out in the following paragraphs.

There is wide support for the decision to align the social obligations for gas and electricity and level up the service standards. The National Electricity Consumers Council (NECC) would like to see Ofgem take the opportunity to improve the content of the Licences further.

Agencies support the new Licence Condition requiring all suppliers to accept frequent cash payments, although a number suggest that it should go further and specifically require suppliers to accept weekly payments. Others argue that the proposed amendment is too prescriptive by stating, 'paying fortnightly or more regularly, such sums as agreed'. They feel that this would preclude flexible or pay-as-you-go schemes. Agencies also want the Licence Condition to require suppliers to offer such payment schemes free of charge.

There is wide support for the new Licence Condition requiring suppliers to introduce a separate Code of Practice for prepayment meter customers. Agencies want the Code to cover areas such as: the number and opening hours of payment outlets/charging points; distances that customers should travel to payment outlets/charging points; standards for repairing meters and replacing tokens; levels of emergency credit; and arrangements for informing customers about what they are paying and the alternatives. Agencies also argue for debt repayment levels to be restricted to the Fuel Direct rate for customers on benefit and double that rate for others. The NECC wants every prepayment meter customer to be given a copy of the Code of Practice.

The Gas Consumers Council (GCC) and NECC want more emphasis on debt prevention. Other agencies also want suppliers to be more proactive in their monitoring, management and pursuance of debt. They support requirements that will require suppliers to take steps to identify customers in genuine difficulty.

There is a general concern among customer agencies that suppliers do not always take into account the customer's ability to pay. The GCC and others argue for stronger protection and more help for customers in debt. The NECC argues that setting mandatory caps would stop suppliers asking for more than customers can afford. Other agencies want suppliers to be given objective criteria to use when deciding debt levels. There is wide support for suppliers training staff better to know when, for example, it is appropriate to refer customers to independent debt advisers.

Agencies generally support the change in name from the 'Special Needs Register' to the 'Priority Service Register' and welcome Ofgem's objective to increase the number of customers on these registers. The Royal National Institute for the Blind (RNIB) wants the Code of Practice for persons who are blind or deaf to require suppliers to increase the range of formats in which bills may be demanded, to include at least large print, Braille and audio cassette. It also wants it to be made clear that the range of services available extend to those in the Code of Practice for customers who are of pensionable age, chronically sick or disabled.

The strengthening of Licence requirements for energy efficiency advice is welcomed by Agencies. Agencies also think it is a good idea to make customers aware of the Code when they move home. Electricity Consumers' Committees (ECCs) and the GCC also argue for a more proactive approach to the promotion of energy efficiency advice for those customers in difficulty and stress the need for home visits

in certain circumstances. Agencies feel it is very important that the energy efficiency Codes of Practice inform customers about the help available from such sources as the Home Energy Efficiency Scheme (HEES) and the Energy Efficiency Standards of Performance (EESOP's) programmes.

On publicity, there is general support for Ofgem's proposal that suppliers should inform customers annually about the Codes. Agencies suggest that it would also be appropriate for suppliers to send the relevant Code of Practice whenever a customer calls with an enquiry or complaint and for a copy of each Code to be left with customers when they move into a new property.

A number of groups raise concerns about the ability of Ofgem to monitor the Codes of Practice effectively, and enforce them when they are breached, preferring to see strong Licence sanctions.

From Suppliers and Industry Respondents

Suppliers generally support the alignment of the Licences, to give dual fuel customers single Codes of Practice, but raise concerns about whether the changes will be cost effective. There is a wide range of opinion and some of the smaller suppliers are concerned about the cost implications of some of the additional requirements proposed.

The majority of suppliers state that they already offer customers the option of making regular payments by cash. Some suppliers share the consumer groups' concern that the wording of the Proposed Licence condition may preclude flexible payment schemes. Others argue that the decision on whether to offer regular payments should be left to suppliers and not be a Licence requirement. They take the view that they should be able to pass on to the customer any transaction costs that they incur from payment agencies. Smaller suppliers are unable to negotiate such favourable terms with payment agents as the large suppliers.

Most electricity suppliers already have Codes of Practice on prepayment meters and are happy to develop them for both fuels. However, some suppliers are worried about the cost of introducing a prepayment meter Code of Practice. Most feel, given the range of circumstances in different areas of the country, that it would be difficult to impose specific minimum service levels on the industry.

Most suppliers agree with the re-wording of the Special Needs Register, as the “Priority Service Register”, but others argue that it may be misleading to describe these customers as a ‘priority’.

Some suppliers are concerned about the cost implications of certain elements of the Licence Conditions on services to customers who are of a pensionable age or disabled or chronically sick. There is particular concern about the provision of some services free of charge and with having to read meters for such customers, where appropriate, once a quarter. Some suppliers argue that the services should be provided ‘on request’ rather than ‘where appropriate’ and that they should be able to charge in certain circumstances, or that they should be allowed extra money in their price controls.

On energy efficiency, it is suggested that the competitive market already provides sufficient incentives to make information available. Suppliers are not convinced that additional requirements will be effective in alleviating problems experienced by the fuel poor, given that there are wider issues associated with the problem, involving a range of other organisations.

Suppliers believe that they already make great efforts to publicise the existence of their Codes of Practice. They mention them on the back of bills and usually advertise them through Citizens Advice Bureaux, Trading Standards Offices, libraries and payment outlets. They argue that any increased requirements may not be cost effective. However, other suppliers are relaxed about the requirement to notify customers annually.

Appendix 3 Proposed Licence Conditions

Amendments to Licence Obligations: Social Obligations

This annex includes revised texts for electricity and gas Licence conditions concerning:

- Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulties (pages 28 and 64).
- Code of Practice on the Use of Prepayment Meters (pages 30 and 62).
- Record of and Report on Performance (pages 32 and 67).
- Provision of Services for Persons who are Blind or Deaf (pages 34 and 61).
- Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick (pages 35 and 58).
- Energy Efficiency (pages 37 and 56).
- Preparation, Review of and Compliance with Customer Service Codes (pages 39 and 54).
- Contractual Terms/Methods of Payment (pages 41 and 53).
- Security Deposits (pages 43 and 59).

Also included for gas only is a revised Condition 3 concerning Standard Contractual Terms of Supply to Domestic Customers (page 45); and details of certain minor consequential changes to Standard Conditions 4 and 7 (page 52).

In the case of the electricity Licences, Conditions are referred to by four numbers, e.g. Code of Practice on payment of bills is headed 'Condition 18,12,30 and 31'. In each case these numbers refer respectively to: the 'Public Electricity Supply Licence'; the 'Generation, Transmission and Public Electricity Supply Licence in Scotland'; the 'Second Tier Supply Licence'; and the 'Scottish Second Tier Supply Licence'.

Note: Following changes in ownership, the Licencing structure of Midlands Electricity, South Western Electricity and South Wales Electricity is different from the above, but this does not materially affect the content of these Licence conditions.

Licence Conditions - Electricity

Condition 18, 12, 30, and 31: Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty

1. The Licensee shall, no later than 30 June 2000, prepare and submit to the Director for his approval a code of practice concerning the payment of electricity bills by its Domestic Customers, including appropriate guidance for the assistance of such customers who, through misfortune or inability to cope with electricity supplied on credit terms, may have difficulty in paying such bills.
2. The code of practice shall include procedures by which the Licensee can distinguish, so far as reasonably practicable, customers in difficulty (the "relevant customers") from others in default and can:
 - (a) provide general information as to how relevant customers might reduce their bills in the future by the more efficient use of electricity;
 - (b) where such a facility is available, accept in payment for electricity supplied sums which are deducted at source from social security benefits payable to relevant customers;
 - (c) detect failures by relevant customers to comply with arrangements entered into for paying by instalments charges for electricity supplied;
 - (d) make such arrangements so as to take into account the customers' ability to comply with them;
 - (e) ascertain, with the assistance of any information provided by other persons or organisations, the ability of customers to comply with such arrangements; and
 - (f) provide for customers who have failed to comply with such arrangements, or procure for them the provision of, a prepayment meter (where safe and practicable to do so).

3. In formulating the procedures referred to at paragraph 2 the Licensee shall have particular regard:
 - (a) to the purpose of avoiding in so far as is practicable, the disconnection of premises occupied by relevant customers otherwise than following compliance by the Licensee with such procedures; and
 - (b) to the interests of relevant customers who are of pensionable age or disabled or chronically sick and to the purpose of avoiding, in so far as is practicable, the disconnection of premises occupied by such customers during the winter months of each year,and the procedures shall be designed for the achievement of such purposes.
4. This condition is subject to the provisions of Condition [23A, 17A, 36 and 37].

Condition 18A, 12A, 30A, and 31A: Code of Practice on the Use of Prepayment Meters

1. The Licensee shall, no later than 30 June 2000, prepare and submit to the Director for his approval a code of practice concerning the use of prepayment meters by its Domestic Customers, including appropriate guidance for the assistance of its prepayment meter customers who wish to take a supply of electricity on other terms.
2. The code of practice shall set out the Licensee's policy on the installation of prepayment meters and shall include procedures by which the Licensee will where appropriate:
 - (a) provide general information for customers on the operation, usefulness, advantages and disadvantages of prepayment meters, including details of:
 - (i) token outlets and card or key charging facilities within the areas supplied with electricity by the Licensee;
 - (ii) the actions available to customers on the malfunction of a prepayment meter or a prepayment card or key; and
 - (iii) any standards of performance (and associated payments) applying to the Licensee in relation to premises supplied by it through prepayment meters;
 - (b) arrange for the calibration of any prepayment meter provided in accordance with subparagraph 2(f) of Condition [18, 12, 30, and, 31] so as to take into account, having due regard to all information available to the Licensee (including any information provided by other persons or organisations), the relevant customer's ability to pay any charges due from him under the arrangements contemplated by that Condition in addition to the other charges lawfully being recovered through the prepayment meter;
 - (c) arrange for the re-calibration of prepayment meters:

- (i) in the case of an individual customer, at the conclusion of any such arrangements applying to that customer; and
- (ii) generally, following changes in the price at which the Licensee supplies electricity to prepayment meter customers; and
- (d) remove prepayment meters, setting out the timescale and the conditions under which such removal might be expected to take place.

3. This Condition is subject to the provisions of Condition [23A, 17A, 36 and 37].

Condition 19, 13, 35, and 36: Record of and Report on Performance

1. The Licensee shall keep a record of its general operation of the arrangements mentioned in Conditions [18, 18A, 19A, 20, 20A, 21, 22 and 23]* and if the Director so directs in writing, of its operation of any particular cases specified, or of a description specified, by him.
2. The Licensee shall keep a statistical record of its performance in relation to the provision of electricity supply to its Designated Customers under the terms of contracts or in accordance with tariffs fixed under Section 18 of the Act.
3. The Licensee shall, from time to time as required by the Director, provide to the Director and to the Relevant Consumers' Committee such of the information contained in the records prepared in accordance with paragraphs 1 and 2 as the Director may request in writing.
4. As soon as is reasonably practicable after the end of each calendar year, the Licensee shall submit to the Director and the Relevant Consumers' Committee a report dealing with the matters mentioned in paragraphs 1 and 2 in relation to that year and shall:
 - (a) publish the report so submitted in such manner as will in the reasonable opinion of the Licensee secure adequate publicity for it; and
 - (b) send a copy of it free of charge to any person requesting one,except that, in performing its obligations under sub-paragraphs (a) and (b), the Licensee shall exclude from the report such information as appears to it to be necessary or expedient to ensure that, save where they consent, individual Designated Customers referred to therein cannot readily be identified.
5. The report shall be presented, so far as is reasonably practicable, in a standard form designated by the Director for the purposes of this Condition.

[* **Also Conditions:** 12, 12A, 13A, 14, 14A, 15, 16, 17; 30, 30A, 30B; 31, 32, 33, 34; 31, 31A, 31B, 32, 33, 34, 35]

Condition 19A, 13A, 30B, 31B: Provision of Services for Persons who are Blind or Deaf

1. The Licensee shall, no later than 30 June 2000, prepare and submit to the Director for his approval a code of practice detailing the special services the Licensee will make available for its Domestic Customers who are disabled by virtue of being blind or partially sighted, or deaf or hearing impaired.
2. The code of practice shall include arrangements by which the Licensee will, on request, in each case free of charge:
 - (a) make available to its blind and partially sighted customers, by telephone or other appropriate means, information concerning the details of any bill relating to the supply of electricity to them and a facility for enquiring or complaining in respect of any such bill or any service provided by the Licensee; and
 - (b) make available to its deaf and hearing impaired customers, being in possession of appropriate equipment, facilities to assist them in enquiring or complaining about any bill relating to the supply of electricity to them or any service provided by the Licensee.
3. This Condition is subject to the provisions of Condition [23A, 17A, 36, 37].

Condition 20, 14, 31, 32: Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick

1. The Licensee shall, no later than 30 June 2000, prepare and submit to the Director for his approval a code of practice detailing the special services the Licensee will make available for domestic customers who are of pensionable age or disabled or chronically sick. The code of practice shall include arrangements by which the Licensee will on request of such customers, where reasonably practicable and appropriate, and in each case free of charge:
 - (a) provide special controls and adaptors for electrical appliances and meters (including prepayment meters) and reposition meters;
 - (b) provide special means of identifying persons acting on behalf of the Licensee;
 - (c) give advice on the use of electricity;
 - (d) send bills in respect of the supply of electricity to a customer to any person who is willing to be sent such bills and is nominated by that customer (without prejudice, however, to the right of the Licensee to send such bills both to the customer and to the nominated person where that appears appropriate to the Licensee); and
 - (e) provide, where neither the customer nor anyone living with him is able to read the electricity meter, for the meter to be read once in each quarter and for the customer to be informed of the readings so obtained.
2. The code of practice shall further include arrangements whereby the Licensee will:
 - (a) establish a list (the "Priority Service Register") of customers who may be expected, by virtue of being of pensionable age or disabled or chronically sick, to request:
 - (i) information and advice in respect of the matters set out at paragraph 1; or

- (ii) advance notice of interruptions to the supply of electricity;
- (b) notify its customers at least once each year of the existence of the Priority Service Register and of how they may be included on it; and
- (c) maintain the Priority Service Register, comprising the relevant details of each customer who requests (or, in the case of a customer supplied by a private electricity supplier, whose supplier requests) his inclusion on it and:
 - (i) give to those of its own customers so registered, in respect of the matters set out at paragraph 1; and
 - (ii) give to all customers so registered, in respect of interruptions to the supply of electricity,

such information and advice as may be appropriate and is of such nature as shall be set out in the code of practice.

3. This Condition is subject to the provisions of Condition [23A, 17A, 36, 37].

Condition 22, 16, 33, 34: Efficient Use of Electricity

1. The Licensee shall, no later than 30 June 2000, prepare and submit to the Director for his approval a code of practice setting out the ways in which the Licensee will make available to customers such guidance on the efficient use of electricity, in each case given or prepared by a suitably qualified person, as will, in the opinion of the Licensee enable customers to make informed judgments on measures to improve the efficiency with which they use the electricity supplied to them.
2. The code of practice shall include, but shall not be limited to:
 - (a) the preparation and making available free of charge to any customer who requests it of a statement, in a form approved by the Director, setting out information and advice for the guidance of customers in the efficient use of electricity supplied to them;
 - (b) the making of arrangements for maintaining sources from which customers may obtain further information about the efficient use of electricity supplied to them, including the maintenance of a telephone information service; and
 - (c) the preparation and making available free of charge to any customer who requests it of a statement or statements of sources (to the extent that the Licensee is aware of the same) outside the Licensee's organisation from which customers may obtain additional information or assistance about measures to improve the efficiency with which they use the electricity supplied to them, such statement or statements to include basic information which is publicly available on financial assistance towards the costs of such measures available from central or local Government or through bodies in receipt of financial support from Government in connection with measures to promote the efficiency of energy use.
3. Where the Director (who may have regard to the need for economy, efficiency and effectiveness before giving directions under this paragraph) gives directions to do so, the Licensee shall:
 - (a) review and prepare a revision of the code of practice;

- (b) take steps to bring to the attention of customers information on the efficient use of electricity supplied to them; and
- (c) send to each customer a copy of any information in relation to the efficient use of electricity published by the Director pursuant to Section 48 of the Act

in such manner and at such times as will comply with those directions.

4. This Condition is subject to the provisions of Condition [23A, 17A, 36, 37].

Condition 23A, 17A, 36, 37: Preparation, Review of and Compliance with Customer Service

Codes

1. This Condition applies to any code of practice required to be prepared by the Licensee pursuant to Conditions [18, 18A, 19A, 20, 20A, 22 and 23]* of this Licence.
2. In first preparing such a code the Licensee shall, prior to submitting that code to the Director, consult the Relevant Consumers' Committee and shall have regard to any representations made by the committee about such code or the manner in which it is likely to be operated.
3. Where before the expiry of 30 days of the Licensee first submitting such code to the Director for his approval the Director notifies the Licensee that the Director considers the code is not sufficient for the purposes of meeting the requirements of this Licence the Licensee shall forthwith make such changes as the Director may require.
4. The Licensee shall, whenever requested to do so by the Director, review such code and the manner in which it has been operated, with a view to determining whether any modification should be made to it or to the manner of its operation.
5. In carrying out any such review the Licensee shall consult the Relevant Consumers' Committee and shall have regard to any representations made by it about such code or the manner in which it is likely to be or (as the case may be) has been operated.
6. The Licensee shall submit any revision of such code which, after consulting the Relevant Consumers' Committee in accordance with paragraph 5, it wishes to make, to the Director for his approval and following his approval in writing shall then revise the code.

7. The Licensee shall:
- (a) as soon as practicable following the preparation of any code or any revision made to it send to the Director and the Relevant Consumers' Committee a copy of such code or such revision (in each case in the form approved by the Director);
 - (b) at least once in each year, draw the attention of those of its customers to whom such code applies to the existence of the code and of each substantive revision of it and to the means by which they may inspect a copy of such code in its latest form; and
 - (c) give or send free of charge a copy of such code (as from time to time revised) to any person who requests it.
8. No changes may be made to any code otherwise than in accordance with the foregoing procedures.
9. The Licensee shall ensure, so far as reasonably practicable, that it complies with such arrangements or procedures (as the case may be) as are contained in or described by any code to which this condition applies and approved by the Director or any revision to such code approved by the Director.

[* **Also Conditions:** 12, 12A, 13A, 14, 14A, 16, 17; 30, 30A, 30B, 31, 32, 33, 34; 31, 31A, 31B, 32, 33, 34, 35]

Condition 35, 30, 43, 44: Contractual Terms

1. Where the Licensee offers to supply electricity to Domestic Premises under Designated Supply Contracts, it shall have available forms of Designated Supply Contract which provide for the payment of charges for electricity supplied to Domestic Premises:
 - (a) by prepayment through a prepayment meter;
 - (b) by different methods, including:
 - (i) by cash, at such places and to such persons as are reasonable in all the circumstances; and
 - (ii) by cheque, and
 - (c) at a reasonable range of different intervals, including:
 - (i) paying fortnightly or more regularly, such sums as agreed;
 - (ii) paying monthly a predetermined sum; and
 - (iii) paying quarterly in arrears.
2. Before entering into any contract to supply electricity to Domestic Premises (other than through a prepayment meter) the Licensee shall inform the customer of and offer to enter into Designated Supply Contracts which comply with sub-paragraphs 1(b) and (c).
3. The Licensee shall process all requests for a supply of electricity to Designated Premises without undue preference or undue discrimination.

4. The Licensee shall send copies of each of the forms of Designated Supply Contract (as revised from time to time) under which it supplies or offers to supply electricity:
 - (a) on receipt of a request, to any person; and
 - (b) not later than the date on which it first offers to supply electricity under each such form of Designated Supply Contract (or revision thereof), to the Director.
5. The Licensee shall prepare, in respect of each form of Designated Supply Contract:
 - (a) a document which sets out an accurate summary of the Principal Terms of that form of Designated Supply Contract; and
 - (b) particulars of inducements offered to any person entering into such a contract which might reasonably be expected materially to influence the decision whether or not to enter into it.
6. The Licensee shall publish the documents and particulars referred to at paragraph 5 in a manner that will in the opinion of the Licensee secure adequate publicity for them, and shall send copies of them to the Director no later than the date on which they are published.

Condition 37, 32, 45, 46: Security Deposits

1. The Licensee shall not, in respect of the supply of electricity under any Designated Supply Contract, require a deposit:
 - (a) where the customer is prepared to be supplied through a prepayment meter and it is reasonably practicable in all the circumstances (including in particular the risk of loss or damage) for the Licensee to provide such a meter; or
 - (b) where it is otherwise unreasonable in all the circumstances to do so.
2. Any deposit required of a Designated Customer may be 1 1/2 times the value of the average quarterly consumption of electricity reasonably expected at the relevant premises, or more if that is reasonable in all the circumstances.
3. Where the Licensee requires a deposit of a Designated Customer it shall at the same time inform that customer of the effect of paragraphs 5 and 7.
4. Where the Licensee holds any deposit for more than a month, it shall pay the customer simple interest on the deposit at the rate which is from time to time equivalent to the base rate of Barclays Bank Plc or, if there is no such base rate, not less than such base rate as the Director may designate for the purposes thereof.
5. Subject to paragraph 6, any deposit given by a Designated Customer shall be repaid (with interest) by the Licensee:
 - (a) within 14 days where, in the previous 12 months, the customer has paid all charges for electricity supplied within 28 days of each written demand made; or
 - (b) as soon as reasonably practicable, and in any event within 1 month, where the Licensee has ceased to supply the customer and the customer has paid all charges for electricity supplied.

6. Sub-paragraph 5(a) shall not apply where it is reasonable in all the circumstances for the Licensee to retain the deposit.
7. Any dispute arising under this Condition between the Licensee and a Designated Customer may be referred by either party to the Director. The Director shall determine any such dispute, following such practice and procedure as he considers appropriate.

Licence Conditions - Gas

Condition 3: Standard Contractual Terms of Supply to Domestic Customers

1. The licensee shall-
 - (a) determine the terms on which it is prepared to enter into a contract for the supply of gas to a domestic customer and, for the purposes of this sub-paragraph -
 - (i) different terms may be determined for different cases or classes of cases, or for different areas;
 - (ii) terms as to charges may be expressed as subject to transportation adjustments within the meaning of paragraph (2) but, in such case, the licensee shall, if so requested by a potential domestic customer (within the meaning of standard condition 2), give him particulars, so far as is reasonably practicable, of the transportation adjustments (if any) likely to be made to the charges in respect of the supply of gas to premises specified in the request;
 - (iii) the terms shall include ones which correspond, as nearly as may be (save in so far as they may provide for lower charges), to those of a deemed contract under paragraph 8 of Schedule 2B to the Act, and
 - (iv) so far as the terms provide for charges related to the amount of gas supplied they shall provide that the number of kilowatt hours supplied shall be calculated in the same manner as the number of kilowatt hours conveyed to the premises falls to be calculated in pursuance of section 12(1) of the Act or, where the premises in question are secondary sub-deduct premises, in the same manner as such number would have fallen to be so calculated if the gas had been conveyed to those premises by a public gas transporter;
 - (b) send copies of each of the forms of contract (as revised from time to time) under which it supplies or offers to supply gas:
 - (i) on receipt of a request, to any person; and

- (ii) not later than the date on which it first offers to supply gas under each such form of contract (or revision thereof), to the Director and the Gas Consumers' Council;
- (c) prepare , in respect of each form of contract:
 - (i) a document which sets out an accurate summary of the principal terms of that form of contract; and
 - (ii) particulars of any inducements offered to any person entering into such a contract which might reasonably be expected materially to affect the decision whether or not to enter into it; and
- (d) publish the documents and particulars referred to at sub-paragraph (c) in a manner that will in the opinion of the licensee secure adequate publicity for them, and shall send copies of them to the Director and Gas Consumers' Council no later than the date on which they are published,

and, for the purposes of sub-paragraph (c), "principal terms" means terms as to charges (and as to whether or not they are expressed as subject to transportation adjustments within the meaning of paragraph (2)) and such other terms as might affect the reasonable evaluation of the terms determined in accordance with sub-paragraph (a).

2. The reference in paragraph (1)(a)(ii) to transportation adjustments is a reference to -

- (a) where the relevant shipper would be required by the relevant transporter to pay supplemental charges (within the meaning of condition 6 of the Standard Conditions of Public Gas Transporters' Licences) in respect of particular premises in a designated area (within the meaning of that condition), an addition to the charges made in the case of those premises which equals those supplemental charges;
- (b) where, in relation to particular premises, the relevant transporter is not (subject to paragraph (5)) BG plc and the aggregate of the charges made by the relevant transporter and the relevant charges made by BG plc in respect of the conveyance of the gas supplied to the premises exceeds the relevant charges made by BG plc in respect of the

conveyance of gas to comparable premises, an addition to the charges made in the case of those premises which equals that excess, and

- (c) where, in relation to particular premises, the relevant transporter is not (subject to paragraph (5)) BG plc and the relevant charges made by BG plc in respect of the conveyance of gas to comparable premises exceed the aggregate of the charges made by the relevant transporter and the relevant charges made by BG plc in respect of the conveyance of the gas supplied to the premises, a reduction in the charges made in the case of those premises which equals that excess;

and, for the purposes of sub-paragraphs (b) and (c), “relevant charges” means so much of the charges in respect of the conveyance of gas as depend upon where it is taken out of the transporter’s pipe-line system and “comparable premises” means premises at which the reasonably expected consumption of gas is similar to that at the particular premises in question and which are situated in the same area of Great Britain as those premises.

- 3. The terms of contract to supply gas to a domestic customer shall be agreed between the licensee and the customer and, that subject to paragraphs (4) and (5), the licensee shall ensure that those terms are in conformity with those for the time being determined under sub-paragraph (1)(a);
- 4. Where the licensee proposes, in pursuance of a single contract, to supply to a domestic customer both gas and other goods or services relating to the supply or use of gas -
 - (a) excluding -
 - (i) the provision of a meter, of any device or facilities designated by the Director for the purposes hereof as serving the like purposes as a pre-payment meter or of pre-payment facilities, and
 - (ii) any related services or services in respect of the reading of a meter, and
 - (b) including, in particular, the provision of a service pipe or the provision of goods or services designed or calculated to promote the efficient use of energy,

the licensee shall ensure that the contract identifies, separately, the charges to be made for the supply of gas, for other goods sold, for other goods provided on hire and for services.

5. If the whole or a significant part of the pipe-line system operated by BG plc on the appointed day comes to be operated by another public gas transporter ("the relevant system") and that transporter (not being the relevant transporter) conveys by means of the relevant system the gas that is subsequently conveyed to particular premises by the relevant transporter then, in relation to those premises (or to any secondary sub-deduct premises in relation to which those premises are relevant primary sub-deduct premises), any reference in sub-paragraphs (2)(b) or (c) to BG plc shall have effect as if it were a reference to that other transporter; and the Director shall determine any question arising under this paragraph as to whether a part of the pipe-line system operated by BG plc on the appointed day is a significant part thereof."

Condition 3AA: Security Deposits

1. Except where the Director otherwise consents, the Licencee shall not, in respect of the supply of gas to any domestic customer, require a deposit:
 - a) Where the customer is prepared to be supplied through a prepayment meter and it is reasonably practicable in all the circumstances (including in particular the risk of loss or damage) for the licensee to provide such a meter ; or
 - b) Where it is otherwise unreasonable in all the circumstances to do so.
2. Any deposit required of such a domestic customer may be 1^{1/2} times the value of the average quarterly consumption of gas reasonably expected at the relevant premises, or more if that is reasonable in all the circumstances.
3. Where the licensee requires a deposit of such a domestic customer it shall at the same time inform that customer of the effect of paragraphs (5) and (7).
4. Where the licensee holds any deposit for more than a month, it shall pay the customer simple interest on the deposit at the rate which is from time to time equivalent to the base rate of Barclays Bank PLC or, if there is no such base rate, less than such base rate as the Director may designate of the purposes hereof.
5. Subject to paragraph (6), any deposit given by a domestic customer shall be repaid (with interest) by the licensee:
 - a) Within 14 days where, in the previous 12 months, the customer has paid all charges for gas supplied within 28 days of each written demand made; or
 - b) As soon as reasonably practicable, and in any event within 1 month, where the licensee has ceased to supply the customer and the customer has paid all charges for gas supplied.

6. Sub-paragraph (5(a)) shall not apply where it is reasonable in all the circumstances for the licensee to retain the deposit.
7. Any dispute arising under this condition between the licensee and a domestic customer may be referred by either party to the Director. The Director shall determine any such dispute, following such practice and procedure as he considers appropriate.
8. Paragraphs (9) and (10) shall apply where one gas supplier ("the transferor"), with the agreement of another gas supplier ("the transferee") assigns to that other supplier its rights and liabilities under contracts for the supply of gas to particular domestic customers whose contracts allow of such assignment ("an assignment" and "the transferred customers").
9. Where this paragraph applies and the licensee is the transferor, if it so elects, paragraph (6)(b) shall not have effect in relation to a deposit on the licensee ceasing to supply a transferred customer by reason of an assignment but it shall pass the deposit to the transferee, together with interest thereon calculated as provided in paragraph (6)(c).
10. Where this paragraph applies and the licensee is the transferee, paragraph (6) shall have effect, in relation to any deposit passed to it by the transferee, as if the transferee were the same person in law as the transferor.
11. For the purposes of this condition, any reference to a deposit is, except where the context otherwise requires, a reference to so much of the deposit as, from time to time, has not been applied to meet charges in respect of the supply of gas.
12. Notwithstanding the definition of the expression "deposit by way of security for the payment of charges" in standard condition 1(1), the provisions contained in this condition shall not apply in relation to a payment which is not a deposit; but, in relation to a payment of any class or description which serves the like purpose as a deposit by way of security for the payment of charges, this condition shall have effect as if they contained such provisions, if any, as are designated by the Director, for the purposes of this condition generally, as having, in the case of

payments of that class or description, as nearly as may be and having regard to their nature, an effect corresponding to that of the said paragraphs in their application in relation to deposits.

Consequential Changes to Gas Standard Conditions 4 and 7.

In paragraph 7 of Standard Condition 4 delete the words “(3)(b) and (c) and (7)” from that paragraph. That sub-paragraph now reads –

Standard condition 4(7)

“Subject to any necessary modifications, standard condition 3(1)(a)(iv) and 3AA (1) shall apply in relation to a deemed contract for the supply of gas to a domestic customer as it applies to a contract for such supply”

In sub-paragraph (2)(d) of Standard Condition 7 replace the words “standard condition 3(3)(b) and (c)” with the words “standard condition 3AA(1)”. That sub-paragraph now reads -

Standard Condition 7(2)(d)

“...the licensee shall not be required by standard condition 2, to supply gas...[where]...

(d) subject to standard condition 3AA(1), and except where the licensee is required to supply gas by standard condition 5, that the licensee has requested a deposit by way of security for the payment of charges and the customer concerned has not paid this;”

Condition 10: Methods for Payment of Gas Charges

1. Where the licensee offers to supply gas to domestic customers under a contract, it shall have available forms of contract which provide for the payment of charges for gas:
 - (a) by prepayment through a prepayment meter;
 - (b) by different methods, including:
 - (i) by cash, at such places and to such persons as are reasonable in all the circumstances; and
 - (ii) by cheque, and
 - (c) at a reasonable range of different intervals, including:
 - (i) paying fortnightly or more regularly, such sums as agreed;
 - (ii) paying monthly a predetermined sum; and
 - (iii) paying quarterly in arrears.
2. Except for the terms of deemed contracts made following a last resort direction under standard condition 5, the terms contained in the licensee's scheme under paragraph 8 of Schedule 2B to the Act, shall include terms in respect of all the ways of making payments mentioned in sub-paragraph (1)(b) and the frequencies mentioned in sub-paragraph (1)(c).

Condition 15: Preparation, Review of and Compliance with Customer Service Codes

1. This condition applies to any code of practice required to be prepared by the licensee pursuant to standard conditions 16, 17, 18, 18A and 19 of this Licence.
2. In first preparing such a code the licensee shall, prior to submitting that code to the Director, consult the Gas Consumers' Council and shall have regard to any representations made by it about such code or the manner in which it is likely to be operated.
3. Where before the expiry of 30 days of the licensee first submitting such code to the Director for his approval the Director notifies the licensee that the Director considers the code is not sufficient for the purposes of meeting the requirements of this Licence the licensee shall forthwith make such changes as the Director may require.
4. The licensee shall, whenever requested to do so by the Director, review such code and the manner in which it has been operated, with a view to determining whether any modification should be made to it or to the manner of its operation.
5. In carrying out any such review the licensee shall consult the Gas Consumers' Council and shall have regard to any representations made by it about such code or the manner in which it is likely to be or (as the case may be) has been operated.
6. The licensee shall submit any revision of such code which, after consulting the Gas Consumers' Council in accordance with paragraph (5), it wishes to make, to the Director for his approval and following his approval in writing shall then revise the code.
7. The licensee shall:
 - (a) as soon as practicable following the preparation of any code or any revision made to it send to the Director and the Gas Consumers' Council a copy of such code or such revision (in each case in the form approved by the Director);

- (b) at least once in each year, draw the attention of those of its customers to whom such code applies to the existence of the code and of each substantive revision of it and to the means by which they may inspect a copy of such code in its latest form; and
 - (c) give or send free of charge a copy of such code (as from time to time revised) to any person who requests it.
8. No changes may be made to any code otherwise than in accordance with the above procedures.
9. The licensee shall ensure, so far as reasonably practicable, that in its dealings with any customer to whom any code applies it complies with such arrangements or procedures (as the case may be) as are contained in or described by any code to which this condition applies and approved by the Director or any revision to such code approved by the Director.

Condition 16: Efficient Use of Gas

1. The licensee shall, no later than 30 June 2000, prepare and submit to the Director for his approval a code of practice setting out the ways in which the licensee will make available to its domestic customers such guidance on the efficient use of gas, in each case given or prepared by a suitably qualified person, as will, in the opinion of the licensee enable such customers to make informed judgments on measures to improve the efficiency with which they use the gas supplied to them.
2. The code of practice shall include, but shall not be limited to:
 - (a) the preparation and making available free of charge to any domestic customer who requests it of a statement, in a form approved by the Director, setting out information and advice for the guidance of customers in the efficient use of gas supplied to them;
 - (b) the making of arrangements for maintaining sources from which domestic customers may obtain further information about the efficient use of gas supplied to them, including the maintenance of a telephone information service; and
 - (c) the preparation and making available free of charge to any domestic customer who requests it of a statement or statements of sources (to the extent that the licensee is aware of the same) outside the licensee's organisation from which such customers may obtain additional information or assistance about measures to improve the efficiency with which they use the gas supplied to them, such statement or statements to include basic information which is publicly available on financial assistance towards the costs of such measures available from central or local government or through bodies in receipt of financial support from government in connection with measures to promote the efficiency of energy use.
3. Where the Director (who may have regard to the need for economy, efficiency and effectiveness before giving directions under this paragraph) gives directions to do so, the licensee shall:
 - (a) review and prepare a revision of the code of practice;

- (b) take steps to bring to the attention of its domestic customers information on the efficient use of gas supplied to them; and
- (c) send to each domestic customer a copy of any information published by the Director in relation to the efficient use of gas pursuant to section 35 of the Act

in such manner and at such times as will comply with those directions.

4. This condition is subject to the provisions of standard condition 15.

Condition 17: Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick

1. The licensee shall, no later than 30 June 2000, prepare and submit to the Director for his approval a code of practice detailing the special services the licensee will make available for domestic customers who are of pensionable age or disabled or chronically sick. The code of practice shall include arrangements by which the licensee will, on request of such customers, and in each case free of charge:
 - (a) except in the case of a customer living with another person who is neither a pensioner nor a disabled or chronically sick person nor under 18 years of age, provide for the examination by a person possessing appropriate expertise at intervals of not less than 12 months of the safety of gas appliances and other gas fittings on the customer's side of the meter at his premises, other than a fitting for the annual inspection of which a landlord of the customer is responsible in pursuance of regulations made under the Health and Safety at Work etc. Act 1974;
 - (b) where reasonably practicable and appropriate:
 - (i) provide special controls and adaptors for gas appliances and meters (including prepayment meters) owned by the licensee or the relevant transporter;
 - (ii) reposition meters; and
 - (iii) provide for the transmission through the relevant shipper (or, if the holder of this Licence is that shipper, direct) to the relevant transporter of any request by the customer for the relevant transporter to reposition any gas meter it owns to meet such needs and (except where the holder of this Licence is the relevant shipper) for the relevant shipper to be reimbursed by the licensee any payments made by it in respect of any reasonable expenses incurred by the relevant transporter in complying with the request);

- (iv) provide special means of identifying persons acting on behalf of the licensee;
- (v) give advice on the use of gas, gas appliances and other gas fittings;
- (vi) send bills in respect of the supply of gas to a customer to any person who is willing to be sent such bills and is nominated by that customer (without prejudice, however, to the right of the licensee to send such bills both to the customer and to the nominated person where that appears appropriate to the licensee); and
- (vii) provide, where neither the customer nor anyone living with him is able to read the gas meter, for the meter to be read once in each quarter and, without prejudice to Standard Condition 26 (2), for the customer to be informed of the readings so obtained.

2. The code of practice shall further include arrangements whereby the licensee will:

- (a) establish a list (the "Priority Service Register") of customers who may be expected, by virtue of being of pensionable age or disabled or chronically sick, to request information and advice in respect of the matters set out at paragraph (1);
- (b) notify its customers at least once each year of the existence of the Priority Service Register and of how they may be included on it;
- (c) maintain the Priority Service Register, comprising the relevant details of each customer who requests his inclusion on it and where requested, give to those of its own customers so registered, in respect of the matters set out at paragraph (1), such information and advice as may be appropriate and is of such nature as shall be set out in the code of practice; and
- (d) secure that the relevant transporter is provided with the information in the Priority Service Register in an appropriate form and at appropriate intervals.

3. This condition is subject to the provisions of standard condition 15.

Condition 18: Provision of Services for Persons who are Blind or Deaf

1. The licensee shall, no later than 30 June 2000, prepare and submit to the Director for his approval a code of practice detailing the special services the licensee will make available for its domestic customers who are disabled by virtue of being blind or partially sighted, or deaf or hearing impaired.
2. The code of practice shall include arrangements by which the licensee will, on request, in each case free of charge:
 - (a) make available to its blind and partially sighted customers, by telephone or other appropriate means, information concerning the details of any bill relating to the supply of gas to them and a facility for enquiring or complaining in respect of any such bill or any service provided by the licensee; and
 - (b) make available to its deaf and hearing impaired customers, being in possession of appropriate equipment, facilities to assist them in enquiring or complaining about any bill relating to the supply of gas to them or any service provided by the licensee.
3. This condition is subject to the provisions of standard condition 15.

Condition 18A: Code of Practice on the use of Prepayment Meters

1. The licensee shall, no later than 30 June 2000, prepare and submit to the Director for his approval a code of practice concerning the use of prepayment meters by its domestic customers, including appropriate guidance for the assistance of its prepayment meter customers who wish to take a supply of gas on other terms.
2. The code of practice shall set out the licensee's policy on the installation of prepayment meters and shall include procedures by which the licensee will where appropriate:
 - (a) provide general information for customers on the operation, usefulness, advantages and disadvantages of prepayment meters, including details of:
 - (i) token outlets and card or key charging facilities within the areas supplied with gas by the licensee;
 - (ii) the actions available to customers on the malfunction of a prepayment meter or a prepayment card or key; and
 - (iii) any standards of performance (and associated payments) applying to the licensee in relation to premises supplied by it through prepayment meters;
 - (b) arrange for the calibration of any prepayment meter provided in accordance with subparagraph (1)(f) of standard condition 19 so as to take into account, having due regard to all information available to the licensee (including any information provided by other persons or organisations), the relevant customer's ability to pay any charges due from him under the arrangements contemplated by that condition in addition to the other charges lawfully being recovered through the prepayment meter;
 - (c) arrange for the re-calibration of prepayment meters;

- (i) in the case of an individual customer, at the conclusion of any such arrangements applying to that customer; and
- (ii) generally, following changes in the price at which the licensee supplies gas to prepayment meter customers; and
- (d) remove prepayment meters, setting out the timescale and conditions under which such removal might take place.

3. This condition is subject to the provisions of standard condition 15.

Condition 19: Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty

1. The licensee shall, no later than 30 June 2000, prepare and submit to the Director for his approval a code of practice concerning the payment of gas charges by its domestic customers, including appropriate guidance for the assistance of such customers who, through misfortune or inability to cope with gas supplied on credit terms, may have difficulty in paying such bills. The code of practice shall include procedures by which the licensee can distinguish, so far as is reasonably practicable, customers in difficulty (the “relevant customers”) from others in default and can:
 - (a) provide general information as to how relevant customers might reduce their bills in the future by the more efficient use of gas;
 - (b) where such a facility is available, accept in payment for gas supplied sums which are deducted at source from social security benefits payable to relevant customers;
 - (c) detect failures by relevant customers to comply with arrangements entered into for paying by instalments charges for gas supplied;
 - (d) make such arrangements so as to take into account the customers’ ability to comply with them;
 - (e) ascertain, with the assistance of any information provided by other persons or organisations, the ability of customers to comply with such arrangements; and
 - (f) provide for customers who have failed to comply with such arrangements, or procure for them the provision of, a prepayment meter (where safe and practicable to do so).
2. In the case of a relevant customer, the licensee shall not cut off the supply of gas at such a customer’s premises for non-payment of charges otherwise than following compliance by the licensee with such procedures referred to in paragraph (1) above.

3. In formulating the procedures for the Code of Practice referred to at paragraph 1 the Licensee shall have particular regard to the interests of relevant customers who are of pensionable age (except those pensioners who fall within the description set out in Condition 20 (1) (a)) or disabled or chronically sick and to the purpose of avoiding, in so far as is practicable, the disconnection of premises occupied by such customers during the winter months of each year, and the procedures shall be designed for the achievement of such purpose.
4. This condition is subject to the provisions of standard condition 15.

Condition 20: Pensioners not to have Supply of Gas cut off in Winter

1. This condition shall apply in the case of any of the licensee's domestic customers who, to the knowledge or reasonable belief of the licensee -
 - (a) is of pensionable age and lives alone or with other persons all of whom are also of pensionable age or under 18 years of age;
 - (b) is supplied with gas which is used for domestic purposes, and
 - (c) is in default of his obligation to pay for gas so supplied through misfortune or inability to budget to meet bills for gas supplied on credit terms.
2. Notwithstanding that sub-paragraph (3) of paragraph 7 of Schedule 2B to the Act (including that sub-paragraph as extended by sub-paragraph (4) thereof) applies by virtue of sub-paragraph (1) of the said paragraph 7 (or would so apply but for the fact that the premises in question are secondary sub-deduct premises), and notwithstanding the provisions of standard condition 7(2)(f), the licensee shall not under the said sub-paragraph (3) or (in the case of secondary sub-deduct premises) in exercise of any analogous right cut off the supply of gas to such a customer's premises during any winter period, that is to say, a period beginning with 1st October in any year and ending with 31st March in the next following year.

Note: This condition is unchanged, but is included for information.

Condition 21: Record of and Report on Performance

1. The licensee shall keep a record of its general operation of the arrangements mentioned in standard conditions 16, 17, 18, 18A, 19 and its compliance with standard conditions 19(2) and 20, and if the Director so directs in writing, of its operation of any particular cases specified, or of a description specified, by him.
2. The licensee shall keep a statistical record of its performance in relation to the provision of gas supply services to its domestic customers and potential domestic customers.
3. The licensee shall, from time to time as required by the Director, provide to the Director and to the Gas Consumers' Council such of the information contained in the records prepared in accordance with paragraphs (1) and (2) as the Director may request in writing.
4. As soon as is reasonably practicable after the end of each calendar year, the licensee shall submit to the Director and the Gas Consumers' Council a report dealing with the matters mentioned in paragraphs (1) and (2) in relation to that year and shall:
 - (a) publish the report so submitted in such manner as will in the reasonable opinion of the licensee secure adequate publicity for it; and
 - (b) send a copy of it free of charge to any person requesting one,except that, in performing its obligations under sub-paragraphs (a) and (b), the licensee shall exclude from the report such information as appears to it to be necessary or expedient to ensure that, save where they consent, individual customers referred to therein cannot readily be identified.
5. The report shall be presented, so far as is reasonably practicable, in a standard form designated by the Director for the purposes of this condition.

Appendix 4 Notice of Proposal to Modify Electricity Suppliers' Licences

1. The Director General of Electricity Supply ("the Director") gives notice as follows:

- a) Pursuant to section 11 of the Electricity Act 1989 the Director proposes to modify each electricity Licence by inserting new conditions numbered and entitled:

"Condition 18A (or 46A*) – Code of Practice on the use of prepayment meters" and **"Condition 19A** (or 48A*) – Provision of services for persons who are blind or deaf" in each Public Electricity Supply Licence.

"Condition 12A – Code of Practice on the use of prepayment meters" and

"Condition 13A – Provision of services for persons who are blind or deaf" in each Generation, Transmission and Public Electricity Supply Licence in Scotland.

"Condition 30A – Code of Practice on the use of prepayment meters" and

"Condition 30B – Provision of services for persons who are blind or deaf" in each Second Tier Electricity Supply Licence.

"Condition 31A – Code of Practice on the use of prepayment meters" and

"Condition 31B – Provision of services for persons who are blind or deaf" in each Scottish Second Tier Supply Licence.

- b) The Director also proposes to modify, pursuant to section 11 of the Electricity Act 1989, each electricity Licence by amending the following Licence Conditions:

"Code of Practice on payment of bills and guidance for dealing with customers in difficulty."

Condition 18 (or 46*) of Public Electricity Supply Licence.

Condition 12 of the Generation, Transmission and Public Electricity Supply Licence in Scotland.

Condition 30 of the Second Tier Supply Licence.

Condition 31 of the Scottish Second Tier Supply Licence.

"Record of and report of performance."

Condition 19 (or 53*) of the Public Electricity Supply Licence.

Condition 13 of the Generation, Transmission and Public Electricity Supply Licence in Scotland.

Condition 35 of the Second Tier Supply Licence.

Condition 36 of the Scottish Second Tier Supply Licence.

"Provision of services for persons who are of pensionable age or disabled or chronically sick."

Condition 20 (or 47*) of the Public Electricity Supply Licence.

Condition 14 of the Generation, Transmission and Public Electricity Supply Licence in Scotland.

Condition 31 of the Second Tier Supply Licence.

Condition 32 of the Scottish Second Tier Supply Licence.

"Efficient use of electricity"

Condition 22 (or 50*) of the Public Electricity Supply Licence.

Condition 16 of the Generation, Transmission and Public Electricity Supply Licence in Scotland.

Condition 33 of the Second Tier Supply Licence.

Condition 34 of the Scottish Second Tier Supply Licence.

"Preparation, review of and compliance with customer service codes."

Condition 23A (or 52*) of the Public Electricity Supply Licence.

Condition 17A of the Generation, Transmission and Public Electricity Supply Licence in
Scotland.

Condition 36 of the Second Tier Supply Licence.

Condition 37 of the Scottish Second Tier supply Licence.

- c) In addition to the above amendments, the Director, pursuant to Condition 33 of the Public Electricity Supply Licence, Condition 28 of the Generation, Transmission and Public Electricity Supply Licence in Scotland, Condition 41 of the Second Tier Supply Licence and Condition 42 of the Scottish Second Tier Supply Licence, gives notice of modification to:

“Contractual terms”

Condition 35 (or 63*) of the Public Electricity Supply Licence.

Condition 30 of the Generation, Transmission and Public Electricity Supply Licence in Scotland.

Condition 43 of the Second Tier Supply Licence.

Condition 44 of the Scottish Second Tier Supply Licence.

“Security deposits”

Condition 37 (or 65*) of the Public Electricity Supply Licence.

Condition 31 of the Generation, Transmission and Public Electricity Supply Licence in Scotland.

Condition 45 of the Second Tier Supply Licence.

Condition 46 of the Scottish Second Tier Supply Licence.

2. Representations or objections with respect to the proposed modifications may be made by 14 February 2000 and should be addressed to the Office of Gas and Electricity Markets, Stockley House, 130 Wilton Road, London SW1V 1LT.

* for Midlands Electricity, South Western Electricity and South Wales Electricity.

Appendix 5 Notice of proposal to modify the standard conditions of the Licences granted and treated as granted under section 7A(1) of the Gas Act 1986 (Gas Suppliers' Licences)

The Director General of Gas Supply (hereinafter referred to as "the Director") pursuant to section 23(3) of the Gas Act 1986 (hereinafter referred to as "the Act") hereby gives notice as follows –

1. The Director proposes to modify, pursuant to section 23(1)(b) of the Act, the standard conditions of the Licences granted and treated as granted under section 7A(1) of the Act –
 - (a) by the insertion of a new standard condition 18A (Code of Practice on the use of prepayment meters).
 - (b) by modification of standard condition 3 (Standard contractual terms of supply to domestic customers and return of deposits).
 - (c) by the insertion of a new standard condition 3AA (Security Deposits).
 - (d) by modification of Standard Condition 4 (deemed contracts).
 - (e) by modification of Standard Condition 7 (general provisions supplementary to Standard Conditions 2 and 5)
 - (f) by modification of standard condition 10 (Methods of payment of charges for gas).
 - (g) by modification of standard condition 15 (Arrangements in respect of social obligations).
 - (h) by modification of standard condition 16 (Advice on efficient use of gas).
 - (i) by modification of standard condition 17 (Services for pensioners or disabled or chronically sick persons).
 - (j) by modification of standard condition 18 (Facilities for blind and deaf persons).
 - (k) by modification of standard condition 19 (Steps to be taken where charges for gas are unpaid).
 - (l) by modification of standard condition 21 (Record of and report on performance).

The text of the proposed new and revised standard conditions is set out in Appendix 3 to this document.

2. The effects of the modifications now proposed to be made are –

Gas suppliers must now prepare Codes of Practice for Conditions 16, 17, 18, 18A, and 19 and consult the Gas Consumers' Council. The Licence Conditions include additional requirements to:

- Provide facilities for customers to pay bills in cash on a fortnightly or more frequent basis.
 - Publish information on services to prepayment meter customers.
 - Provide contractual terms on prepayment meters to all customers requesting this method of payment.
 - Notify all customers annually of the availability of the Priority Service Register (formerly Special Needs Register) and how pensioners, disabled and chronically sick customers may register.
 - Revise arrangements for giving energy efficiency advice, including the maintenance of a telephone information service for energy efficiency.
 - Inform customers annually of the existence of the Codes of Practice.
 - Revise arrangements for security deposits.
3. The reasons why the Director proposes to make the modifications are set out the document accompanying this notice.
4. Representations or objections with respect to the proposed modification may be made by 14 February 2000 and should be addressed to the Office of Gas Supply, Stockley House, 130 Wilton Road, London SW1V 1LQ.

Appendix 6 Codes of Practice: Guidance Notes

The following Notes are included in this Appendix:

- Introduction to Guidance, Page 74
- Use of Prepayment Meters, Page 79
- Payment of Bills and Guidance for Dealing with Customers in Difficulty, Page 84
- Services for Persons who are Blind or Deaf, Page 91
- Services for Persons who are of Pensionable Age, or Disabled or Chronically Sick, Page 95
- Efficient Use of Electricity or Gas, Page 100

Introduction to Guidance Notes for Electricity and Gas Suppliers: Codes of Practice Relating to Social Obligations

1. Introduction

As part of Ofgem's work on the Social Action Plan, the Licence Conditions covering the social obligations that electricity and gas suppliers must meet are being amended and aligned. These guidance notes concern the steps which suppliers should follow in order to satisfy the Director General of Gas Supply and the Director General of Electricity Supply (the Director) that these Licence obligations will be met.

Electricity companies which already have in place Codes of Practice in these areas and gas suppliers which have existing arrangements for their social obligations should review and amend these to ensure they are fully compliant with the revised Licence requirements.

The attached guidance notes set out a number of detailed considerations relating to the Codes of Practice. The guidance is not exhaustive, but rather it describes a minimum level of service upon which suppliers may wish to build further. It is intended to allow for some flexibility for companies to adjust practice to local circumstances and to allow for innovation. Companies supplying both gas and electricity are encouraged to consider developing joint Codes of Practice where appropriate.

Guidance on the following Licence conditions replaces all previous guidance notes on those conditions:

- a) **Efficient use of electricity** - PES Licence Condition 22 (Scotland,16); Second Tier Supply Licence Condition 33 (Scotland, 34)
Gas Suppliers' Standard Licence Condition 16.
- b) **Provision of services for persons who are of pensionable age or disabled or chronically sick** - PES Licence Condition 20 (Scotland,14); Second Tier Supply Licence Condition 31 (Scotland,32)
Gas Suppliers' Standard Licence Condition 17.

- c) **Provision of services for persons who are blind or deaf** – PES Licence Condition 19A (Scotland, 13A); Second Tier Supply Licence Condition 30B (Scotland, 31B)
Gas Suppliers' Standard Licence Condition 18.
- d) **Code of practice on the use of prepayment meters** – PES Licence Condition 18A (Scotland, 12A); Second Tier Supply Licence Condition 30A (Scotland, 31A)
Gas Suppliers' Standard Licence Condition 18A.
- e) **Code of practice on payment of bills and guidance for dealing with customers in difficulty** – PES Licence Condition 18 (Scotland, 12); Second Tier Supply Licence Condition 30 (Scotland, 31)
Gas Suppliers' Standard Licence Condition 19.

Requirements under the following Licence Conditions are covered below in this introduction:

- a) **Record of and report on performance** - PES Licence Condition 19 (Scotland, 13); Second Tier Supply Licence Condition 35 (Scotland, 36).
Gas Suppliers' Standard Licence Condition 21.
- b) **Preparation, review and compliance with customer service codes** – PES Licence Condition 23A (Scotland, 17A); Second Tier Supply Licence Condition 36 (Scotland, 37).
Gas Suppliers' Standard Licence Condition 15.

2. General considerations in preparing the Codes

2.1 Effectiveness

The effectiveness of the Codes will depend, amongst other things, on:

- a) the way that they are written;
- b) the extent to which the services described are made available;
- c) the arrangements for publicising the existence of the Codes; and
- d) the arrangements for monitoring compliance.

2.2 Content and style

Each Code should clearly specify its objectives and the target groups it is intended to reach. It should be written in plain English and set out in such a way that it is easy to follow and understand. Summary copies of Codes should be available in the ethnic minority languages predominant in the suppliers' areas of business. Companies should make arrangements to take enquiries from customers whose first language is not English.

The Director encourages companies supplying in Wales to provide Welsh language services; for example: a bilingual service to customers, including bills, correspondence, telephone services, information leaflets and contracts.

The Codes should clearly state that they have been the subject of consultation with the Electricity Consumers' Committee(s) or Gas Consumers Council and have been approved by the Director as a condition of the company's Supply Licences. For electricity, the addresses and telephone numbers of the Electricity Consumers' Committee(s) and Ofgem offices in whose area(s) the Licensee is supplying should be included in the Codes for customers to contact if they have any queries or complaints about the Codes, or their implementation, which the Licensee has been unable to resolve. Codes of Practice for gas suppliers should include the addresses of the Gas Consumers Council's offices, together with telephone numbers. A list of all relevant addresses is to be found at Appendix [].

2.3 Description of the services provided

Customers should receive a service which is consistent with the Codes. Failure by a supplier to ensure, so far as is reasonably practicable, that it complies with the Codes is potentially a matter for the exercise of the Director's legal enforcement powers. The Director may request a review of the Codes at that time. All representatives of the Licensee (including third-party agents) dealing directly with customers must therefore be familiar with the content of the Codes. Arrangements must be in place to ensure that appropriate training is provided, and that staff bring the Codes of Practice and any Standards of Performance, including any payments due under the Guaranteed Standards, to the attention of customers with complaints or enquiries.

3. Conditions Applying to Codes of Practice

3.1 Preparation, Review and Compliance with Customer Service Codes

Electricity Licence Condition 23a (Scotland, 17A); Second Tier Supply Licence Condition 36 (Scotland, 37) and Gas Suppliers' Standard Licence Condition 15 set out the requirements for preparation, review and compliance with customer service Codes. Before submitting Codes to the Director, electricity Licensees are required to consult the relevant Electricity Consumers' Committees and gas Licensees are required to consult the Gas Consumers Council. Suppliers are required to have regard to any representations made by these statutory bodies about the Codes or the manner in which they are likely to be operated.

For the purposes of such consultation, suppliers should consult Committees/Council as follows:

- a) [Arrangements to be Notified]

4. Disseminating the Codes

The Licensee should:

- a) draw the attention of customers at least once a year to the existence of all Codes, and to any additional information on energy efficiency measures, and make customers aware of any subsequent, substantive revisions;
- b) give or send, free of charge, copies of the Codes to any person who requests them, and as a matter of course to advice agencies and care organisations;
- c) provide copies of relevant Codes or summary versions to customers at an early stage during the follow-up action for non-payment of an account or for failure to keep to an agreed payment arrangement, or when there is a complaint or enquiry about payment arrangements; and
- d) refer to the availability of the Codes (together with additional information on energy efficiency measures) on the back of their bills.

In order that customers are aware of the provisions of the Codes, the Licensee should provide a copy of the Codes, or a summary version, as part of a "welcome pack" to all new customers, including customers moving home. The Licensee should make information about the Codes available to potential customers and to advice agencies and care organisations.

5. **Monitoring and Reporting**

PES Licence Condition 19 (Scotland, 13), Second Tier Supply Licence Condition 35 (Scotland, 36) and Gas Suppliers' Standard Licence Condition 21 ('Record of and Report on Performance') deal with monitoring and reporting arrangements.

Licensees are required to ensure, so far as is reasonably practicable, that they comply with the Codes of Practice. They should therefore be able to demonstrate that the aims and requirements of the Codes are properly reflected in operational procedures and to keep a record of the general operation of the arrangements set out in the Licence Conditions. Arrangements should be made to carry out effective internal monitoring to ensure compliance of staff or agents and to highlight any deficiencies that need to be addressed. Each Code of Practice should set out the arrangements for monitoring that Code.

Each Licensee is required to keep statistical records of its performance, to report to the Director and the Relevant Electricity Consumers' Committees or Gas Consumers Council from time to time, and to publish a report on performance annually. The Director will designate the information he wishes to be collected and published. The Director expects all companies to provide designated information quarterly or more frequently on request.

The provision of information under designation by the Director does not preclude the provision of additional or more frequent information to Electricity Consumers' Committees or to the Gas Consumers Council. Suppliers should consult with these groups on the detail of the information.

Codes of Practice on the Use Of Prepayment Meters: Guidance Notes

PES Licence Condition 18A (Scotland, 12A)

Second Tier Supply Licence Condition 30A (Scotland, 31A)

Gas Suppliers' Standard Licence Condition 18A

1. Introduction

Each Electricity and Gas Licensee is required to prepare and submit to the Director General for his approval a Code of Practice detailing the services available to customers wishing to pay by prepayment meter.

2. Statement of purpose and objectives

The Code should clearly state its objectives and purpose, as set out in the Licence Condition. It should provide customers with details of:

- a) the supplier's policy on the installation of prepayment meters, including safeguards to prevent the inappropriate installation of prepayment meters;
- b) general information on the operation, usefulness, advantages and disadvantages of prepayment meters; and
- c) its policy for the calibration of meters to recover debt and procedures for removal of such meters.

3. Specific considerations

The Code should include information about prepayment meters, including:

- a) the usefulness of such meters for budgeting purposes and as a mechanism for collecting debt, together with information about the advantages and disadvantages of prepayment meters (including disadvantages in terms of price);
- b) the Licensee's policy on when it will insist on the installation of such a meter and the grounds on which customers can challenge this;
- c) the conditions, procedure and timescale associated with the removal of such meters;

- d) the policy on calibrating meters to collect any outstanding debt which must be consistent with paragraph 5 below;
- e) the policy on providing emergency credit and any flexible arrangements to reflect customers' needs;
- f) how the supplier will contact such customers, on a regular basis, for example annually, to enable them to make comparisons between the cost of prepayment and other payment methods; this might involve including information on a customer's bill, or writing separately to prepayment meter customers to invite them to consider changing payment method;
- g) the procedure (where appropriate) for re-calibrating meters after a price change or after a debt has been cleared, and the target timescale within which such re-calibration will take place;
- h) the arrangements for making payments to customers for failing to meet any relevant Guaranteed Standards of Performance or company targets, relating to services for prepayment meter customers;
- i) arrangements for moving meters free of charge to more suitable locations for elderly, disabled and chronically sick customers; the policy on moving meters for other customers to enable a prepayment meter to be installed or where the present site is inconvenient;
- j) how the supplier will assess a customer's circumstances to ensure that a prepayment meter is safe and appropriate;
- k) the policy on refunding credit balances; and
- l) the company's arrangements for ensuring that prepayment meter customers stay on supply when switching from one supplier to another or when moving into premises with an existing prepayment meter.

4. Information

The Code should list the additional information that will be provided separately to prepayment meter customers which may include as a minimum, and in addition to the Code of Practice on the use of prepayment meters:

- a) an explanation of what a prepayment meter is and how it operates;
- b) full details of the charges (unit price and any standing charge) and any other additional costs associated with prepayment meters, including any installation cost or call out charges, and the circumstances in which such costs will be met by the Licensee; and a comparison of the costs of alternative payment methods;

- c) a statement, provided when the meter is installed, giving details of:
- (i) the date the meter was fitted;
 - (ii) the total amount of any debt and how this has been calculated;
 - (iii) the rate at which the meter has been calibrated to recover any debt;
 - (iv) the fixed standing charge per week;
 - (v) the total amount the meter is calibrated to collect each week, whether or not any electricity or gas is used, i.e. the weekly debt collection and the standing charge;
 - (vi) the amount of emergency credit and an explanation of how it works;
 - (vii) the telephone number(s) for advice and emergency services;
 - (viii) circumstances in which visits to homes are free; the circumstances in which there will be a charge, including a list of such charges;
 - (ix) circumstances in which charges will be made for replacement of lost cards or keys and the amount of such charges;
 - (x) the frequency and content of statements or bills which the Licensee will issue;
 - (xi) details of token outlets or charging facilities in the customer's area, including the location and hours available, and any facilities for recharging cards or keys or purchasing tokens by post ; and
 - (xii) the nearest token outlet or charging facility; generally, the Director expects customers to be no more than one mile from the nearest such outlet.

5. Dealing with customers in difficulty

The Code should include details of the procedures for dealing with customers in difficulty and should:

- a) indicate that information will be provided to customers on how they might reduce their bills in future by the more efficient use of electricity and gas and state how that information will be provided;
- b) state that the Licensee will take account of the customer's ability to pay when calibrating a prepayment meter, and confirm with the customer that arrangements are manageable. It should say that an appropriate rate for repayment of debt will depend on individual circumstances, but as a general guide, the debt recovery rate should not be set above the

minimum Fuel Direct level where the household is in receipt of benefits³, unless the customer offers more or there is clear evidence to suggest that a higher figure would be appropriate. Where a customer has multiple debts and information is provided in the form of an income and expenditure statement submitted by an acknowledged money advice agency, the rate of debt repayment should be on a pro rata basis with other creditors. Where information may be available from other persons or organisations to assist in agreeing the level of repayment, that information should be taken into account.

- c) refer to the help and advice that may be available from advice agencies. A number of examples should be given, such as Citizens Advice Bureaux and Money Advice Agencies or debt counselling services. Details of how to contact these agencies should be provided to the customer. In addition, the Code should confirm that the company will offer, with the customer's written consent, to ask the appropriate agency to contact the customer.

6. The elderly, disabled and chronically sick

The Code should also refer to measures and provisions that relate to customers who are of pensionable age or disabled, including the blind or deaf, or chronically sick, including recognition that prepayment meters may not be suitable for such customers. The Code should explain that wherever possible alternative arrangements will be offered. Where there is no option but to fit a prepayment meter the company should give careful attention to the level of emergency credit provided and the nearest charging point.

7. Levels of service

Where they are not already doing so, suppliers will be expected to make arrangements to develop levels of service for prepayment meter customers. The areas suggested and possible levels of service are outlined below. Those suppliers that are already providing services at a level above those suggested will be expected to continue to do so. Where suppliers are not already providing comparable or better services they should include a description of the arrangements they are making to improve them and over what timescale. All suppliers should describe in the Code of Practice the levels of services provided to prepayment meter customers.

Distance to token vending/key charging points: customers should have reasonable access to facilities 7 days a week. In this respect, reasonable access is defined as a distance of no more

³ 'Passport Benefits'

than 1 mile, unless this is considered to be unreasonable in particular circumstances, e.g. rural areas.

Repair of token vending/key charging point: suppliers or their agents should attend within 6 hours of being notified of failure, and repair within 12 hours.

Faulty cards/keys/tokens: provision of a freephone or local rate service to deal with malfunctions; and the facility to repair or replace faulty items.

Repair of meter: respond to prepayment meter faults within 3 hours on weekdays and 4 hours at weekends (in line with the Guaranteed Standards applying to PESs).

Emergency credit: provision to be sufficient to cover, as a minimum, average usage over a 3 day weekend.

Self-disconnection: arrangements for contacting customers where there is concern about the pattern of charging keys/cards or purchasing tokens.

8. Further Information and Advice

The Code should state that it has been prepared in consultation with the Electricity Consumers' Committee and the Gas Consumers Council and approved by Ofgem. It should advise customers of the role of Ofgem and the Electricity Consumers' Committee / Gas Consumers' Council in dealing with disputes and providing independent advice, and should provide a contact address and telephone number for customers to contact if they have any queries about the Code or its implementation.

Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty: Guidance Notes

PES Licence Condition 18 (Scotland, 12)

Second Tier Supply Licence Condition 30 (Scotland, 31)

Gas Suppliers' Standard Licence Condition 19

1 Introduction

Each electricity and gas Licensee is required to prepare and submit to the Director for his approval a Code of Practice for domestic customers on the payment of bills, including guidance for customers who may have difficulty in paying such bills. The relevant Licence conditions are attached at Appendix [].

The Director may require the Licensee to give him additional information about the operation of the Code, concerning the company's internal debt policies and procedures, which will not form part of the published Code of Practice.

2 Statement of purpose and objectives

The Code should clearly state its objectives and purpose, as set out in the Licence Condition. It should describe:

- a) the arrangements for ensuring that a variety of payment methods are available;
- b) the arrangements for identifying customers in difficulty and distinguishing such customers from others in default; and
- c) the procedures for dealing with customers having difficulty paying and the options available for these customers so as to avoid disconnection of supply.

The Code should also cover in sufficient detail relevant matters required under other Licence Conditions, including:

- a) **Contractual terms** - PES Licence Condition 35 (Scotland, 30); Second Tier Supply Licence Condition 43 (Scotland, 44).
Methods for Payment of Gas Charges – Gas Suppliers' Standard Licence Condition 10.

- b) **Security deposits** - PES Licence Condition 37 (Scotland, 32); Second Tier Supply Licence Condition 45 (Scotland, 46). Gas Suppliers' Standard Licence Condition 3AA.
- c) **Notification of terms** - PES Licence Condition 36 (Scotland, 31); Second Tier Supply Licence Condition 44 (Scotland, 45). Gas Suppliers' Standard Licence Condition 3.
- d) **Information given to customers** - PES Licence Condition 23B (Scotland, 17B); Second Tier Supply Licence Condition 37 (Scotland, 38). Gas Suppliers' Standard Licence Condition 26.

Copies of relevant Licence Conditions are to be found at Appendix [].

3 **Specific provisions**

The Code should include the following points:

3.1 **Payment methods**

The supplier's Code should explain that a range of payment methods will be available for customers and explain that its tariffs and contracts (in electricity, Designated Supply Contracts and, in gas, Domestic Supply Contracts) will set out the details and draw attention to any additional charges or savings associated with each method so that customers can make an informed choice about the most suitable method.

The Code should set out the payment methods available and should include payment:

- a) by prepayment through a prepayment meter;
- b) by different methods, including:
 - i) by cash, at such places and to such persons as are reasonable in all the circumstances; and
 - ii) by cheque, and
- c) at a reasonable range of different intervals, including:

- i) paying fortnightly or more regularly, such sums as agreed⁴;
- ii) paying monthly a predetermined sum; and
- iii) paying quarterly in arrears.

Other means of paying, and at different intervals, provided by the Licensee should also be included, for example, payment by direct debit or standing order on a monthly or quarterly basis, or by savings stamps.

Before installing prepayment meters, companies must ensure that they are appropriate to a customer's circumstances. Where customers move into premises which already have prepayment meter, companies should describe how they will contact the customer to ensure the suitability of that method of payment.

The Code should also set out arrangements covering:

- (i) where cash payments may be made, together with any additional commission charges if these apply ; and
- (ii) where prepayment meter keys may be recharged or tokens purchased and the means of advising customers of the opening hours of such places, including over holiday periods such as Christmas and New Year (whilst the Code need not provide a list of outlets, it should give information about how such a list might be obtained); the Code should also refer to the separate Code of Practice for prepayment meter customers.

In addition, the Code should clearly set out any charges for debt visits and warrants, the charges for disconnection and reconnection and charges for other services, such as: additional meter readings; meter testing; copy bills/statements; changing meters; and home visits to discuss bills.

3.2 Security against non-payment of future bills

The Code should contain a clear statement of the Licensee's policy on securing the payment of bills. It should also state if and how this policy differs for new and existing customers and what, if any, credit vetting procedures are applied. The Code should explain that security may take the form of a requirement to pay by direct debit or standing order (monthly or quarterly), the

⁴ 'such sums as agreed' include the flexible payment arrangements offered by some suppliers where the sum is not predetermined.

nomination of a guarantor or a monetary deposit. The Code should also indicate the steps that a customer who is required to provide some form of security needs to take to improve his or her credit worthiness, and state what a customer must do in order for security to no longer be required.

The Code should confirm that a monetary security deposit is not required (unless the Director otherwise consents);

- a) where the customer is prepared to be supplied through a prepayment meter and it is reasonably practicable in all the circumstances to do so; or
- b) where it is otherwise unreasonable in all the circumstances to do so.

The Code should state that where a monetary deposit has been paid (unless it is otherwise reasonable in all the circumstances for the deposit to be retained) it will be repaid (with interest) by the Licensee:

- a) within 14 days where, in the previous 12 months, the customer has paid all charges for electricity or gas supplied within 28 days of each written demand being made; or
- b) as soon as reasonably practicable, and in any event within 1 month, where the Licensee has ceased to supply the customer and the customer has paid all the charges for electricity or gas supplied.

The Code should indicate:

- a) how the amount of a monetary deposit will be calculated. The amount may be 1½ times the value of the average quarterly consumption of electricity or gas reasonably expected at the relevant premises, or more if that is reasonable in all the circumstances; and
- b) that interest shall be paid, at Barclays Bank Base Rate, on every sum of 50p deposited for every 3 months during which that sum is held.

The Code should also explain how customers may challenge suppliers' requests for security deposits and their level, and the Director's role in helping to resolve such disputes. Information

about this appeals mechanism should also be included in any correspondence sent to customers which requests such security deposits.

3.3 Disputed accounts

The Licensee should state clearly the steps it will take in dealing with a disputed account. The Code should: inform customers how to query or dispute an account; specify the action that will be taken by the company to resolve the dispute; and describe any Standards of Performance (Guaranteed or Overall Standards, and any internal company standards) that may apply.

3.4 Arrangements for identifying and dealing with customers in difficulty The Licensee is required to describe the procedures for distinguishing customers in difficulty from others in default. The Code should set out:

- a) the steps taken to identify customers in difficulty;
- b) the time-scale for follow-up action; and
- c) the attempts which will be made to make appropriate contact, i.e. either by letter, telephone or visit, with customers who fall into arrears or fail to keep to agreed payment arrangements.

The Code should confirm customers with repayment difficulties who contact the Licensee will be made to feel that their case will be heard sympathetically and that offers of repayment will be carefully considered. Suppliers should be sympathetic to the welfare of the family as a whole; for example where there are young children. Accounts, requests for payment and other correspondence should encourage the customer to contact the Licensee at an early stage to discuss the options available. Staff who have telephone contact with customers and those who make visits to customers as part of follow-up action should be suitably trained and be empowered to agree payment arrangements which reflect the customer's circumstances.

The Code should also set out the action that will be taken when the Licensee knows that the Benefits Agency or Social Services are involved in assisting or advising a customer in difficulty, the steps that will be taken to liaise with such organisations or other agencies and any additional time that will be allowed in the follow-up procedure to enable such organisations to make appropriate arrangements on behalf of customers.

The Code should include details of the procedures for dealing with customers in difficulty and should:

- a) indicate that information will be provided to customers on how they might reduce their bills in future by the more efficient use of electricity or gas, including sources of financial help such as the Home Energy Efficiency Scheme or the companies' work under the Energy Efficiency Standards of Performance, and state how that information will be provided;
- b) set out the payment arrangements available, which should include repayment of any debt over an agreed period of time at agreed intervals; the provision of a prepayment meter; and, in relevant cases, payments deducted at source from social security benefits (Fuel Direct);
- c) state that the Licensee will take account of the customer's ability to pay when agreeing any repayment arrangement, or calibrating a prepayment meter, and confirm with the customer that arrangements are manageable. It should also say that an appropriate rate for repayment of debt will depend on individual circumstances but, as a general guide, the debt recovery rate should not normally be set above the minimum Fuel Direct level where the household is in receipt of benefits⁵, unless the customer offers more or there is clear evidence to suggest that a higher figure would be appropriate. Where a customer has multiple debts and information is provided in the form of an income and expenditure statement submitted by an acknowledged money advice agency, the rate of debt repayment should be on a pro rata basis with other creditors. Where information may be available from other persons or organisations to assist in agreeing the level of repayment, that information should be taken into account.
- d) refer to the separate Code of Practice for prepayment meter customers and summarise its purpose; and
- e) refer to the help and advice that may be available from advice agencies. A number of examples should be given, such as Citizens Advice Bureaux and Money Advice Agencies or debt counselling services. Details of how to contact these agencies should be provided to the customer. In addition, the Code should confirm that the company will

⁵ 'Passport Benefits'

offer, with the customer's written consent, to ask the appropriate agency to contact the customer.

Suppliers should provide a copy of this Code or a summary version to customers at an early stage during the follow-up action for non-payment of an account or for failure to keep to an agreed payment arrangement.

4. Disconnection

The Code should set out the circumstances when it will be necessary to disconnect a customer's supply and provide information about the powers of the Licensee or its agent to carry out such action and, where necessary, gain right of entry. The Code should cover the information that will be left with all disconnected customers, explaining how they may be reconnected, any costs of disconnection or reconnection, and details of any Standards of Performance that apply.

Electricity and Gas suppliers are required, so far as is practicable, to avoid disconnection of customers who are of pensionable age or disabled or chronically sick during winter months. Gas suppliers cannot disconnect pensioner households during this period (refer to Gas Suppliers' Standard Licence Condition 20: 'Pensioners not to have supply of gas cut off in winter'). The Code should explain these requirements.

5. Further information and advice

The Code should state that it has been prepared in consultation with the Electricity Consumers' Committee or the Gas Consumers Council and approved by the Director. It should advise customers of the role of the Director and the Electricity Consumers' Committee/Gas Consumers Council in dealing with disputes and providing independent advice, and should provide a contact address and telephone number for customers to contact with any query about the Code or its implementation, or how they have been dealt with by the Licensee or its contractors.

Code of Practice on the Provision of Services for Persons who are Blind or Deaf: Guidance Notes

PES Licence Condition 19A (Scotland, 13A)

Second Tier Supply Licence Condition 30B (Scotland, 31B)

Gas Suppliers' Standard Licence Condition 18

1. Introduction

Each electricity and gas Licensee is required to prepare and submit to the Director for his approval a Code of Practice detailing the special services available for its domestic customers who are blind or deaf. The relevant Licence condition is attached at Appendix [].

The Code should refer to the separate 'Code of Practice for Persons who are of Pensionable Age or Disabled or Chronically Sick'.

2. Statement of purpose and objectives

The Code should clearly state its objectives and purpose, as set out in the Licence Condition. It should provide customers with details of the services provided to assist customers who are blind or deaf with information about their bills or any service provided by the Licensee.

The Code should be presented in a customer friendly style using appropriately sensitive language. The Licensee should state that it will interpret the definition of blind or deaf such that any customer who reasonably expects to be included is covered by its provisions.

3. Specific considerations

The Code should include details about services which the Licensee will make available free of charge to:

- a) its blind and partially sighted customers about electricity and gas bills, in a manner suitable for such customers (e.g., to include information in large print, Braille or on audio tape) and a suitable facility for enquiry or complaint about a supplier's bill or any service; and

- b) assist its deaf and hearing impaired customers to enquire or complain about a bill or any other services provided by the Licensee, by making available facilities such as minicom and textphone.

Companies will be aware that under the Disability Discrimination Act 1995 there is a duty on service providers to make reasonable adjustments for disabled people, such as providing extra help or making changes to the way they provide their services. The Code of Practice related to this Act indicates that providing bills in alternative formats, such as Braille or large print for customers with visual impairments, is likely to be a reasonable step for the utility company to take.

3.1 Other Services Available

The Code should state what other services are available for customers who are blind or deaf including the arrangements, where appropriate⁶, and in each case free of charge, for:

- a) providing, where practicable, special controls and adapters for electrical and gas appliances and meters, including prepayment meters;
- b) repositioning a meter - so as to make it more accessible to the customer;
- c) providing special means of identifying persons acting on behalf of the Licensee, by means of special passwords, etc;
- d) providing advice on the use of electricity or gas (and, in the case of gas, gas appliances and other gas fittings). The Code should recognise that such customers may particularly benefit from energy efficiency advice if they spend a lot of time at home. Licensees should therefore state that they will take the initiative and make efforts to contact such customers (particularly those on a Priority Service Register). We would expect advice to be contained in the Code which should also indicate how further advice relating to the efficient use of electricity and gas could be obtained (home visits might be of particular benefit for these customers);
- e) redirecting bills to a nominated third party – either instead of, or as well as, sending them to the customer;
- f) providing, where neither the customer nor anyone living with him is able to read the meter, for the meter to be read once in each quarter and for the customer to be informed of the readings;

- g) limiting, on request, the hours between which meter readers will call; and
- h) arranging safety checks by gas suppliers of gas appliances and other fittings; where appliances are not considered safe for use following a safety check, the supplier should be able to advise the customer on options for repairing or renewing the appliance, including access to charitable organisations such as Care and Repair.

4. Register of customers with special needs

The Code should state that the Licensee will bring to the attention of blind and deaf customers the Priority Service Register, describe the arrangements for inclusion on the Register and provide details of the services available for customers who are included on the Register. Suppliers should seek the assistance of relevant organisations representing disabled people to publicise the Register and the services offered.

5. Other provisions

The Code should also refer to measures and provisions that may relate to customers who are blind or deaf, including:

- a) the provisions of the Codes of Practice covering site access - PES Licence Condition 20A (Scotland, 14A); Second Tier Supply Licence Condition 32 (Scotland, 33); and Gas Suppliers' Standard Licence Condition 25 - and the arrangements for joining any password scheme and making representatives of the Licensee easily recognisable;
- b) the use of prepayment meters - the Code should recognise that prepayment meters may not be suitable for such customers, especially those that are housebound. The Code should explain that, wherever possible, alternative arrangements will be offered. Where there is no option but to fit a prepayment meter, the Licensee should give careful attention to the level of emergency credit provided and the distance to the nearest token outlet or re-charging point;
- c) the steps that will be taken to prevent the disconnection of such customers during the winter months, as required by the Codes of Practice on payment of bills for electricity and gas, and Licence Condition 20 in gas (Persons who are of Pensionable Age not to have supply of gas cut off in winter).

⁶ If the customer so requests and if the customer is eligible.

The Code should be produced in large print, in Braille and on audio tape to allow for it to be readily accessed by blind and partially sighted customers. Suppliers should liaise with and provide information to the relevant advice agencies.

6. Inclusion of Information about Ofgem, the Electricity Consumers' Committees and the Gas Consumers Council

The Code should state that it has been prepared in consultation with the Electricity Consumers' Committee/Gas Consumers Council and approved by the Director. The address and telephone number for Ofgem and the Electricity Consumers' Committee/ Gas Consumers Council should be provided, for customers to contact if they have any queries about the Code or its implementation, which the Licensee has been unable to resolve.

Code of Practice for Persons who are of Pensionable Age or Disabled or Chronically Sick: Guidance Notes

PES Licence Condition 20 (Scotland, 14)

Second Tier Supply Licence Condition 31 (Scotland, 32)

Gas Suppliers' Standard Licence Condition 17

1. Introduction

Each electricity and gas Licensee is required to prepare and submit to the Director for his approval a Code of Practice detailing the special services available for its domestic customers who are of pensionable age or disabled or chronically sick. The relevant Licence Condition is attached at Appendix [].

2. Statement of purpose and objectives

The Code should clearly state its objectives and purpose, as set out in the Licence Conditions. It should provide customers with details of:

- a) the services provided to assist customers who are of pensionable age or disabled or chronically sick, including those who are blind or deaf; and bring customers' attention to the separate Code of Practice for blind and deaf customers;
- b) the register it maintains of such customers (to be known as the 'Priority Service Register' in all publications and contact with customers); and
- c) for gas suppliers: explain the supplier's obligation to provide on request to eligible customers a free annual safety check for gas appliances and other gas fittings.

The Code should be presented in a customer friendly style using appropriately sensitive language. The Licensee should state that it will interpret the definition of pensionable age or disabled or chronically sick such that any customer who reasonably expects to be included is covered by its provisions.

3. Specific considerations

The Code should include information about:

3.1 Services available

The Code should set out the services available for customers who are of pensionable age or disabled or chronically sick. It shall include the arrangements, where appropriate,⁷ and in each case free of charge, for:

- a) providing, where practicable, special controls and adapters for electrical and gas appliances and meters, including prepayment meters;
- b) repositioning a meter - so as to make it more accessible to the customer;
- c) providing special means of identifying persons acting on behalf of the Licensee, by means of special passwords, etc;
- d) providing advice on the use of electricity or gas (and, in the case of gas, gas appliances and other gas fittings). The Code should recognise that such customers may particularly benefit from energy efficiency advice if they spend a lot of time at home. Licensees should therefore state that they will take the initiative and make efforts to contact such customers (particularly those on a Priority Service Register). Advice could be contained in the Code which should also indicate how further advice relating to the efficient use of electricity and gas could be obtained (home visits might be of particular benefit for these customers);
- e) redirecting bills to a nominated third party - either instead of, or as well as, sending them to the customer;
- f) providing, where neither the customer nor anyone living with him is able to read the meter, for the meter to be read once in each quarter and for the customer to be informed of the readings; and the company's policy for exchanging difficult-to-read meters where that would assist customers to read their own meter;
- g) limiting, on request, the hours between which, meter readers will call; and
- h) arranging safety checks by gas suppliers of gas appliances and other fittings; where appliances are not considered safe for use following a safety check, the supplier should be able to advise the customer on options for repairing or renewing the appliance, including access to charitable organisations such as Care and Repair.

Companies will be aware that under the Disability Discrimination Act 1995 there is a duty on service providers to make reasonable adjustments for disabled people, such as providing extra help or making changes to the way they provide their services. The Code of Practice related to this Act indicates that providing bills in alternative formats, such as Braille or large print for customers with visual impairments, is likely to be a reasonable step for the utility company to take.

3.2 Register of customers with special needs

The Licensee should set up and maintain a Priority Service Register, to promote and provide a focus for the services available for persons who are of pensionable age or disabled or chronically sick.

The Code should describe the arrangements for inclusion on the Register, and should:

- a) draw customers' attention to the Register, particularly those who might benefit from being included or who might require advance notice of electricity supply interruptions or priority in the event of a gas or electricity supply emergency. The Licensee is required to give publicity to the Register and to notify its customers at least once a year of the existence of the Register in order to provide qualifying customers with the opportunity to register (suppliers should seek the assistance of relevant organisations representing pensioners or disabled people to publicise the Register and the services offered); and
- b) provide customers on the Register with information about the special services available.

A gas supplier must tell the relevant public gas transporter (via the relevant licensed shipper) when it has registered a site where the customer is on the Priority Service Register.

3.3 Advance notice of interruptions of electricity supply

Licensees should recognise that customers who are of pensionable age or disabled or chronically sick may be more dependent than some other groups of customers on a reliable supply of electricity, particularly where the use of special electrically operated equipment is essential.

⁷ If the customer so requests and is eligible.

Reasonable steps should be taken to provide customers on the Register with information and advice about supply interruptions and the Code should explain how this will be done.

Where the customer has given consent, a second tier electricity supplier should provide the Public Electricity Supplier (PES) with appropriate details of such customers and special requirements, to enable the PES to give advance notice of interruptions to the supply. The Licensee should explain to customers why it is necessary for such consent to be provided.

Arrangements in electricity may involve providing more notice than that required under the Guaranteed Standards of Performance. In any event, arrangements in electricity should extend to providing information as quickly as possible to such customers in the event of unplanned outages, including the likely restoration time and any help that may be provided to the customer whilst he is without a supply.

3.4 Other provisions

The Code should also refer to measures and provisions that may relate to customers who are of pensionable age or disabled or chronically sick, including:

- a) the provisions of the Codes of Practice covering site access - PES Licence Condition 20A (Scotland, 14A); Second Tier Supply Licence Condition 32 (Scotland, 33); and Gas Suppliers' Standard Licence Condition 25 - and the arrangements for joining any password scheme and making representatives of the Licensee easily recognisable;
- b) the use of prepayment meters - the Licensee should recognise that prepayment meters may not be suitable for such customers, especially those that are housebound. The Code should explain that, wherever possible, alternative arrangements will be offered. Where there is no option but to fit a prepayment meter, the Licensee should give careful attention to the level of emergency credit provided and the distance to the nearest token outlet or re-charging point;
- c) the steps that will be taken to prevent the disconnection of such customers during the winter months, as required by the Codes of Practice on payment of bills for electricity and gas, and Licence Condition 20 in gas (Persons who are of Pensionable Age not to have supply of gas cut off in winter); and

- d) provisions under electricity and gas Codes 19A and 18: Provision of services for persons who are blind or deaf.

Suppliers should liaise with and provide information to relevant advice agencies.

4. Inclusion of Information about Ofgem, the Electricity Consumers' Committees and the Gas Consumers Council

The Code should state that it has been prepared in consultation with the Electricity Consumers' Committee / Gas Consumers Council and approved by the Director. The address and telephone number for Ofgem and the Committees/Gas Consumers Council should be provided, for customers to contact if they have any queries about the Code or its implementation, which the Licensee has been unable to resolve.

Codes of Practice on the Efficient Use of Electricity or Gas: Guidance Notes

PES Licence Condition 22 (Scotland 16)

Second Tier Supply Licence Condition 33 (Scotland 34)

Gas Suppliers' Standard Licence Condition 16

1. Introduction

Each Electricity and Gas Licensee is required to prepare and submit to the Director for his approval a Code of Practice setting out the ways in which it will make available to its customers guidance on how to improve the efficient use of electricity or gas. The relevant Licence Conditions are attached at Appendix [].

2. Statement of purpose and objectives

The Code should clearly state its objectives and purpose, as set out in the Licence Conditions. It should provide customers with details of:

- a) information and advice, given or prepared by a suitably qualified person, on the efficient use of electricity or gas;
- b) arrangements, including a telephone information service, whereby customers may obtain further information;
- c) sources outside the supplier's own organisation from which customers can obtain further information and assistance: for example, Energy Efficiency Advice Centres;
- d) information on financial assistance available towards the cost of energy efficiency measures, including assistance from the supplier under the Energy Efficiency Standards of Performance programme and assistance available under the Home Energy Efficiency Scheme (Warm Deal in Scotland) .

The information provided in the Code should be technically correct and up to date, and presented in a format which will be understood by customers.

For electricity suppliers, the Codes should include information and advice for domestic and non-domestic customers. Such information can be published in two separate publications. For gas,

information should be published for domestic customers, defined as those customers using less than 73,000kWh annually, even if gas is used for the purposes of trade or business.

Licensees should consult organisations with recognised expertise on energy efficiency when drawing up their Code, for example the Energy Saving Trust (EST), NEA and EA Technology.

3. Specific considerations

The Code should include the following points:

3.1 Information and advice on the efficient use of electricity or gas

The Code should include a statement containing practical information and advice for customers on:

- a) how they can use electricity or gas more efficiently. This should include specific examples of the steps which customers can take (including on a DIY basis) to achieve improvements, and the costs and energy savings of different measures. Energy efficient appliances, low energy lighting, improved insulation, and the use of controls and timers should all be covered;
- b) how they can obtain practical help with the installation and financing of energy saving measures and other measures available to help customers;
- c) information on the cost of using electrical or gas appliances and information about the energy labelling of appliances;
- d) information on switching to day/night tariffs.

The Code is not intended to provide commercial information or to support electricity or gas marketing by the Licensee. However, it can include tariff and other information on electricity or gas supply charges relevant to the efficient use of electricity or gas, such as the availability of energy services packages combining the provision of electricity and gas with energy efficiency measures, and details of Suppliers' schemes under the Energy Efficiency Standards of Performance.

3.2 Arrangements for obtaining further information

The Code should:

- a) explain how the company will provide and maintain sources of information about the efficient use of energy, including the maintenance of a telephone advice service;
- b) describe the arrangements for providing advice on the efficient use of electricity or gas to customers who request additional advice to that contained in the Code;
- c) indicate the scope of the additional advice which it has arranged to provide and the terms on which it is available to customers. It is open to Licensees to arrange for this further information to be provided either in-house by the Licensee itself or by an external organisation, though in either case the Licensee will be responsible for ensuring compliance with the requirement that its customers should have access to further information;
- d) specify whom customers should contact for further information. The Licensee's arrangements for providing such information should include a telephone advice service either operated in-house or contracted out to another qualified organisation, such as an Energy Efficiency Advice Centre (EEAC) or the Energy Saving Trust.

Licensees should pay special attention to the way in which telephone advice lines can best be operated. Companies should take steps to ensure that they can quickly distinguish calls, where the caller wants energy efficiency advice, from other calls. This may require a telephone line dedicated to energy efficiency advice and companies should ensure that customer enquiries are not used as an opportunity for sales promotion.

Advice on energy efficiency can be particularly important for customers who are having difficulty in paying their bills. Companies should therefore ensure that staff who deal with account queries are trained to recognise when the caller might benefit from energy efficiency advice and are able to offer to refer such cases to the advice service. Licensees have an obligation to offer energy efficiency advice to customers having difficulty paying their bills.

The potential benefits of computerised enquiry handling systems should be carefully considered for dealing with telephone enquiries. The use of a Freephone number or charging calls at local rates should be considered.

3.3 A statement of sources of further information and assistance

The Code should include:

- a) details of sources outside the Licensee's organisation from which customers can obtain further information or assistance in relation to measures to improve the efficient use of electricity or gas. To meet this requirement, the Licensee need not enter into any special arrangements with the external sources, but it needs to ensure that the statement, which it gives to customers, is kept up to date;
- b) contact details of EEACs, and of local authority and central government agencies, as well as other relevant organisations, such as NEA, the Energy Action Grants Agency (EAGA), HEES Managing Agents, the Energy Saving Trust and Energy Action Scotland;
- c) basic information, which is publicly available, on financial assistance which is available to customers from central or local government or from government funded bodies in connection with measures to promote the efficiency of energy use. This should include information on the Home Energy Efficiency Scheme (HEES) (Warm Deal in Scotland).

4. Home Visits

The Licensee should set out its policy on providing home visits, where such visits are offered for providing advice on the efficient use of electricity or gas, in particular for customers on the Priority Service Register. It should confirm whether there are any charges for such visits.

5. Training

Staff giving or preparing energy efficiency advice should have appropriate qualifications: for example, a Certificate in Energy Awareness from the City and Guilds of London Institute in conjunction with NEA or the equivalent, and have received appropriate regular refresher training. Other staff who may receive energy efficiency enquiries should be trained to recognise when advice is required and to refer such enquiries to trained staff. Licensees should include in their Code information on the qualifications of those who provide advice to customers.

6. Inclusion of Information about Ofgem, the Electricity Consumers' Committees and the Gas Consumers Council

The Code should state that it has been prepared in consultation with the Electricity Consumers' Committee/Gas Consumers Council and approved by the Director. The address and telephone

number for Ofgem and the Electricity Consumers' Committee/Gas Consumers Council should be provided, for customers to contact if they have any queries about the Code or its implementation, which the Licensee has been unable to resolve.

7. Dissemination and promotion

In addition to the requirements for dissemination of the Codes outlined in the Introduction to the guidance notes, the Licensee should take appropriate steps to promote its energy efficiency advice service. It should also actively target advice at specific groups of customers likely to benefit, such as those on its Priority Service Register and those in payment difficulties. Customers moving home might particularly welcome advice on how to save energy, especially if they are undertaking work which provides the opportunity for enhancing their efficient use of energy. Specific points for promoting the advice service might therefore be:

- on the back of fuel bills
- with descriptions of tariff structures
- in all publications
- with 'welcome packs' for new customers
- when customers change address
- reminders concerning non-payment of fuel bills
- customer requests for assistance with managing debt
- meter reading

In any event, the Licensee should observe those other Licence Conditions which require it to provide general information to customers in difficulty about how they might reduce future bills by the more efficient use of electricity or gas, and to give advice on the use of electricity or gas to elderly or disabled customers or chronically sick customers.

Appendix 7: Codes of Practice Monitoring

This appendix includes for comment details of the statistical monitoring returns which Ofgem proposes should be adopted for monitoring of suppliers' compliance with the social obligations Licence conditions. These matters will be dealt with under the respective electricity and gas Licence conditions which concern Record and Report on Performance (see Appendix 3, pages 32 and 67).

The licence conditions require Licensees to publish annual reports on their performance in complying with the social obligations, in a form designated by the Director. In addition, Licensees are required to provide to the Director and to the Relevant Electricity Consumers' Committees (ECC's) and to the Gas Consumers' Council (GCC) such information as the Director may require. The Director proposes to request that returns be made to him, to the ECC's and to the GCC (subsequently to the Gas and Electricity Consumers' Council), on a quarterly basis (as currently), in the same format as the annual reports.

Note: The details in the monitoring returns reflect the current Licensing structure in electricity. Some changes will be necessary to reflect the new Licensing structure under the Utilities Bill.

Appendix 7 Codes of Practice: Electricity Monitoring

WARRANTS

(PES: Public Electricity Supplier)

(2TS: Second Tier Supplier)

Ref	Warrants - Domestic (PES to Report)	a) Total of which	b) Debt	c) Theft	d) Meter reading	e) Other
1	Number of warrants obtained					
2	Number of warrants executed					
3	Number of warrants executed - forcible entry necessary to unoccupied property					
4	Number of warrants executed - forcible entry necessary to occupied property					

Ref	Warrants - Designated Non Domestic (PES to Report)	a) Total of which	b) Debt	c) Theft	d) Meter reading	e) Other
5	Number of warrants obtained					
6	Number of warrants executed					
7	Number of warrants executed - forcible entry necessary to unoccupied property					
8	Number of warrants executed - forcible entry necessary to occupied property					

SECURITY DEPOSITS

Ref	Security Deposits	a) PES Domestic	b) PES Designated Non-domestic	c) 2TS Domestic	d) 2TS Designated Non domestic
9	Number of security deposits held				
10	Value in £ (net of interest)				
11	Number held for 12 or more months				
12	PPM installed as an alternative to paying a security deposit				

DE-ENERGISATION (DISCONNECTION)

Ref	Number of domestic disconnections	a) PES Domestic	c) 2TS Domestic
13	Disconnections this quarter		
13a	Supply no longer required		
13b	Reconnections this quarter		
	Debt		
14	Disconnections due to failure to enter a payment arrangement and PPM not fitted		
14a	Number of disconnections in 14 where there was no contact		
15	Disconnections due to failure to keep a payment arrangement and PPM not fitted		
15a	Number of disconnections in 15 where there was no contact		
	Security		
16	Disconnections due to non-payment of a security deposit		
	Theft		
17	Disconnections due to theft of electricity - non PPM customers		
18	Disconnections due to theft of electricity - PPM customers		
	Code of Practice		
19	Disconnections of known all pensioner, disabled or chronically sick households		
	Reviews this quarter - <i>to be carried out within or around 1 month, report to include initial reviews</i>		
20	Re-connected		
21	Customer no longer requires a supply		
22	Customer disconnected after illegal re-connection		
23	Customer vacated premises		
24	Customer remaining disconnected after one month		
25	Customer remaining disconnected after one year		

Ref	Number of designated non domestic disconnections	a) PES Designated Non Domestic	c) 2TS Designated Non Domestic
26	Supplies disconnected this quarter		
27	Customer remaining disconnected after one month		

DOMESTIC PAYMENT SCHEMES

Ref	Schemes for paying;	a) PES tariff customers	b) PES in area contract customers	c) 2TS customers
28	Quarterly variable direct debit			
29	Flexible payment			
30	Open box coin meter			
31	Monthly direct debit			
32	Monthly standing order			
33	Monthly cheque cash			
34	Fortnightly (state whether FOC)			
34a	Weekly (----- " -----)			
35	Monthly Optional bills			
36	Prepayment meter			
37	Fuel direct			
38	Other			

CUSTOMER NUMBERS

Ref	Number of customers	a) PES tariff:	b) PES in area contract	c) 2TS
39	Domestic: credit			
40	Domestic: prepayment			
41	Designated non domestic: credit			
42	Designated non domestic: prepayment			
43	Non Designated (total)			

COMPETITION

Ref	Designated Customers	a) Non PPM	b) PPM
44	Number of customers lost or gained this quarter		

CODES OF PRACTICE

Ref	Domestic Debt payment arrangements - Fuel Direct	a) PES	b) 2TS
45	Number of customers referred to DSS		
46	Number of customers joining fuel direct		

Ref	Domestic Debt payment arrangements - Non PPM	a) PES		b) 2TS	
47	Number of non PPM customers repaying debt via a payment arrangement				
48	Number of customers in debt entering into a payment arrangement this quarter				
49	Average weekly amount towards debt for payment arrangements made this quarter				
50	Average number of weeks to recover debt for payment arrangements made this quarter				
51	Number of payment arrangements with debt repayment at or below £3 a week				
52	Number of payment arrangements with debt repayment above £3 a week				
		Number	Charges	Number	Charges
53	Non PPM customers paying interest on debt				
54	Non PPM customers paying other debt related additional charges				
54A	Total number of non prepayment meter customers in debt at end of quarter				

Ref	Domestic Debt payment arrangements – PPM	a) PES	b) 2TS
55	Number of PPM customers with PPM calibrated to recover debt at end of quarter		
56	PPM installed during this quarter to recover debt		
57	Average weekly amount towards debt for PPMs installed this quarter		
58	Average number of weeks to recover debt for PPMs installed this quarter		
59	PPM installed this quarter with debt repayment at or below £3 per week		
60	PPM installed this quarter with debt repayment above £3 per week		

		Number	Charges	Number	Charges
61	PPM customers paying interest on debt				
62	PPM customers paying other debt related additional charges				
63	Average number days to visit to re-calibrate PPM manually after debt paid				

Ref	PPM – Domestic Customers	a) PES	b) 2TS
64	Number of PPM customers changing to credit meters this quarter		
64a	Number of PPMs installed this quarter		
65	Number of requests to change from PPM after debt cleared that have been refused		

Ref	PPM Services to domestic customers irrespective of supplier - (PES to Report)	Number	Charges
66	Total number call outs to PPM customers		
67	Number for which a charge was made		
68	Number involving meter malfunctions		
69	Number involving faulty tokens/keys		
70	Number of times vending outlets out of service this quarter		
71	Percentage of 66. re-established within target timescale (specify timescale)		

Ref	PPM Services to domestic customers irrespective of supplier - (PES to report)	3 months	6 months	9 months	12 months
72	Percentage of PPM re-calibrated following price or tariff change (where applicable)				

Ref	Domestic monthly direct debit customers	a. PES	b. 2TS
73	Percentage in credit at annual reviews carried out this quarter		

Ref	Premises accepting personal payment: Non PPM
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	PES in area	Number	Free of Charge
74	Company premises		Yes/No
75	Agencies e.g. PayPoint (excluding Post Offices)		Yes/No
76	Post Offices (including those offering PayPoint)		Yes/No
77	Other		Yes/No
	Second Tier Suppliers		
78	Premises available to your customers (nationally)		

Ref	Premises accepting personal payment: PPM Vending Facilities	Number	Charges
79	Outlets open 24 hours		
80	Company outlets open limited hours		
81	Outlets open Sundays/after 8pm		
82	Other outlets		
83	Total outlets		
83a	Percentage of customers within 1 mile		
83b	Percentage of customers within 2 miles		

Ref	Elderly, disabled or chronically sick domestic customers	a.) PES			b.) 2TS		
		Available Y/N*	Number	Charges	Available (Y/N)	Number	Charges
84	Customers on special needs register	Yes/No					
Ref	Annual completion						
84a	<i>Were priority service registers verified with 2TS?</i>	Yes/No					
84b	<i>Were all customers notified of list and procedures for inclusion on it?</i>	Yes/No					

* delete as applicable

Ref	For customers on special needs register, number of -						
85	Customers registered for receiving talking bills	Yes/No *					
86	Customers registered for receiving bills in Braille/large print	Yes/No					
87	Customers registered for password schemes	Yes/No					
88	Customers registered for third party billing/bill re-direction	Yes/No					
89	Customers registered for minicom service	Yes/No					
90	Meters replaced with a more suitable type	Yes/No					
91	No of meters repositioned	Yes/No					
92a	Number of customers to whom special controls or adapters were provided	Yes/No					
92b	Number of customers given energy efficiency advice	Yes/No					
92c	Number of quarterly read customers	Yes/No					
92d	Number of blind or partially-sighted customers assisted in relation to meter readings, charges and enquiries	Yes/No					
92e	Number of customers who are deaf or with partial hearing assisted in relation to enquiries, complaints, bills and services	Yes/No					

* Delete as applicable

Ref	Domestic Customers	a.) PES - Number	b) 2TS – Number
93	Customers registered for site access password scheme		

Ref	All Customers	
94	Calls to Energy Efficiency Enquiry Line	
94a	Total number of customers requesting advice	

94b	Advice most commonly sought: <ul style="list-style-type: none"> • Insulation • Selection of new appliances • Use of appliances • Referrals to other organisations • Other 	
94c	Has action been taken to analyse if advice acted on?	
94d	Has action been taken to monitor quality of advice given?	

	Prepayment Meter Services not Covered Elsewhere	
95	Number of token vending /key charging points becoming faulty in quarter	
95a	Number in 95 attended within 6 hours	
95b	Number in 95 attended within 12 hours	
96	Number of reported faulty cards/keys/tokens	
96a	Number in 96 attended within 4 hours	
97	Number of prepayment meter faults	
97a	Number of responses to 97 within 3 hours (weekdays)	
97b	Number of responses to 97 within 4 hours (weekends)	
98	Minimum level of emergency credit	
99	Number of customers contacted where company concern about patterns of charging keys/cards or purchasing tokens	

Codes of Practice: Gas Monitoring

WARRANTS

Ref	Warrants - Domestic	a) Total of which	b) Debt	c) Theft	d) Meter reading	e) Other
1	Number of warrants obtained					
2	Number of warrants executed					
3	Number of warrants executed - forcible entry necessary to unoccupied property					
4	Number of warrants executed - forcible entry necessary to occupied property					

Ref		a) Total of which	b) Debt	c) Theft	d) Meter reading	e) Other
5	To be allocated					
6	To be allocated					
7	To be allocated					
8	To be allocated					

SECURITY DEPOSITS

Ref	Security Deposits	Domestic
9	Number of security deposits held	
10	Value in £ (net of interest)	
11	Number held for 12 or more months	
12	PPM installed as an alternative to paying a security deposit	
12a	Number of customers with PPMs and security deposits	

DISCONNECTIONS

Ref	Number of domestic disconnections	Domestic
13	Disconnections this quarter	
13a	Supply no longer required	
13b	Reconnections this quarter	
	Debt	
14	Disconnections due to failure to enter a payment arrangement and PPM not fitted	
14a	Number of disconnections in 14 where there was no contact	
15	Disconnections due to failure to keep a payment arrangement and PPM not fitted	
15a	Number of disconnections in 15 where there was no contact	
	Security	
16	Disconnections due to non-payment of a security deposit	
	Theft	
17	Disconnections due to theft of gas - non PPM customers	
18	Disconnections due to theft of gas - PPM customers	
	Code of Practice – Pensioners, disabled and chronically sick, not to be disconnected in winter	
19	Number of cases where disconnection moratorium applied	
19a	Number of pensioner customers disconnected (where household not all pensioner)	
	<i>Reviews this quarter - to be carried out within or around 1 month, report to include initial reviews</i>	
20	Re-connected	
21	Customer no longer requires a supply	
22	Customer disconnected after illegal re-connection	
23	Customer vacated premises	
24	Customer remaining disconnected after one month	
25	Customer remaining disconnected after one year	

Ref 26 & 27 to be allocated

DOMESTIC PAYMENT SCHEMES

Ref	Schemes for paying;	
28	Quarterly variable direct debit	
29	Flexible payment	
30	<i>to be allocated</i>	
31	Monthly direct debit	
32	Monthly standing order	
33	Monthly cheque cash	
34	Fortnightly (state whether FOC)	
34a	Weekly (----- " -----)	
35	Monthly Optional bills	
36	Prepayment meter	
37	Fuel direct	
38	Other	

CUSTOMER NUMBERS

Ref	Number of customers	
39	Domestic: credit	
40	Domestic: prepayment	
41	To be allocated	
42	To be allocated	
43	To be allocated	

COMPETITION

Ref	Domestic Customers	a) Non PPM	b) PPM
44	Number of customers lost or gained this quarter		

CODES OF PRACTICE

Ref	Domestic Debt payment arrangements - Fuel Direct	
45	Number of customers referred to DSS	
46	Number of customers joining fuel direct	

Ref	Domestic Debt payment arrangements - Non PPM		
47	Number of non PPM customers repaying debt via a payment arrangement		
48	Number of customers in debt entering into a payment arrangement this quarter		
49	Average weekly amount towards debt for payment arrangements made this quarter		
50	Average number of weeks to recover debt for payment arrangements made this quarter		
51	Number of payment arrangements with debt repayment at or below £3 a week		
52	Number of payment arrangements with debt repayment above £3 a week		
		Number	Charges
53	Non PPM customers paying interest on debt		
54	Non PPM customers paying other debt related additional charges		
54A	Total number of non prepayment meter customers in debt at end of quarter		

Ref	Domestic Debt payment arrangements - PPM		
55	Number of PPM customers with PPM calibrated to recover debt at end of quarter		
56	PPM installed during this quarter to recover debt		
57	Average weekly amount towards debt for PPMs installed this quarter		
58	Average number of weeks to recover debt for PPMs installed this quarter		
59	PPM installed this quarter with debt repayment at or below £3 per week		
60	PPM installed this quarter with debt repayment above £3 per week		
		Number	Charges
61	PPM customers paying interest on debt		
62	PPM customers paying other debt related additional charges		
63	To be allocated		

Ref	PPM - Domestic Customers	
64	Number of PPM customers changing to credit meters this quarter	
64a	Number of PPMs installed this quarter	
65	Number of requests to change from PPM after debt cleared that have been refused	

Ref	PPM Services to domestic customers irrespective of supplier -	Number	Charges
66	Total number call outs to PPM customers		
67	Number for which a charge was made		
68	Number involving meter malfunctions		
69	Number involving faulty tokens/keys		
70	Unallocated		
71	Unallocated		

Ref	PPM Services to domestic customers irrespective of supplier	3 months	6 months	9 months	12 months
72	Not applicable				

Ref	Domestic monthly direct debit customers	
73	Percentage in credit at annual reviews carried out this quarter	

Ref	Premises accepting personal payment: Non PPM	Number	Free of Charge
74	Company premises		Yes / No *
75	Agencies e.g. PayPoint (excluding Post Offices)		Yes / No
76	Post Offices (including those offering PayPoint)		Yes / No
77	Other		Yes / No
78	Unallocated		

* Delete as appropriate

Ref	Premises accepting personal payment: PPM Vending Facilities	Number	
79	Outlets open 24 hours		
80	Company outlets open limited hours		
81	Outlets open Sundays/after 8pm		

82	Other outlets		
83	Total outlets		
83a	Percentage of customers within 1 mile		
83b	Percentage of customers within 2 miles		

Ref	Elderly, disabled or chronically sick domestic customers	Available Y/N*	Number	Charges
84	Customers on special needs register	Yes/No		
	Annual completion			
84a	Was the priority service register verified with Transco	Yes/No		
84b	Were all customers notified of list and procedures for inclusion on it	Yes/No		
	For customers on special needs register, number of -			
85	Customers registered for receiving talking bills	Yes/No		
86	Customers registered for receiving bills in Braille/large print	Yes/No		
87	Number of customers requesting special password	Yes/No		
88	Customers registered for third party billing/bill re-direction	Yes/No		
89	Customers registered for mini-com service	Yes/No		
90	Meters replaced with a more suitable type	Yes/No		
91	Number of meters repositioned	Yes/No		
92	Number of customers to whom special controls or adapters were provided	Yes/No		
92a	Number of free safety checks	Yes/No		
92b	Number of customers given advice on use of gas, appliances and fittings	Yes/No		
92c	Number of quarterly read customers	Yes/No		
92d	Number of blind or partially-sighted customers assisted in relation to meter readings, charges and enquiries	Yes/No		
92e	Number of customers who are deaf or with partial hearing assisted in relation to enquiries, complaints, bills and services	Yes/No		

* Delete as applicable

Ref	Domestic Customers	Number
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93	Customers registered for site access password scheme	
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Ref	All Customers	
94	Calls to Energy Efficiency Enquiry Line	
94a	Total number of customers requesting advice	
94b	Advice most commonly sought: <ul style="list-style-type: none"> • Insulation • Selection of new appliances • Use of appliances • Referrals to other organisations • Other 	
94c	Has action been taken to analyse if advice acted on?	
94d	Has action been taken to monitor quality of advice given?	

	Prepayment Meter Services not Covered Elsewhere	
95	Number of token vending /key charging points becoming faulty in quarter	
95a	Number in 95 attended within 6 hours	
95b	Number in 95 attended within 12 hours	
96	Number of reported faulty cards/keys/tokens	
96a	Number in 96 attended within 4 hours	
97	Number of prepayment meter faults	
97a	Number of responses to 97 within 3 hours (weekdays)	
97b	Number of responses to 97 within 4 hours (weekends)	
98	Minimum level of emergency credit	
99	Number of customers contacted where company concern about patterns of charging keys/cards or purchasing tokens	

