

January 2004

**Gas and electricity licence
applications**

Guidance document

Summary

This document replaces the guidance for licence applicants issued by Ofgem in March 2002. It takes into account the results of Ofgem's review of the licensing process conducted in September 2002 which culminated in the amendment of the gas and electricity Application Regulations in April 2003.

The document explains the regulatory and legal framework within which Ofgem currently considers applications for all types of licence or for extensions or restrictions of licences. It then explains the procedures that Ofgem follows when assessing applications for all types of gas and electricity licences. In particular it sets out Ofgem's objective and non-discriminatory criteria for deciding whether to grant a licence.

The document also sets out the procedures Ofgem will follow when it proposes to refuse an application for a licence.

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1. Introduction

Purpose of this document

- 1.1 This document replaces previously issued guidance on gas and electricity licence applications¹. It explains the procedures that Ofgem now follows when assessing applications for all types of gas and electricity licences. In particular it sets out Ofgem's objective and non-discriminatory criteria for deciding whether to grant a licence. It also explains the process that follows a proposal by Ofgem not to grant a licence.
- 1.2 This document should be read in conjunction with the gas and electricity Application Regulations 2001 ("the Application Regulations")² and the amendment Application Regulations 2003 ("the Amendment Regulations")³. Copies of both the Application Regulations and the Amendment Regulations are included in Appendix 1.

Context

The Application Regulations and the Amendment Regulations

- 1.3 The Amendment Regulations were made in April 2003 following a process of review and consultation. They introduced a number of amendments and, together with the Application Regulations, set out the form in which applications for licences (or extensions or restrictions of licences) should be made, the fee payable for each type of licence and also specify the minimum information that applicants must provide in order for Ofgem to consider an application. The Amendment Regulations 2003 must be read together with the Application Regulations 2001.

¹ Gas and electricity licence applications. Guidance document. March 2002 Ofgem 27/02

² The Gas (Applications for Licences and Extensions and Restrictions of Licences) Regulations 2001 SI 3353 and The Electricity (Applications for Licences and Extensions and Restrictions of Licences) Regulations 2001 SI 3354.

³ The Gas (Applications for Licences and Extensions and Restrictions of Licences)(Amendment) Regulations 2003 SI 847 and The Electricity (Applications for Licences and Extensions and Restrictions of Licences) (Amendment) Regulations 2003 SI 848.

EC Directive 98/30/EC “Concerning Common Rules for the Internal Market in Natural Gas”

- 1.4 Directive 98/30/EC (“the Directive”) places certain obligations on licensing authorities such as Ofgem. The obligations include a requirement to publish objective and non-discriminatory criteria and procedures for assessing gas licence applications. In March 2002 Ofgem fulfilled that requirement by publishing a guidance document on licence applications. In line with Ofgem’s policy to align the gas and electricity markets wherever possible, the document extended the principle of such criteria to the electricity licensing process.

Ofgem initiatives

- 1.5 Ofgem currently has a number of initiatives that will make it easier for potential applicants to understand the licensing regime. These include joint presentations (with MRASCo⁴ and Elexon) to potential entrants to the electricity market and the development of Application Handbooks to guide applicants through the licensing process.

Review of the licensing process

- 1.6 In 2002 Ofgem carried out a review of the licensing process. This sought to assess whether the precautionary approach embodied in the Application Regulations remained appropriate. In September 2002 Ofgem proposed a number of changes to the Application Regulations⁵. It noted that the liberalised gas and electricity markets had proved robust to the failure of participants, that industry systems had been created to ensure the stability of new entrants, that Ofgem had acquired considerable experience, and had learned that information gathered at the licensing stage is of little value for licence enforcement.
- 1.7 It also noted that Ofgem does not consider that any check that it could perform on a potential licensee at the time of application will provide continuing comfort about financial viability once the licensee commences operations. The failures of both Enron and Independent Energy demonstrated the shortcomings of any ex

⁴ MRASCo is the company established by signatories to the MRA to be responsible for managing the day to day operation of the MRA. On 1 September 2002 MRASCo’s personnel and operational assets transferred to Genserv.

⁵ Review of the Licensing Application Regulations. Consultation Document. September 2002. Ofgem 62/02.

ante tests of financial viability⁶. During the licensing process both companies were subject to financial tests but still subsequently failed.

1.8 Changes were introduced in April 2003 by the Amendment Regulations. The key amendments are:

- ◆ removal of the requirement for applicants to provide financial information including accounts and a statement of business proposals
- ◆ introducing a requirement for applicants to provide a declaration of any unspent criminal convictions
- ◆ removal of the requirement to provide a statement of proposed compliance with certain licence conditions
- ◆ removal of the need for information about the expertise of the applicant
- ◆ changes to the need for information to be submitted about particulars of the applicant's proposed arrangements for compliance with certain standard conditions, and
- ◆ changes to the need for applicants to publish notices of application. All notices of application should now be placed on either Ofgem's website or on the applicant's website⁷ within 10 working days of the application being duly made. Where the application is for a restriction, notices should also be placed in papers circulating in the area to which the restriction applies⁸.

Rationale

1.9 The licensing system provides access to:

- ◆ the gas and electricity supply markets

⁶ The provision of information in advance of the granting of a licence can be referred to as 'ex ante' provision.

⁷ With a link from Ofgem's website to the applicant's website.

⁸ An error in the explanatory notes of the Amendment Regulations indicates that applicants for extensions should place notices in local papers. Adverts are only required to be placed in local papers where the application is for a restriction. Applicants are advised to contact Ofgem to confirm the arrangements for the publication of notices.

- ◆ the gas shipping market
- ◆ the electricity generation market, and
- ◆ the gas transportation, electricity transmission and electricity distribution markets.

1.10 The criteria in this document are the minimum criteria that have to be met by an applicant for a licence to operate in these markets. These take into account:

- ◆ Ofgem's duty to protect customers, wherever possible by promoting effective competition
- ◆ the fact that various industry codes and agreements set out in detail industry processes to which a licensee must adhere. In many cases the licensee has to undergo some testing before it is allowed to operate. In addition the licensee is often obliged by its licence to adhere to the codes and agreements, and
- ◆ Ofgem's aim of minimising regulatory burden and maximising the opportunity for new firms to enter the market.

1.11 Ofgem recognises the need to encourage innovation and the fact that the structure of applicants' businesses will differ. The criteria therefore do not set out prescriptive standards which must be met, but indicate to applicants the nature of information that they are expected to supply and the manner in which this information will be assessed.

Structure of this document

1.12 The rest of this document is structured in the following way:

- ◆ Chapter 2 explains the regulatory and legal framework relevant to the licensing process
- ◆ Chapter 3 explains the general procedures that Ofgem uses to assess all licence applications

- ◆ Chapter 4 describes the objective and non-discriminatory criteria against which Ofgem will assess an application for a gas supplier licence
- ◆ Chapter 5 describes the objective and non-discriminatory criteria against which Ofgem will assess an application for a gas shipper licence
- ◆ Chapter 6 describes the objective and non-discriminatory criteria against which Ofgem will assess an application for a gas transporter licence
- ◆ Chapter 7 describes the objective and non-discriminatory criteria against which Ofgem will assess an application for an electricity supplier licence
- ◆ Chapter 8 describes the objective and non-discriminatory criteria against which Ofgem will assess an application for an electricity distribution licence
- ◆ Chapter 9 describes the objective and non-discriminatory criteria against which Ofgem will assess applications for electricity generation and transmission licences
- ◆ Chapter 10 describes the procedure Ofgem will follow if it proposes to refuse an application for a licence or for an extension or restriction of a licence
- ◆ Appendix 1 contains copies of the Application and Amendment Regulations
- ◆ Appendix 2 explains the main activities for which Ofgem can grant a licence, and
- ◆ Appendix 3 lists previous guidance published by Ofgem for relevant gas and electricity Codes of Practice.

1.13 This document is not a formal consultation document although we welcome views on any aspects of it. Ofgem will consider any comments made and, where necessary, revise this guidance. Comments should be sent by 27 February 2004 to:

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Licensing Policy Manager
Ofgem
9 Millbank
London SW1P 3GE

Or by e-mail to michael.fews@ofgem.gov.uk

1.14 Where paper copies of a response are sent, it would be helpful if responses could also be sent electronically. It is open to respondents to mark all or part of their responses as confidential. However, we would prefer it if, as far as possible, responses were provided in a form that can be placed in the Ofgem library and on our website.

1.15 If you have any queries about this document then Michael Fews (tel 020 7901 7085) will be pleased to help.

2. Regulatory and legal framework

2.1 This chapter explains the regulatory and legal framework relevant to the licensing process.

Regulatory framework

The Gas and Electricity Markets Authority

2.2 The principal objective of the Gas and Electricity Markets Authority (“the Authority”) in carrying out its functions is to protect the interests of consumers, wherever appropriate by promoting effective competition⁹. The Authority must carry out its functions in the manner it considers is best calculated to further that principal objective having regard to, amongst other things:

- ◆ the need to secure that:
 - so far as it is economical to meet them, all reasonable demands for gas are met, and
 - all reasonable demands for electricity are met
- ◆ the need to secure that licensees can finance their activities which are the subject of obligations under the Utilities Act or, as the case may be, the Gas Act 1986 or the Electricity Act 1989
- ◆ the interests of particular customer groups such as the disabled or chronically sick, and
- ◆ the promotion of efficiency and economy by licensees.

⁹ Gas Act 1986 s4 and Electricity Act 1989 s3 (as amended by the Utilities Act 2000)

Legal Framework

The Gas Act 1986

2.3 The Gas Act makes it an offence to carry out certain activities unless licensed or exempt from the requirement for a licence¹⁰. Ofgem can grant licences¹¹ for the following activities:

- ◆ gas transportation
- ◆ gas shipping, and
- ◆ gas supply.

Further details of these activities are set out in Appendix 2.

2.4 The Gas Act makes it an offence for any person, in giving any information or making an application, to make any statement which is known to be false in a material particular, or to recklessly make any statement which is false in a material particular¹².

2.5 Ofgem must, where it proposes to grant a gas transporter's licence, publish a notice stating the reasons that it proposes to grant the licence and giving the time within which any representations may be made¹³.

2.6 If Ofgem proposes to refuse an application it must give the applicant a notice:

- ◆ stating that it proposes to refuse the application
- ◆ stating the reasons why it proposes to refuse the application, and
- ◆ specifying the time within which representations about the proposed refusal can be made.

Ofgem must consider any representations that are made and not withdrawn¹⁴.

¹⁰ Gas Act 1986 s5 (as amended by the Utilities Act 2000)

¹¹ Gas Act 1986 s7& s7A (as amended by the Utilities Act 2000)

¹² Gas Act 1986 s43 (as amended by the Utilities Act 2000)

¹³ Gas Act 1986 s7(5) as amended by the Utilities Act 2000

¹⁴ Gas Act 1986 s7(B)(2A) (as amended by the Utilities Act 2000)

The Electricity Act 1989

2.7 The Electricity Act makes it an offence to carry out certain activities unless licensed or exempt from the requirement for a licence¹⁵. The Authority can grant¹⁶ licences for the following activities:

- ◆ electricity generation
- ◆ electricity transmission
- ◆ electricity distribution, and
- ◆ electricity supply.

Further details of these activities are set out in Appendix 2.

2.8 The Electricity Act makes it an offence for any person, in giving any information or making an application, to make any statement which is false in a material particular, or to recklessly make any statement which is false in a material particular¹⁷.

2.9 Ofgem must, if it proposes to grant an electricity transmission licence, publish a notice stating the reasons that it proposes to grant the licence and giving the time within which any representations may be made¹⁸.

2.10 If Ofgem proposes to refuse an application it must give the applicant a notice:

- ◆ stating that it proposes to refuse the application
- ◆ stating the reasons why it proposes to refuse the application, and
- ◆ specifying the time within which representations about the proposed refusal can be made.

Ofgem must consider any representations that are made and not withdrawn¹⁹.

¹⁵ Electricity Act 1989 s4 (as amended by the Utilities Act 2000)

¹⁶ Electricity Act 1989 s6 (as amended by the Utilities Act 2000)

¹⁷ Electricity Act 1986 s59 (as amended by the Utilities Act 2000)

¹⁸ Electricity Act 1989 s6B(3) as amended by the Utilities Act 2000

¹⁹ Electricity Act 1989 s6A(4) (as amended by the Utilities Act 2000)

Licence transfers

- 2.11 In considering whether to give consent to a proposed licence transfer Ofgem must apply the same criteria that it would apply if it were considering whether to grant a corresponding licence to the transferee²⁰.

Health and Safety Executive

- 2.12 Ofgem will consult the Health and Safety Executive (HSE) about safety issues contained in information submitted by applicants for gas transportation and electricity distribution licences. It will also consult the HSE about any other safety matters²¹.

The Gas and Electricity Application Regulations as amended

- 2.13 The Application Regulations as amended by the Amendment Regulations state the manner and form in which applications for gas and electricity licences must be made and the information they must contain. They apply to applications for a licence, applications for an extension of a licence and applications for a restriction of a licence. Extensions and restrictions of licences are explained in more detail in Appendix 2.
- 2.14 In addition to specific information that is required for the different types of licence, all applicants must provide the following information:
- ◆ “General Particulars” such as name and address of the applicant
 - ◆ “Details of Application” where an applicant can explain any modifications to Standard Licence Conditions that they require, and
 - ◆ “Criminal Offences” – Details of criminal convictions of the applicant or any of those persons specified in the Amendment Regulations.

²⁰ Gas Act 1986 s8AA(6) (as amended by the Utilities Act 2000) and Electricity Act 1989 s7A(6) (as amended by the Utilities Act 2000)

²¹ Gas Act 1986 s4A(1) (as amended by the Utilities Act 2000) and Electricity Act 1989 s3C(1) (as amended by the Utilities Act 2000)

Directive 98/30/EC "Concerning Common Rules for the Internal Market in Natural Gas"

2.15 The Directive seeks to establish internal markets in natural gas throughout Member States. Among other things the Directive requires that Member States:

- ◆ lay down objective and non-discriminatory criteria to be met by an undertaking applying for a licence
- ◆ make public the non-discriminatory criteria and procedures for the granting of licences
- ◆ ensure that the reasons for any refusal to grant a licence are objective and non-discriminatory and are given to the applicant
- ◆ forward to the Commission the reasons for a refusal to grant a licence, and
- ◆ establish a procedure enabling the applicant to appeal against a refusal to grant a licence.

3. Assessing licence applications

3.1 This chapter describes the general procedures that Ofgem uses to assess all licence applications. It explains:

- ◆ how Ofgem checks applications to ensure that all the information required by the Application Regulations as amended has been provided, and
- ◆ the general objective and non-discriminatory criteria that apply to all types of licence application.

The objective and non-discriminatory criteria that are specific to each type of licence are explained in separate chapters later in this document.

3.2 Applicants should bear in mind that, in considering whether to give consent to a proposed licence transfer, Ofgem must apply the same criteria that it would apply if it were considering whether to grant a corresponding licence to the transferee.

Provision of information

3.3 The Application Regulations as amended set out the information required to make a licence application and the manner and form in which it must be provided. In addition, Ofgem's Licensing staff provide advice and guidance on the type of information required and licence application fees.

3.4 In order to assess applications more efficiently, other than in exceptional circumstances (such as an urgent request for a temporary licence), Ofgem will not start to assess an application unless all the information required by the Application Regulations as amended has been provided. In cases where insufficient information has been provided Ofgem will explain what more is required.

3.5 Ofgem has also identified that in some cases where it requests clarification of information, applicants may take a considerable time to respond. This can lead to delays in processing applications and cause frustration for the applicant.

Ofgem will agree timescales with individual applicants for the provision of further information (where this is required).

- 3.6 Failure to meet these agreed timescales may lead to a refusal to grant a licence (although the applicant would be able to appeal against such a decision – see Chapter 10).

Objective and non-discriminatory criteria applicable to all licence application types

- 3.7 This section explains the objective and non-discriminatory criteria that Ofgem will use to assess applications for all licence types. In addition, there are specific criteria that apply to individual types of licence; these are explained in later chapters. Applicants must satisfy both the general and licence-specific criteria in order to be granted a licence.
- 3.8 Applicants should in any event ensure that they have systems and procedures in place that will enable them to comply with all the conditions of the licence if it is granted. Failure to comply with a condition of a licence may result in formal enforcement action by Ofgem.

Criminal convictions

- 3.9 The Application Regulations as amended require applicants to provide details of any criminal conviction (other than for offences under the Road Traffic Offenders Act 1988) or convictions in respect of which the person has become rehabilitated. Ofgem will check details of criminal convictions submitted by applicants for:
- ◆ directors (including shadow and non-executive directors) or corresponding officers of the applicant company and holding company, or those in effective control of the applicant and major shareholders
 - ◆ shareholders who hold 20 per cent or more of any class of shares, and
 - ◆ in all other cases those persons in whom effective control of the person or body making the application rests.

Previous applications

3.10 Ofgem will check to establish:

- ◆ whether the applicant has previously held a licence that has been revoked, and
- ◆ whether a previous licence application from the applicant has been refused.

In each case the reason for the revocation or refusal will be considered to see if it is relevant to the decision to grant a licence.

Disqualified directors

3.11 Ofgem will check to establish whether the directors (including shadow directors) of an applicant are disqualified.

Ability of licence holders to finance their activities and statements of business proposals

3.12 In carrying out its functions Ofgem must have regard to the need to secure that licensees are able to finance their activities. However, Ofgem does not consider that any check it could perform on a potential licensee at the time of application will provide continuing comfort about financial viability once the licensee commences operations. The Amendment Regulations have therefore removed the requirement for applicants to submit financial information or a statement of business proposals.

3.13 While applicants for licenses are no longer required to submit information about financial viability or statements of business proposals, applicants for the network licence activities of gas transportation, electricity transmission and electricity distribution will be expected to demonstrate that they will be able to comply with all of the conditions of their licence including those imposing financial requirements should it be granted.

3.14 In all cases Ofgem will check the Companies House website before granting a licence to ensure that applicants for all licences are solvent.

Objective and non-discriminatory criteria specific to different licensed activities

3.15 In addition to demonstrating compliance with the general criteria, applicants will also need to demonstrate compliance with criteria that are specific to the different licensable activities. These are set out in the following chapters:

- ◆ gas supplier licence – Chapter 4
- ◆ gas shipper licence – Chapter 5
- ◆ gas transporter licence – Chapter 6
- ◆ electricity supplier licence – Chapter 7
- ◆ electricity distribution licence – Chapter 8, and
- ◆ electricity generation and transmission licences – Chapter 9.

Extension and restriction of existing licences

3.16 Applications for extensions or restrictions of licences must satisfy the requirements for information set out in the Application Regulations as amended. However, information about the applicant's codes of practices need not be submitted where the information does not, in any material respect, significantly differ from or add to the most recent information or documents provided.

3.17 Ofgem will use the criteria applicable to all application types and the relevant licence-specific criteria to assess applications for extensions and restrictions of licences. In determining an application for an extension or restriction Ofgem will, where necessary, request any information which has not been submitted.

4. Gas supplier licences

- 4.1 This chapter describes the objective and non-discriminatory criteria against which Ofgem will assess an application for a gas supplier licence. Where an applicant is applying for a licence to supply gas to domestic and non-domestic premises the applicant should demonstrate that the criteria for both types of premises have been met.
- 4.2 Ofgem will not grant a licence where, in its opinion, the description or area of the premises to be supplied would artificially exclude premises likely to be owned or occupied by persons who are chronically sick, disabled or of pensionable age, or who are likely to default in the payment of charges²².
- 4.3 In addition to meeting the criteria described in this chapter, all applicants must meet the general criteria described in Chapter 3.

Holding of other licences

- 4.4 Licensees may not hold a gas transporter licence and either a gas supplier or gas shipper licence²³. Ofgem will check before granting a gas supplier licence that the applicant does not hold a gas transporter licence.

Proposed arrangements for compliance with Standard Licence Conditions

- 4.5 An applicant for a gas supplier licence must provide information about how it will comply with the applicable requirements of a number of Standard Licence Conditions (SLCs). Applicants must submit those codes of practice or statements required by SLC 27 Preparation, Review of and Compliance with Statements and Customer Service Codes to energywatch and have had regard to comments made before they are submitted to Ofgem for approval²⁴.
- 4.6 Ofgem would expect new licensees to comply fully with the provisions of the licence once it has been granted.

²² Gas Act 1986 s7A(8)(as amended by the Utilities Act 2000)

²³ Gas Act 1986 s7A(3)(as amended by the Utilities Act 2000)

²⁴ SLC 27 requires that SLCs 24, 25, 35, 36, 37, 38 and 39 are submitted to energywatch.

Domestic gas supplier licence

- 4.7 Ofgem has previously published guidance²⁵ on the objective and non-discriminatory criteria by which it will assess the information provided by applicants about compliance with the following SLCs:
- ◆ SLC 24 Arrangements in Respect of Powers of Entry
 - ◆ SLC 24A Authorisation of Officers
 - ◆ SLC 24B Exercise of Powers of Entry
 - ◆ SLC 25 Efficient Use of Gas
 - ◆ SLC 35 Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty
 - ◆ SLC 36 Code of Practice on the Use of Prepayment Meters
 - ◆ SLC 37 Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick
 - ◆ SLC 37A Pensioners Not to Have Supply of Gas Cut Off In Winter
 - ◆ SLC 38 Provision of Services for Persons who are Blind or Deaf
 - ◆ SLC 39 Complaint Handling Procedure, and
 - ◆ SLC 43 Contractual Terms – Methods of Payment.

Non-domestic gas supplier licences

- 4.8 There are no specific criteria for non-domestic gas supplier applications other than the general criteria that all applicants must satisfy as set out in Chapter 3.

Supply through exempt pipelines

- 4.9 Applicants for licences authorising the supply of gas through exempt pipelines are not required to submit any information about standard licence conditions. There are, therefore, no specific criteria for applications for the supply of gas

through exempt pipelines other than the general criteria that all applicants must satisfy as set out in Chapter 3.

Restriction of a gas supplier licence

- 4.10 Ofgem will, subject to the exceptions explained in paragraph 3.16, apply the same criteria when assessing an application for a restriction of a gas supplier licence as those used to assess an application for a licence. In addition, because it is important that any restriction does not leave consumers without a supply, Ofgem will check that proposals for ensuring continuity of supply are sufficient²⁶.
- 4.11 Ofgem will therefore, when assessing an applicant's proposals to ensure continuity of supply, check the proposed arrangements are sufficient to:
- ◆ notify existing and affected consumers of the effects of any restriction
 - ◆ secure alternative supply for affected consumers on the same terms as nearly as is possible to the existing contract , and
 - ◆ ensure that any prospective supplier is licensed.
- 4.12 Ofgem will not grant a restriction where, in its opinion, the description or area of the premises to be supplied would artificially include in the restriction, premises likely to be owned or occupied by persons who are chronically sick, disabled or of pensionable age, or who are likely to default in the payment of charges²⁷.

Extension of a gas supplier licence

- 4.13 Ofgem will, subject to the exceptions explained in paragraph 3.16, apply the same criteria when assessing an application for an extension of a gas supplier licence as those used to assess an application for a licence.
- 4.14 Ofgem will not grant an extension where the description or area has been so framed as artificially to exclude from the extension, premises likely to be owned

²⁵ "Gas and electricity codes of practice. Guidance for domestic suppliers." October 2001 61/01.

²⁶ Gas Act 1986 s7A(9)(as amended by the Utilities Act 2000)

²⁷ Gas Act 1986 s7A(8)(as amended by the Utilities Act 2000)

or occupied by persons who are chronically sick, disabled or of pensionable age, or who are likely to default in the payment of charges²⁸.

²⁸ Gas Act 1986 s7A(8)(as amended by the Utilities Act 2000)

5. Gas shipper licences

- 5.1 This chapter describes the objective and non-discriminatory criteria against which Ofgem will assess an application for a gas shipper licence.
- 5.2 Ofgem will not grant a licence where the description or area has been so framed as artificially to exclude from the licence, premises likely to be owned or occupied by persons who are chronically sick, disabled or of pensionable age, or who are likely to default in the payment of charges²⁹.
- 5.3 Ofgem would expect new licensees to comply fully with the provisions of the licence once it has been granted.

Holding of other licences

- 5.4 Licensees may not hold a gas transporter licence and either a gas supplier or gas shipper licence³⁰. Ofgem will check before granting a gas shipper licence that the applicant does not hold a gas transporter licence.

Restriction of a gas shipper licence

- 5.5 Ofgem will, subject to the exceptions explained in paragraph 3.16, apply the same criteria when assessing an application for a restriction of a licence as those used to assess an application for a gas shipper licence. In addition, because it is important that any restriction does not leave consumers without a supply, Ofgem will check that proposals for ensuring continuity of supply are sufficient³¹.
- 5.6 Ofgem will therefore, when assessing an applicant's proposals to ensure continuity of supply, check the proposed arrangements are sufficient to:
- ◆ notify existing and affected consumers of the effects of any restriction
 - ◆ secure alternative shipper for affected consumers on the same terms as nearly as is possible to the existing contract, and

²⁹ Gas Act 1986 s7A(8)(as amended by the Utilities Act 2000)

³⁰ Gas Act 1986 s7A(3)(as amended by the Utilities Act 2000)

³¹ Gas Act 1986 s7A(9)(as amended by the Utilities Act 2000)

- ◆ ensure that any prospective shipper is licensed.
- 5.7 Ofgem will not grant a restriction where the description or area has been so framed as artificially to include in the restriction, premises likely to be owned or occupied by persons who are chronically sick, disabled or of pensionable age, or who are likely to default in the payment of charges³².

Extension of a gas shipper licence

- 5.8 Ofgem will, subject to the exceptions explained in paragraph 3.16, apply the same criteria when assessing an application for an extension of a gas shipper licence as those used to assess an application for a licence.
- 5.9 Ofgem will not grant an extension where the description or area has been so framed as artificially to exclude in the extension, premises likely to be owned or occupied by persons who are chronically sick, disabled or of pensionable age, or who are likely to default in the payment of charges³³.

³² Gas Act 1986 s7A(8)(as amended by the Utilities Act 2000)

³³ Gas Act 1986 s7A(8)(as amended by the Utilities Act 2000)

6. Gas transporter licences

- 6.1 This chapter describes the objective and non-discriminatory criteria against which Ofgem will assess an application for a gas transporter licence. In addition to meeting the criteria described in this chapter, all applicants must meet the general criteria described in Chapter 3.

Holding of other licences

- 6.2 Licensees may not hold a gas transporter licence and either gas supplier or gas shipper licence³⁴. Ofgem will check before granting a gas transporter licence that the applicant does not hold a gas shipper or supply licence.

Safe operation of the transportation system

- 6.3 Although an applicant for a transportation licence is not required to submit information about the safe operation of its proposed system, Ofgem will consult and take into account any comments made by the HSE (see paragraph 2.12) about whether it considers the system can be operated safely.

Proposed arrangements for compliance with Standard Licence Conditions

- 6.4 An applicant for a gas transporter licence must provide information about how it will comply with the applicable requirements of a number of Standard Licence Conditions (SLCs). Applicants must submit those codes of practice or statements required by SLC 22 Preparation, Review of and Compliance with Statements and Customer Service Codes to energywatch and have had regard to comments made before they are submitted to Ofgem for approval³⁵.
- 6.5 Ofgem has previously published guidance³⁶ for gas transporters on the objective and non-discriminatory criteria by which it will assess the information provided by applicants about compliance with the following SLCs:

- ◆ SLC 18 Provision of Services for Persons who are Blind or Deaf

³⁴ Gas Act 1986 s7(3)(as amended by the Utilities Act 2000)

³⁵ SLC 22 requires that SLCs 18, 19 and 21 are submitted to energywatch.

³⁶ "Distribution and transportation codes of practice." Guidance notes. October 2001. Ofgem 60/01.

- ◆ SLC 19 Arrangements in Respect of Powers of Entry
- ◆ SLC 19A Authorisation of Officers
- ◆ SLC 19B Exercise of Powers of Entry, and
- ◆ SLC 21 Complaint Handling Procedure.

6.6 In addition Ofgem wishes to ensure that applicants have made suitable arrangements for compliance with SLC 8 (Provision and Return of Meters). Ofgem will therefore check that applicants have provided evidence of contracts with meter manufacturers or retailers for sufficient types and quantities of meters in order to demonstrate the ability to meet demand by relevant shippers.

6.7 The applicant will need to demonstrate that it has procedures for:

- ◆ recording register details from returned meters
- ◆ retaining records for a minimum of two years
- ◆ keeping meters in safe custody if under investigation
- ◆ identifying those installations where 2 yearly inspections are due and issuing the necessary reminders to suppliers, and
- ◆ holding and providing information on new connections in compliance with Gas Act 1986: Schedule 2B 12 paragraphs 1 & 3.

6.8 Where Ofgem receives representations about a proposal to grant a transporter's licence (see paragraph 2.5) it will consider whether they are relevant to the criteria used to assess the application; if necessary the application may be re-assessed.

6.9 Ofgem would expect new licensees to comply fully with the provisions of the licence once it has been granted.

Restriction of a gas transporter licence

- 6.10 Ofgem will, subject to the exceptions explained in paragraph 3.16, apply the same criteria when assessing an application for a restriction of a gas transporter licence as those used to assess an application for a licence.
- 6.11 In addition because it is important that any restriction does not leave consumers without a connection Ofgem will check that the applicant's proposals for ensuring consumers remain connected are sufficient.
- 6.12 Ofgem will therefore, when assessing an applicants proposals to ensure consumers have a connection, check the proposed arrangements are sufficient:
- ◆ to notify affected consumers of the effects of any restriction
 - ◆ that arrangements have or will be made to secure alternative connection for affected consumers, and
 - ◆ ensure that any prospective transporter is licensed.

Extension of a gas transporter licence

- 6.13 Ofgem will, subject to the exceptions explained in paragraph 3.16, apply the same criteria when assessing an application for an extension of a gas transporter licence as those used to assess an application for a licence.

7. Electricity supplier licences

- 7.1 This chapter describes the objective and non-discriminatory criteria against which Ofgem will assess an application for an electricity supplier licence. Where a licence application is for supply of electricity to domestic and non-domestic premises the applicant should demonstrate that the criteria set for both domestic and non-domestic premises have been met.
- 7.2 In line with Ofgem's policy to align the gas and electricity markets wherever possible, Ofgem will not grant a licence where the description or area has been so framed as artificially to exclude in the licence, premises likely to be owned or occupied by persons who are chronically sick, disabled or of pensionable age, or who are likely to default in the payment of charges.
- 7.3 In addition to meeting the criteria described in this chapter, all applicants must meet the general criteria described in Chapter 3.

Holding of other licences

- 7.4 Licensees may not hold an electricity distribution licence and electricity supply licence³⁷. Ofgem will check before granting an electricity supply licence that the applicant does not hold an electricity distribution licence.

Proposed arrangements for compliance with Standard Licence Conditions

- 7.5 An applicant for an electricity supply licence must provide information about how it will comply with the applicable requirements of a number of Standard Licence Conditions (SLCs). Applicants must submit those codes of practice or statements required by SLC 27 Preparation, Review of and Compliance with Customer Service Codes to energywatch and have had regard to comments made before they are submitted to Ofgem for approval³⁸.
- 7.6 Ofgem would expect new licensees to comply fully with the provisions of the licence once it has been granted.

³⁷ Electricity Act 1989 s6(2)(as amended by the Utilities Act 2000)

³⁸ SLC 27 requires that SLCs 24, 25, 35, 37, and 38 are submitted to energywatch.

Domestic electricity supplier licence

SLC7 Duty to Offer Terms for Meter Provision

- 7.7 Applicants need to provide evidence of contracts with accredited meter operators in order to demonstrate their ability to offer terms for the provision of meters.

Other Standard Licence Conditions

- 7.8 Ofgem has previously published guidance³⁹ for domestic electricity suppliers on the objective and non-discriminatory criteria by which it will assess the information provided by applicants about compliance with the following SLCs:

- ◆ SLC24 Code of Practice on Procedures with Respect to Site Access
- ◆ SLC25 Efficient Use of Electricity
- ◆ SLC 35 Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty
- ◆ SLC 37 Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick
- ◆ SLC 38 Provision of Services for Persons who are Blind or Deaf, and
- ◆ SLC 43 Contractual Terms – Methods of Payment.

Non-domestic electricity supplier licence

SLC7 Duty to Offer Terms for Meter Provision

- 7.9 Applicants need to provide evidence of contracts with accredited meter operators in order to demonstrate their ability to offer terms for the provision of meters.

³⁹ "Gas and electricity codes of practice. Guidance for domestic suppliers." October 2001. Ofgem 60/01.

Restriction of an electricity supplier licence

7.10 Ofgem will, subject to the exceptions explained in paragraph 3.16, apply the same criteria when assessing an application for a restriction of an electricity supplier licence as those used to assess an application for a licence. In addition because it is important that any restriction does not leave consumers without a supply, Ofgem will check that proposals for ensuring continuity of supply are sufficient to:

- ◆ notify existing and affected consumers of the effects of any restriction
- ◆ secure alternative supply for affected consumers, and
- ◆ ensure that any prospective supplier is licensed.

7.11 In order to protect customers and in line with Ofgem's policy to align the gas and electricity markets wherever possible, Ofgem will not grant a restriction where the description or area has been so framed as artificially to include in the restriction, premises likely to be owned or occupied by persons who are chronically sick, disabled or of pensionable age, or who are likely to default in the payment of charges.

Extension of an electricity supplier licence

7.12 Ofgem will, subject to the exceptions explained in paragraph 3.16, apply the same criteria when assessing an application for an extension of a licence as those used in the assessment of an application for an electricity supplier licence.

7.13 In order to protect customers and in line with Ofgem's policy to align the gas and electricity markets wherever possible, Ofgem will not grant an extension where the description or area has been so framed as artificially to exclude in the extension, premises likely to be owned or occupied by persons who are chronically sick, disabled or of pensionable age, or who are likely to default in the payment of charges.

8. Electricity distribution licences

- 8.1 This chapter describes the objective and non-discriminatory criteria against which Ofgem will assess an application for an electricity distribution licence.
- 8.2 In addition to meeting the criteria described in this chapter, all applicants must meet the general criteria described in Chapter 3.

Holding of other licences

- 8.3 Licensees may not hold an electricity distribution licence and electricity supply licence⁴⁰. Ofgem will check before granting an electricity distribution licence that the applicant does not hold an electricity supply licence.

Safe operation of the distribution system

- 8.4 An applicant for a distribution licence must submit information about the safe operation of its proposed system. Ofgem will take into account any comments made by the HSE (see paragraph 2.12) about whether it considers the system can be operated safely.

Proposed arrangements for compliance with Standard Licence Conditions

- 8.5 An applicant for an electricity distribution licence must provide information about how it will comply with the applicable requirements of a number of Standard Licence Conditions (SLCs). Applicants must submit those codes of practice or statements required by SLC 22 Preparation, Review of and Compliance with Statements and Customer Service Codes to energywatch and have had regard to comments made before they are submitted to Ofgem for approval⁴¹.
- 8.6 Ofgem would expect new licensees to comply fully with the provisions of the distribution licence once it has been granted.

⁴⁰ Electricity Act 1989 s6(2)(as amended by the Utilities Act 2000)

⁴¹ SLC 22 requires that SLCs 17, 18, 19 and 21 are submitted to energywatch.

8.7 An applicant for an electricity distribution licence may not have the conditions contained within Section C of the standard licence conditions activated within their licence. In response to an application for a licence, the Authority⁴² may following consultation modify the standard licence conditions to such extent as it considers requisite to meet the circumstances of the particular case. In order to protect electricity customers it is Ofgem's policy to propose licence modifications about the financial ring fencing of the licensee which refer to:

- ◆ availability of resources
- ◆ undertakings from ultimate controller
- ◆ credit rating
- ◆ restriction on activity, and
- ◆ indebtedness.

8.8 Information is available from the Ofgem website about licence modifications proposed in response to an application from Energy Networks Limited for an electricity distribution licence⁴³.

8.9 Ofgem will consider whether any supplementary information provided by the applicant demonstrate that it will be in a position to comply with the relevant proposed modifications to conditions.

SLC 6 Safety and Security of Supplies Enquiry Service

8.10 During the assessment of the applicant's proposals Ofgem will consider whether they demonstrate that:

- ◆ the service adequately discriminates between enquiries relating to security, availability and quality of service of the licensee's distribution system, or concerning danger or requiring urgent attention, and other

⁴² Electricity Act 1989 s8A (2) (as amended by the Utilities Act 2000)

⁴³ Open letter on the regulation of new electricity distribution licence holders. Ofgem. 31 May 2002. Consultation on the modification of standard licence conditions for new electricity distribution licence holders pursuant to section 8A of the Electricity Act 1989. Ofgem. 24 September 2003. Consultation on the modification of standard licence conditions for new electricity distribution licence holders pursuant to section 8A of the Electricity Act 1989. Ofgem. 16 April 2003.

enquiries. It is important to ensure that the efficiency of the service will not suffer due to large numbers of other enquiries

- ◆ if any part of the establishment, operation, and maintenance of the service is to be procured from another organisation, the applicant must demonstrate that the contractual arrangements are adequate and the organisation has the capability to provide a satisfactory service
- ◆ the service should be available through a wide range of communication media. These must include telephone, correspondence and personal visit. It would also be desirable for them also to include Internet and e-mail facilities. All relevant addresses and telephone numbers must be included in the statement required by SLC 6
- ◆ the service must provide a telephone response service that is able to receive and process reports and enquiries at all times. Where companies operate an automated telephone answering service, simple and swift access to an operator must be available at all times. The service shall include facilities that can be used by all classes of consumer, including the disabled and the elderly, and shall be free at the point of use, and
- ◆ the service should be equally effective in responding to reports and enquiries that are received direct from consumers and those received via supply businesses. The arrangements should not discriminate between reports and enquiries received via different suppliers.

SLC 8 Provisions Relating to the Connection of Metering Equipment

- 8.11 During the assessment of the applicant's proposals for provisions relating to the connection of metering equipment Ofgem will check that they provide evidence of the procedures that would be required to be adopted by parties connecting metering equipment to the applicant's distribution system in order to demonstrate the ability to enter into agreements authorising that activity.

Other Standard Licence Conditions

8.12 Ofgem has also previously produced guidance⁴⁴ for electricity distributors on the objective and non-discriminatory criteria by which it will assess the information provided by applicants about compliance with the following SLCs:

- ◆ SLC 17 Provision of Services for Persons who are of Pensionable Age, Disabled or Chronically Sick
- ◆ SLC 18 Provision of Services for Persons who are Blind or Deaf
- ◆ SLC 19 Code of Practice on Procedures with Respect to Site Access, and
- ◆ SLC 21 Complaint Handling Procedure.

Restriction of an electricity distribution licence

8.13 Ofgem will, subject to the exceptions explained in paragraph 3.16, apply the same criteria when assessing an application for a restriction of an electricity distribution licence as those used to assess an application for a licence. In addition, because it is important that any restriction does not leave consumers without a supply, Ofgem will check that proposals for ensuring consumers have a connection are sufficient to:

- ◆ notify existing and affected consumers of the effects of any restriction
- ◆ notify existing suppliers of the effects of any restriction
- ◆ secure alternative connection for affected consumers, and
- ◆ ensure that any prospective distributor is licensed.

Extension of an electricity distribution licence

8.14 Ofgem will, subject to the exceptions explained in paragraph 3.16, apply the same criteria when assessing an application for an extension of an electricity distribution licence as those used in the assessment of an application for a licence.

⁴⁴ "Distribution and transportation codes of practice. Guidance notes" Ofgem 60/01.

9. Electricity generation and transmission licences

- 9.1 This chapter describes the objective and non-discriminatory criteria against which Ofgem will assess applications for electricity generation and transmission licences.

Generation licences

- 9.2 There are no specific criteria for electricity generation applications other than the general criteria that all applicants must satisfy as set out in Chapter 3. Ofgem would, however, expect new licensees to comply fully with the provisions of the licence once it has been granted.

Transmission licences

- 9.3 In addition to the general criteria that all applicants must satisfy as set out in Chapter 3, Ofgem will also check whether there already is a transmission licence which covers that area for which an application has been made.
- 9.4 Where Ofgem receives representations about a proposal to grant a transmission licence (see paragraph 2.9) it will consider whether they are relevant to the criteria used to assess the application; if necessary the application may be re-assessed.
- 9.5 Ofgem would also expect new licensees to comply fully with the provisions of the licence once it has been granted.
- 9.6 It is possible that as a result of the new regulatory arrangements being developed for electricity transmission as part of the British Electricity Trading and Transmission Arrangements (BETTA) reforms, changes may be required to this guidance. Ofgem will consult upon any proposed changes in due course.

10. The refusal and appeals procedure

10.1 This chapter describes the procedure that Ofgem will follow if it proposes to refuse an application for a licence or for an extension or restriction of a licence.

Proposal to refuse an application

10.2 Ofgem may propose to refuse an application because, amongst other things:

- ◆ the information supplied does not satisfy one or more of the objective and non-discriminatory criteria
- ◆ Ofgem is of the opinion that information supplied is false or misleading, and
- ◆ the applicant has failed to provide, when requested, additional information within the required time.

Notification

10.3 If Ofgem proposes to refuse an application the reasons will be given to the applicant in a Notice which explains what further information, if any, is needed. The Notice will:

- ◆ state that Ofgem proposes to refuse the application
- ◆ state the reasons why Ofgem proposes to refuse the application, and
- ◆ specify the time within which representations may be made.

10.4 Ofgem will allow the applicant 21 days from the date of the Notice to make representations about why it disagrees with Ofgem's proposal to refuse the application and to provide further information if required. Ofgem must consider any representations which are duly made and not withdrawn.

Final decision to refuse an application

10.5 Should no appeal have been made within 21 days of the Notice or if an appeal against a Notice is unsuccessful, the applicant will be notified in writing of the decision to refuse the licence. The notification will:

- ◆ where no appeal has been made, restate the reasons for the refusal of the application, and
- ◆ where an unsuccessful appeal was made, state the reasons for the refusal of the appeal.

Notification to the European Commission

10.6 Ofgem will forward to the Commission all refusals to grant gas licences together with the reasons given and details of any unsuccessful appeals.

Appendix 1 The Application and Amendment Regulations

1.1 This appendix contains copies of the Application and Amendment Regulations.

Appendix 2 The licensing system

2.1 This Appendix explains the main activities for which Ofgem can grant a licence.

Gas licences

2.2 The Gas Act prohibits⁴⁵ certain activities unless they are licensed or exempt from the requirement to be licensed. Ofgem can grant licences for:

- ◆ gas transportation
- ◆ gas shipping, and
- ◆ gas supply.

Gas transporter licence

2.3 A gas transporter's licence allows the licensee to:

- ◆ convey gas through pipes to any premises within an area specified in the licence held by the gas transporter, and
- ◆ convey gas through pipes to any pipeline system operated by another gas transporter, or to any other pipeline system specified in the licence⁴⁶.

Gas shipper licence

2.4 A gas shipper's licence allows the licensee to arrange with any gas transporter for gas to be introduced into, conveyed by means of or taken out of a pipe-line system operated by that transporter, either generally or for purposes connected with the supply of gas to any premises specified in the licence⁴⁷.

Gas supplier licence

2.5 A gas supplier's licence allows the licensee to supply to any premises gas which has been conveyed to those premises through pipes⁴⁸. A supply licence may

⁴⁵ Gas Act 1986 s5 (as amended by the Utilities Act 2000)

⁴⁶ Gas Act 1986 s7(2) (as amended by the Utilities Act 2000)

⁴⁷ Gas Act 1986 s7A(2) (as amended by the Utilities Act 2000)

⁴⁸ Gas Act 1986 s5(1) (as amended by the Utilities Act 2000)

authorise the holder to supply gas to non-domestic premises or to domestic and non-domestic premises.

Electricity licences

2.6 The Electricity Act prohibits⁴⁹ certain activities unless licensed or exempt from the requirement to be licensed. Ofgem can grant licences for:

- ◆ electricity generation
- ◆ electricity transmission
- ◆ electricity distribution, and
- ◆ electricity supply.

Electricity generation licence

2.7 An electricity generator's licence allows the licensee to generate electricity for the purpose of giving a supply to any premises or enabling a supply to be given⁵⁰.

Electricity transmission licence

2.8 An electricity transmission licence allows the licensee to transmit electricity for the purpose of enabling a supply to be given⁵¹. Transmit⁵² in relation to electricity means to transmit by means of a transmission system. A transmission system consists (wholly or mainly) of high voltage lines and electrical plant and is used for conveying electricity from a generating station to a substation, from one generating station to another or from one substation to another.

Electricity distribution licence

2.9 An electricity distribution licence allows the licensee to distribute electricity for the purpose of enabling a supply to be given⁵³. Distribute⁵⁴ means distribute by

⁴⁹ Electricity Act 1989 s4 (as amended by the Utilities Act 2000)

⁵⁰ Electricity Act 1989 s6(1)(a) (as amended by the Utilities Act 2000)

⁵¹ Electricity Act 1986 s6(1)(b) (as amended by the Utilities Act 2000)

⁵² Electricity Act 1989 s4(4) (as amended by the Utilities Act 2000)

⁵³ Electricity Act 1989 s6(1)(c) (as amended by the Utilities Act 2000)

⁵⁴ Electricity Act 1989 s4(4) (as amended by the Utilities Act 2000)

means of a distribution system. A distribution system consists (wholly or mainly) of low voltage lines and electrical plant and is used for conveying electricity to any premises or to any other distribution system.

Electricity supplier licence

2.10 An electricity supplier's licence allows the licensee to supply electricity to premises⁵⁵. Supply in relation to electricity means supply⁵⁶ of electricity conveyed by a distribution system to premises other than premises occupied by a licence holder for the purpose of carrying on the activities which he is authorised by his licence to carry on.

2.11 A supplier's licence may authorise the holder to supply electricity:

- ◆ to any premises
- ◆ only to premises specified in the licence, or to premises of a description so specified, or
- ◆ only to any premises situated in a specified area, or to premises of a specified description which are so situated.

Licence restrictions

2.12 A licensee may apply for a restriction of its licence. A restriction has the effect of removing from the licence, areas or premises to which the licence applies. Restrictions cannot be granted which would have the effect of denying gas or electricity to premises likely to be owned or occupied by persons who are chronically sick, disabled, of pensionable age or who are likely to default on the payment of charges. Where a restriction would affect an existing or potential consumer the licence holder must satisfy Ofgem that arrangements have been made:

- ◆ to secure continuity of supply, and

⁵⁵Electricity Act 1989 s6(1)(d) (as amended by the Utilities Act 2000)

⁵⁶Electricity Act 1989 s4(4) (as amended by the Utilities Act 2000)

- ◆ where a contract exists between the consumer and licence holder to secure such continuity for the consumer on the same or as near as is possible to the same terms as the existing contract.

Licence extensions

2.13 A licensee may apply for an extension of its licence. An extension increases the area, number or type of premises to which the licence applies. An extension cannot be granted if it seeks to or would have the effect of denying gas or electricity to premises likely to be owned or occupied by persons who are chronically sick, disabled, of pensionable age or who are likely to default in the payment of charges.

Appendix 3 Published guidance

- 3.1 This Appendix lists previous guidance published by Ofgem for gas and electricity Codes of Practice. The guidance contains the criteria against which relevant information in licence applications will be assessed.

Gas and Electricity Codes of practice. Guidance for domestic suppliers October 2001 61/01.

- 3.2 This document is available on request from Ofgem and is on the Ofgem website <http://www.ofgem.gov.uk/public/pub2001.htm>. It contains guidance on the following standard licence conditions (SLCs):

- ◆ SLC 24 (gas) Arrangements in Respect of Powers of Entry
- ◆ SLC 24A Authorisation of Officers
- ◆ SLC 24B Exercise of Powers of Entry
- ◆ SLC 24(electricity) Code of Practice on Procedures with Respect to Site Access
- ◆ SLC 25 Efficient Use of Gas
- ◆ SLC 35 Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty
- ◆ SLC 36 Code of Practice on the Use of Prepayment Meters
- ◆ SLC 37 Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick
- ◆ SLC 37A Pensioners Not to Have Supply of Gas Cut Off In Winter
- ◆ SLC 38 Provision of Services for Persons who are Blind or Deaf
- ◆ SLC 39 Complaint Handling Procedure, and
- ◆ SLC 43 Contractual Terms – Methods of Payment.

***Distribution and transportation codes of practice. Guidance notes.
October 2001 60/01.***

3.3 This document is available on request from Ofgem and is on the Ofgem website <http://www.ofgem.gov.uk/public/pub2001.htm>. It contains guidance on the following standard licence conditions (SLCs):

- ◆ SLC17 (electricity) Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick
- ◆ SLC 18 Provision of Services for Persons who are Blind or Deaf
- ◆ SLC 19 (gas) Arrangements in Respect of Powers of Entry
- ◆ SLC 19 (electricity) Code of Practice on Procedures with Respect to Site Access, and
- ◆ SLC 21 Complaint Handling Procedure.

Code of practice on the efficient use of electricity and gas. Non-domestic suppliers. Guidance note. November 2001.

3.4 This document is available on request from Ofgem and is on the Ofgem website <http://www.ofgem.gov.uk/public/pub2001.htm>. It contains guidance on the following standard licence conditions (SLCs):

- ◆ SLC25 Efficient Use of Gas and Electricity.