

Monitoring domestic Electricity and Gas suppliers' performance under their Codes of Practice - new reporting arrangements

Guidance Notes for Codes of Practice Monitoring **Revision: 1**

Date of revision: October 2006

Date of original publication: 31/3/2006

Overview:

Domestic electricity and gas suppliers are required to have codes of practice in place under their licence. This document sets out the revised arrangements for monitoring domestic electricity and gas suppliers' performance under their Codes of Practice. This document includes the monitoring returns form with guidance notes to ensure that suppliers report accurately and consistently. This document replaces all previous guidance and directions in relation to suppliers' codes of practice monitoring. Appendix 6 sets out the changes to the previous guidance and reporting form.

Contact name and details: Lisa Vango, Head of Social Affairs

Tel: 020 7901 7178

Email: lisa.vango@ofgem.gov.uk

Team: Governance, consumer and social affairs

Target Audience: Licensed domestic gas and electricity suppliers

Ofgem, 9 Millbank, London SW1P 3GE
www.ofgem.gov.uk

Context

Ofgem's principal objective is to protect the interests of consumers present and future, wherever appropriate by promoting effective competition. We also have a number of secondary duties including a requirement to protect the interests of customers who are disabled, chronically sick, of pensionable age or on low incomes.

Domestic suppliers have specific licence conditions relating to these customers. This guidance document sets out the monitoring information which is required by suppliers in relation to these licence requirements.

Ofgem will publish on its website the information received from suppliers on a quarterly and annual basis.

Associated Documents

- Ofgem's Social Action Strategy September 2006
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/16721_sapstrategbro06.pdf?wtfrom=/ofgem/work/index.jsp§ion=/areasofwork/socialactionplan
- Monitoring domestic electricity and gas suppliers' performance under their Codes of Practice -new reporting arrangements. Guidance Notes for Codes of Practice Monitoring
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/15026_guidancerevision1.pdf?wtfrom=/ofgem/work/index.jsp§ion=/areasofwork/socialactionplan
- Monitoring domestic electricity and gas suppliers' performance under their Codes of Practice (Revision 1) June 2002 (Ref No 45/02)
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/278_27june02.pdf?wtfrom=/ofgem/work/index.jsp§ion=/areasofwork/socialactionplan
- Monitoring domestic electricity and suppliers' performance under their Codes of Practice February 2001 (Ref 12/01)
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/243_13feb01.pdf?wtfrom=/ofgem/work/index.jsp§ion=/areasofwork/socialactionplan

Table of Contents

Summary	1
1. Guidance on Codes of Practice Monitoring Returns.....	2
Overview	2
General information	2
Notes on Completion	4
2. Specific information on the returns	6
Specific notes on the quarterly returns.....	6
Section 1: Number of customers on each payment scheme	6
Section 2: Domestic debt (all customers)	6
Section 3: Domestic debt payment arrangements – non PPM customers	7
Section 5: Disconnections/de-energisations for debt and reconnection/ re-energisation	8
Specific notes on the annual returns.....	8
Section 3: Domestic debt payment arrangements – non PPM customers	8
Section 4: Domestic debt payment arrangements – PPM customers	9
Section 5: Disconnections/de-energisations and reconnections/re-energisations	10
Section 6: Fuel Direct.....	10
Section 7: Warrants of entry	10
Section 8: Registered services and services provided on request	10
Section 9: Energy efficiency advice and information	11
Appendices	12
Appendix 1 - Text of Supply licence	13
Standard Condition 26. Record of and Report on Performance	13
Appendix 2 - Notice to holders of Electricity supply licences and Gas suppliers' licences	14
Appendix 3 - Codes of practice monitoring return forms	15
Codes of practice quarterly monitoring return form	15
Codes of practice annual monitoring return form	17
Appendix 4 - Postcode areas	21
Appendix 5 - Glossary.....	22
Appendix 6 - Changes to previous guidance and reporting form.....	23

Summary

This document sets out revised reporting arrangements for monitoring domestic electricity and gas suppliers' performance under their Codes of Practice. It includes the format for monitoring returns with guidance notes to ensure that suppliers report accurately and consistently. This document replaces all previous guidance and directions in relation to suppliers' codes of practice monitoring. Appendix 6 sets out the changes to the previous guidance and reporting form.

The reporting arrangements in this document have been revised as part of a review to meet Ofgem's commitment to the principles of better regulation. Ofgem has reduced the monitoring requirements by 50% and has agreed a number of other changes to improve the arrangements for monitoring suppliers' performance under the Codes of Practice.

The monitoring returns included in this document have been designed by Ofgem as the standard form which suppliers should use. The new monitoring arrangements came into operation for the Quarter 1 return which was due no later than 28 April 2006.

The monitoring arrangements described in this document have been subject to consultation with suppliers and energywatch via meetings and correspondence. We have tried to focus on the information necessary to enable effective monitoring of the social obligations that suppliers have to comply with.

A wider review is currently underway into all the licence conditions under which suppliers operate. The arrangements described in this document may need to be amended at a later date in line with any changes resulting from that review.

1. Guidance on Codes of Practice Monitoring Returns

Overview

1.1. This guidance has been prepared to assist suppliers with the completion of the quarterly and annual codes of practice monitoring returns. This guidance gives:

- general guidance on the submission of the returns
- provides clarification in specific areas to supplement the information contained in the returns.

1.2. Where extra clarification is not provided this is because what is required should be self-explanatory. Ofgem will add to this guidance, if it is suggested that additional clarification is needed.

1.3. Ofgem will be reviewing the information received through the monitoring returns and may make alterations to the format if necessary.

General information

1.4. Suppliers have licence obligations to keep a record of their operation of certain licence conditions, and to report on their performance. Suppliers are required to submit, as soon as is reasonably practicable after the end of each calendar year, a report on their performance to Ofgem and the Gas and Electricity Consumers Council (energywatch). Suppliers are also required to publish this and to send a copy free of charge to any person requesting one. The report should be presented, so far as is reasonably practicable, in a standard form designated by Ofgem. Ofgem may also request additional information in writing at any time. The text of the licence conditions (which are the same for electricity and gas) on Record of and Report on Performance is included at Appendix 1. The notice from the Authority designating the standard form to be used is included at Appendix 2.

1.5. The requirement to report on performance is an enforceable licence obligation. Companies that do not submit accurate and timely information may therefore be in breach of their licence and may be subject to appropriate action as determined by the Authority.

1.6. In addition to an annual published report, Ofgem also requests that suppliers submit monitoring returns quarterly to Ofgem and energywatch. The quarterly and yearly reporting forms are attached at Appendix 3. The returns should be submitted by suppliers via a secure online connection. Reporting requirements are as follows:

- Quarterly returns must be submitted to Ofgem and energywatch (via Ofgem) no more than 28 days after the end of each quarter (i.e. 28 January, 28 April, 28 July, and 28 September);
- The annual return to Ofgem and energywatch (via Ofgem) must also be submitted by 28 January. The annual report should be published by suppliers by 28 February;

- There should be an accompanying note to Ofgem and energywatch with the annual return explaining what procedures have been used to verify the data as accurate, and describing arrangements being made for publication;
- Suppliers should also notify Ofgem and energywatch of a senior management level representative who is responsible for signing off the returns. Ofgem recommends these should be signed/countersigned by someone with professional accounting/auditing qualifications in order to confirm the quality of the return;
- Returns to Ofgem and energywatch must include actual figures. Published reports, however, need not disclose market share data. Any information a supplier deems to be market sensitive may be published as a percentage or on a per 10,000 customers basis. Reporting requirement item 1.13 in the return need not be published.
- Ofgem will publish information quarterly and annually on its website and in its annual review of the Social Action Strategy. Ofgem will not publish market share information which identifies an individual supplier without prior agreement from the supplier.

1.7. The monitoring returns included at Appendix 3 in this document are the standard forms for the purposes of presenting quarterly and annual reports to Ofgem. All items refer to **domestic** customers only. All returns must include numbers for domestic customers for **every** item. The definition of a domestic customer is as follows:

- “A customer supplied or requiring to be supplied with electricity or gas at domestic premises (but excluding such customer in so far as he is supplied or requires to be supplied at premises other than domestic premises)”.

Domestic Premises are defined as:

- “Premises at which a supply is taken wholly or mainly for domestic purposes”.

1.8. For certain items separate data must be provided for customers in England, Scotland and Wales, as well as a total figure. At Appendix 4 are relevant postcodes for England, Scotland and Wales to enable separate data to be reported consistently. The items to be provided in this form are listed below. All other items require only a total for all customers.

- Number of customers on each payment scheme (items 1.1 – 1.6)
- Total number of domestic customers (1.7)
- Number of customers on a debt payment arrangement (2.1)
- Number of prepayment meter (PPM) customers in debt (4.1)
- Number of customers disconnected for non-payment of debt (5.1)
- Number of customers on Priority Service Register (8.1)
- Number of customers provided with a free gas safety check (8.13)
- Number of customers given energy efficiency advice (9.1)

1.9. Ofgem and DTI have also designed an annual questionnaire for suppliers regarding the social initiatives suppliers have undertaken in the year which extend beyond their licence obligations. DTI will lead on sending this out to suppliers and collecting the information provided. This exercise is separate from the monitoring described in this document.

Notes on Completion

1.10. The following sections are included in the monitoring return:

1. Number of customers on each payment scheme
2. Domestic debt
3. Domestic debt payment arrangements (non PPM customers)
4. Domestic debt payment arrangements (PPM customers)
5. Disconnections/de-energisations for debt and post disconnection (debt)
6. Fuel Direct
7. Warrants of entry
8. Priority Service Register, Registered services and Services provided on request
9. Energy efficiency advice

1.11. Before providing a return a supplier should contact Ofgem via SORHelpdesk@ofgem.gov.uk so you can be provided with a user manual for the reporting system, a username and ID number.

1.12. To provide the return a supplier should go to <https://www.sor.ofgem.gov.uk>.

1.13. The first time a supplier enters a return they should go to <https://www.sor.ofgem.gov.uk> and enter the id number and username provided by Ofgem. They should then follow the instructions to create a password before logging in.

1.14. Once logged in a supplier can enter their returns, amend old returns and view all their old returns

1.15. To complete a return follow the online guidance. The specific clarification provided in this document for individual data items is also provided online for ease of use. It is identifiable by the '?' icon next to each question.

1.16. If a supplier has no customers to report for a particular data item e.g. no customers using a particular payment method or no customers in debt, please enter 0. When a supplier is unable to provide a customer number for a particular item please leave the field blank and provide an explanation for the nil return in the commentary box provided for each data item.

1.17. Commentary can be provided against an individual data item or against an overall section. If at any point in the return a supplier wishes to provide extra commentary on a particular data item, please provide comments in the data item commentary box. If a supplier wishes to provide commentary on the overall section, please provide comments in the section commentary box.

1.18. For some data items commentary will be mandatory. For example if an item is left blank, then a comment must be made to explain why it has been left blank. For some data items a commentary will only be required if a data item has a value of 1 or more. These items are specified in the return forms at Appendix 3.

2. Specific information on the returns

2.1. The numbers in bold below refer to the data item in the relevant section of the return set out at Appendix 3.

Specific notes on the quarterly returns

Section 1: Number of customers on each payment scheme

2.2. Data item **Q1.3 'Quarterly cash or cheque'** refers to customers who pay by cash, cheque, debit or credit card after receiving a quarterly bill. This does not include customers who make payments in cash with a payment card or paying in book.

2.3. Data item **Q1.4 'Fuel Direct'** concerns the total number of customers that are on Fuel Direct

2.4. Data item **Q1.5 'Budgeting payment schemes'** refers to customers who pay by weekly/fortnightly/ twice monthly payment schemes, and flexible payment methods such as pay as you go or using a payment card/book to make frequent cash payments.

2.5. Data item **Q1.6 'Other'** should include any customers using a payment method not covered by Q1.1 to Q1.5 such as monthly standing order, monthly payment schemes (cash or cheque) and quarterly variable direct debt. Details on social tariffs, which may or may not be a non-standard payment scheme, can be provided here as well as in the annual questionnaire to DTI and Ofgem. Commentary can be provided for this section to give further details on any of the payment schemes included here.

2.6. Data item **Q1.7** should equal the sum of items Q1.1 to Q1.6. The reporting system will automatically calculate this and suppliers will only need to check that the number matches their own total.

Section 2: Domestic debt (all customers)

2.7. **All** items in this section should include customers who have their PPMs set to collect debt (as reported under Q4.1) **and** non-PPM customers on a debt payment arrangement scheduled to last longer than 91 days/13 weeks.

2.8. A debt payment arrangement is defined as a specific arrangement to repay outstanding arrears. Suppliers should include such customers who repay monthly, fortnightly, weekly or at any other regular interval, and who repay via cash, cheque, payment card or Fuel Direct. Direct debit customers should only be included where they have joined the scheme specifically to repay a debt. All other direct debit customers should be excluded. All customers on payment schemes (including direct debit) should be excluded once the initial (take-on) debt has been repaid.

2.9. Data items **Q2.2, Q2.3 & Q2.4** break down into three categories the customers from section Q2.1 with debts greater than £100. The amounts (£100, £300 and

£600) refer to the amount of debt carried forward from the previous account to the most recent bill. Q2.2, Q2.3 and Q2.4 are cumulative e.g. those customers included in Q2.2 who have a debt of £350 should also be counted in Q2.3.

2.10. Data item **Q2.5** refers to the total amount owed by all the customers in Q2.1 divided by the total number of customers in Q2.1.

Section 3: Domestic debt payment arrangements – non PPM customers

2.11. **All** items in this section refer only to debt payment arrangements extending beyond 91 days/13 weeks. The definition of a debt payment arrangement is the same as for section 2 but excluding prepayment meter customers. Although the return asks for information in terms of 'weeks', customers paying fortnightly or monthly should also be included. Items in this section do not include PPM customers, who are dealt with separately in section 4.

2.12. Data item **Q3.1** asks how many customers have entered into a debt payment arrangement during the reporting period (where the arrangement is set to last beyond 91 days).

2.13. Data item **Q3.2** asks for the average (mean) weekly payment towards debt agreed with customers who entered into repayment arrangement during the reporting period (Q3.1). The figure given should reflect only the amount per week the customers pays to reduce their debt and should exclude any amount covering ongoing usage.

2.14. Data item **Q3.3** asks for the average (mean) number of weeks over which customers who entered into an arrangement this reporting period (Q3.1) are being allowed to repay their debt.

Section 4: Domestic debt payment arrangements – PPM customers

2.15. This section refers to all PPM customers who are repaying a debt through their PPM, **regardless** of the estimated length of the recovery period.

2.16. Data item **Q4.1** asks for the total number of PPM customers who have their PPMs set to collect payments towards a debt. This will be a 'snapshot figure' and should be recorded as near as possible to the end of the reporting period.

2.17. Data item **Q4.2** (PPM customers not in debt) will automatically be generated by subtracting Q4.1 from Q1.2. The supplier will just need to check the figures are correct.

2.18. Data item **Q4.4** asks how many customers from Q4.3 (number of PPMs installed this reporting period) had their PPMs installed, within this reporting period, to collect a debt (regardless of the estimated length of the recovery period). This includes all cases where a PPM has been installed this reporting period to recover a debt, whether or not at the customer's request.

2.19. Data item **Q4.5**: The system will automatically calculate this figure by subtracting Q4.4 from Q4.3. This item should cover the number of customers who

had chosen to have a PPM installed in this reporting period but not for debt. For example, this includes customers who request to move from credit to PPM, new connections where a PPM is requested, customers who ask for a PPM to be installed after changing supplier or moving house or any other case where a PPM is installed for reasons other than debt. Instances where a PPM is installed to recover a debt are dealt with in Q4.4.

2.20. Data item **Q4.6** asks for the average (mean) weekly amount to be recovered for debt for the customers who had their PPMs installed, within this reporting period, to collect a debt (regardless of the estimated length of the recovery period).

2.21. Data item **Q4.7** asks for the average (mean) number of weeks over which customers, who had their PPMs installed within this reporting period to collect a debt, are being allowed to repay the debt.

Section 5: Disconnections/de-energisations for debt and reconnection/ re-energisation

2.22. "Disconnection" is used as a general term, not specific to the removal of a meter. This will, in the case of electricity, cover de-energisations. This section refers exclusively to customers who have had their supply disconnected/de-energised for the non-payment of debt. Premises that are found to be vacated when the supplier arrived to disconnect should not be included. For items Q5.2 to Q5.6 the reconnected customer must have been disconnected during the quarter that is being reported on. Customers not reconnected during the current quarter should be excluded. The period of disconnection is defined as being from the day the supply was terminated to the day it is reinstated (inclusive).

2.23. Data items **Q5.2 to Q5.5** are cumulative figures, i.e. customers counted in Q5.2 should also be counted in Q5.3 to Q5.5. Therefore a customer reconnected within a week should also be counted as having been reconnected within a month and a quarter. It is expected that the number should increase between Q5.2 and Q5.5.

2.24. Data item **Q5.7** concerns the average (mean) period in days that customers were without a supply from those customers disconnected and then reconnected this reporting period. Premises that are known to have been vacated since disconnection should be discounted.

Specific notes on the annual returns

2.25. Unless specified the summaries and overall definitions are the same as those used in the section above 'specific notes on the quarterly returns'.

Section 3: Domestic debt payment arrangements – non PPM customers

2.26. Data item **A3.1** will be automatically generated by the system from the previous returns for that year.

2.27. Data item **A3.2** asks for the average (mean) weekly payment towards debt agreed with customers who entered into repayment arrangement during the

reporting period (A3.1). The figure given should reflect only the amount per week the customers pays to reduce their debt and should exclude any amount covering ongoing usage.

2.28. Data item **A3.3** asks for the average (mean) number of weeks over which customers who entered into an arrangement this reporting period (A3.1) are being allowed to repay their debt.

2.29. Data item **A3.4** asks for the total number of arrangements in A3.1 where the customer is repaying below £3 (i.e. up to £2.99) a week towards the debt.

2.30. Data item **A3.5** asks for the total number of arrangements in A3.1 where the customer is repaying between £3 and £6 a week.

2.31. Data item **A3.6** asks for the total number of arrangements in A3.1 where the customer is repaying over £6 (£6.01 or more) a week towards the debt.

2.32. Data items **A3.4 to A3.6** should equal A3.1

Section 4: Domestic debt payment arrangements – PPM customers

2.33. As data items **Q4.1 and Q4.2** are 'snapshot' figures they are only in the quarterly return.

2.34. For data items **A4.3 – A4.5** the figures will be calculated automatically and suppliers will only be required to check the figures.

2.35. Data item **A4.6** asks for the average (mean) weekly amount to be recovered for debt for the customers who had their PPMs installed, within this reporting period, to collect a debt (regardless of the estimated length of the recovery period).

2.36. Data item **A4.7** asks for the average (mean) number of weeks over which customers, who had their PPMs installed within this reporting period to collect a debt, are being allowed to repay the debt.

2.37. Data item **A4.8** asks for the number of arrangements in A4.4 where the customer is repaying below £3 (i.e. up to £2.99) a week towards the debt.

2.38. Data item **A4.9** asks for the number of arrangements in A4.4 where the customer is repaying between £3 and £6 a week.

2.39. Data item **A4.10** asks for the number of arrangements in A4.4 where the customer is repaying over £6 (£6.01 or more) a week.

2.40. Data items **A4.8 – A4.10** should add up to A4.4

2.41. Data item **A4.11** asks for the total number of customers who have switched from PPM to credit terms during the reporting period.

2.42. Data item **A4.12** asks for the total number of customers, not repaying a debt through their PPM, who have had their request to change to credit terms refused during the reporting period.

2.43. Data item **A4.13** asks for an approximate breakdown of the types of PPM used by a supplier. Please specify the meter type (for example token, smart card or key meter) and percentage used. There are two return fields. One allows different meter types to be entered and the other allows the corresponding percentage to be entered.

Section 5: Disconnections/de-energisations and reconnections/re-energisations

2.44. Data items **A5.1 – A5.6** will be automatically generated by the system from previous returns and suppliers will only be required to check the data.

2.45. Data item **A5.7** concerns the average (mean) period in days that customers were without a supply, from those customers disconnected and then reconnected within the same quarter, in this reporting period. Premises that are known to have been vacated since disconnection should be discounted.

2.46. Data item **A5.8** refers to cases where the supplier has not spoken to the customer (either face-to-face or on the telephone) and the customer has not written to the supplier (through letter, fax or electronically). These are sometimes referred to as “no contact” cases.

2.47. Data items **A5.9** refers to the number of disconnections, where the supplier knew in advance that the household was made up exclusively of people who are either disabled or chronically sick or pensioners (or any combination of these living with children under 18).

Section 6: Fuel Direct

2.48. Data item **A6.1** will be the number of customers, at the end of the reporting period who continue paying by Fuel Direct after repaying their original debt.

Section 7: Warrants of entry

2.49. This section refers to the use of warrants in pursuance of disconnection for non-payment of debt.

2.50. Data item **A7.1** is linked to the cases reported in **A5.1**.

2.51. Data items **A7.1 & 7.2** apply whether or not the warrant was executed by forcible entry. Instances where the customer allows access when told that the officer is in possession of a warrant should be included.

Section 8: Registered services and services provided on request

2.52. Customers do not necessarily have to be on the Priority Service Register to receive registered services. However, this section seeks to capture only those customers who require services due to a special need. Therefore, **A8.5 – A8.7** should only include customers who are on the Priority Services Register.

2.53. Data items **A8.13 and A8.14** are only applicable on gas returns.

Section 9: Energy efficiency advice and information

2.54. Please provide these figures as combined figures if you supply both gas and electricity.

2.55. Data item **A9.1** concerns specific advice given by a specialist energy efficiency advice line or by a qualified person. Provision of general information by non-qualified customer service staff is excluded.

2.56. Data items **A9.2 & A9.3** may reflect initiatives to proactively target these groups of customers. The information may be verbal or written and/or include provision of the code of practice. The provision of general information by customer service staff responding to customer enquiries should also be included, if recorded.

2.57. Data item **A9.4** asks for the number of customers specifically advised about or referred to a government scheme (such as Warm Front) or to the Energy Efficiency Commitment (EEC) in this reporting period. This is in addition to the provision of Codes of Practice.

2.58. Ofgem may also use qualitative techniques to monitor the quality of energy efficiency advice provided, in particular, for vulnerable customers.

Appendices

Index

Appendix	Name of Appendix	Page Number
1	Text from the Supply Licences	12
2	Notice to holders of electricity and gas supplier's licences	13
3	Codes of practice monitoring return forms	14
4	Postcode areas	19
5	Glossary	20
6	Changes to previous guidance and reporting form	22

Appendix 1 - Text of Supply licence

Standard Condition 26. Record of and Report on Performance

The licensee shall keep a record of its general operation of the arrangements mentioned in standard conditions 24 (Code of Practice on Procedures with Respect to Site Access) and 25 (Efficient Use of Electricity) and (where a Domestic Supply Direction has been issued to the licensee) in standard conditions 35 (Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty), 36 (Code of Practice on the Use of Prepayment Meters), 37 (Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick), 38 (Provision of Services for Persons who are Blind or Deaf) and 39 (Complaint Handling Procedure) and if the Authority so directs in writing, of its operation of any particular cases specified, or of a description specified, by the Authority.

The licensee shall, where a Domestic Supply Direction has been issued to the licensee, keep a statistical record of its performance in relation to the provision of electricity supply services to its domestic customers.

The licensee shall, from time to time as required by the Authority, provide to the Authority and to the Consumer Council such of the information contained in the records prepared in accordance with paragraphs 1 and 2 as the Authority may request in writing.

As soon as is reasonably practicable after the end of each calendar year, the licensee shall submit to the Authority and the Consumer 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.

The report shall be presented, so far as is reasonably practicable, in a standard form designated by the Authority for the purposes of this condition generally.

Appendix 2 - Notice to holders of Electricity supply licences and Gas suppliers' licences

THE ELECTRICITY ACT 1989

NOTICE UNDER ELECTRICITY SUPPLY LICENCES GRANTED OR TREATED AS GRANTED UNDER SECTION 6(1)(d) OF THE ACT

THE GAS ACT 1986

NOTICE UNDER GAS SUPPLY LICENCES GRANTED OR TREATED AS GRANTED UNDER SECTIONS 7A(1)(a) AND 7A(1)(b) OF THE ACT

To all the holders of electricity supply licences and gas supply licences in England and Wales and in Scotland

For the purpose of each of the licence conditions specified below ('the Conditions'), the Gas and Electricity Markets Authority ('the Authority') hereby designates the document annexed to this notice and headed 'Codes of Practice Annual Monitoring' as the standard form to be used by the licence holders for the purposes of reports prepared pursuant to paragraph 4 of the Conditions:

Electricity supply licence Standard Condition 26: Record of and report on performance

Gas suppliers' licence Standard Condition 26: Record of and report on performance

Dated.....

Signed on behalf of the Authority by

.....

Duly authorised in that behalf

Appendix 3 - Codes of practice monitoring return forms

Codes of practice quarterly monitoring return form

1.1. 'R' denotes a regional breakdown is required

1.2. 'G' denotes the field is generated automatically by the system

		1	Number of customers on each payment scheme (all domestic customers)
	R	Q1.1	Monthly direct debit
	R	Q1.2	Prepayment meter (PPM)
			Standard credit
	R	Q1.3	Quarterly (cash or cheque)
	R	Q1.4	Fuel Direct
	R	Q1.5	Budgeting payment schemes (for example: weekly/fortnightly/twice monthly payment schemes and flexible payment schemes (e.g. pay-as-you-go))
	R	Q1.6	Other (For example: monthly standing order/ monthly payment scheme (cash or cheque)/quarterly variable direct debit or social tariffs)
G	R	Q1.7	Total number of domestic customers

	2	Domestic debt (all customers)
R	Q2.1	Number of customers repaying a debt (includes non PPM customers on payment arrangements extending beyond 91 days/13 weeks and all PPM customers with a debt) Please refer to the accompanying guidance for further information on the definition
	Q2.2	Number of customers with debt over £100 carried forward from previous bill
	Q2.3	Number of customers with debt over £300 carried forward from previous bill
	Q2.4	Number of customers with debt over £600 carried forward from previous bill
	Q2.5	Average debt per customer (total amount owed by customers in 2.1/ number of customers in 2.1)

3	Domestic debt payment arrangements – non PPM customers
Q3.1	Number of customers entering into a debt repayment arrangement (extending beyond 91 days) in this reporting period
Q3.2	Average (mean) weekly amount towards debt (for arrangements, extending beyond 91 days, entered into in this reporting period)
Q3.3	Average (mean) number of weeks to recover debt (for arrangements, extending beyond 91 days, entered into in this reporting period)

	4	Domestic debt payment arrangements – PPM customers
R	Q4.1	Number of PPM customers in debt at the end of this reporting period
G	Q4.2	Number of PPM customers not in debt – generated from 1.2 minus 4.1
	Q4.3	Number of PPMs installed in this reporting period
	Q4.4	Number of PPMs installed in this reporting period to recover debt
G	Q4.5	Number of PPMs installed in this reporting period not for debt – generated from 4.3 minus 4.4
	Q4.6	Average (mean) weekly amount towards debt for the PPMs installed in this reporting period
	Q4.7	Average (mean) number of weeks to recover debt for the PPMs installed in this reporting period

	5	Disconnections/de-energisations for debt and reconnection/re-energisation
R	Q5.1	Number of customers disconnected in this reporting period for non-payment of debt
	Q5.2	Of those disconnected in this reporting period, number reconnected within 24 hours of disconnection
	Q5.3	Of those disconnected in this reporting period, number reconnected within 7 days of disconnection
	Q5.4	Of those disconnected in this reporting period, number reconnected within 1 month of disconnection
	Q5.5	Of those disconnected in this reporting period, number of customers reconnected in this reporting period (1 quarter)
G	Q5.6	Of those disconnected in this reporting period, the number of customers not reconnected in this reporting period – generated from 5.1 minus 5.5
	Q5.7	Of those disconnected and reconnected in this reporting period, the average period (days) of disconnection

Codes of practice annual monitoring return form

1.3. 'Q' denotes data provided via quarterly return

1.4. 'R' denotes regional breakdown required

1.5. 'G' denotes figure is automatically generated by the system

1.6. 'C' denotes commentary is required if a data item is 1 or more

1.7. For further information on the standard reporting form please see the accompanying guidance document produced by Ofgem. The document is called 'Monitoring domestic Electricity and Gas suppliers' performance under their Codes of Practice – new reporting arrangements' and is available on the Ofgem website.

		1	Number of customers on each payment scheme (all domestic customers)
Q	R	Q1.1	Monthly direct debit
Q	R	Q1.2	Prepayment meter (PPM)
			Standard credit
Q	R	Q1.3	Quarterly (cash or cheque)
Q	R	Q1.4	Fuel Direct
Q	R	Q1.5	Budgeting payment schemes (For example: weekly/fortnightly/twice monthly payment schemes and flexible payment schemes (e.g. pay-as-you-go))
Q	R	Q1.6	Other (For example: monthly standing order/monthly payment scheme (cash or cheque)/quarterly variable direct debit and social tariffs)
G	R	Q1.7	Total number of domestic customers

		2	Domestic debt (all customers)
Q	R	Q2.1	Number of customers repaying a debt (includes non PPM customers on payment arrangements extending beyond 91 days/13 weeks and all PPM customers with a debt) Please refer to the accompanying guidance for further information on the definition
Q		Q2.2	Number of customers with debt over £100 carried forward from previous bill
Q		Q2.3	Number of customers with debt over £300 carried forward from previous bill
Q		Q2.4	Number of customers with debt over £600 carried forward from previous bill
Q		Q2.5	Average debt per customer (total amount owed by customers in 2.1/ number of customers in 2.1)

	3	Domestic debt payment arrangements – non PPM customers
G	A3.1	Total number of customers entering into a debt repayment arrangement (extending beyond 91 days) in this reporting period – database to add this up from quarterly returns and suppliers to check it only
	A3.2	Average weekly amount towards debt (for arrangements, extending beyond 91 days), entered into in this reporting period
	A3.3	Average number of weeks to recover debt (for arrangements, extending beyond 91 days), entered into in this reporting period

	A3.4	Total number of arrangements entered into in this reporting period with debt repayment at below £3 a week
	A3.5	Total number of arrangements entered into in this reporting period with debt repayment set between £3 and £6 a week
	A3.6	Total number of arrangements entered into in this reporting period with debt repayment set above £6 a week
G		A3.4 – A3.6 should add up to A3.1
	4	Domestic debt payment arrangements – PPM customers
Q	R	Q4.1 Number of PPM customers in debt at the end of this reporting period
Q	G	Q4.2 Number of PPM customers not in debt – generated from 1.2 minus 4.1
	G	A4.3 Total number of PPMs installed in this reporting period - database to add this up from quarterly returns and suppliers to check it only
	G	A4.4 Total number of PPMs installed in this reporting period to recover debt - database to add this up from quarterly returns and suppliers to check it only
	G	A4.5 Total number of PPMs installed in this reporting period not for debt – generated from 4.3 minus 4.4
		A4.6 Average weekly amount towards debt for PPMs installed in this reporting period
		A4.7 Average number of weeks to recover debt for PPMs installed in this reporting period
		A4.8 Total number of PPMs installed in this reporting period with debt repayment at below £3 a week
		A4.9 Total number of PPMs installed in this reporting period with debt repayment set between £3 and £6 a week
		A4.10 Total number of PPMs installed in this reporting period with debt repayment set above £6 a week
	G	A4.8 – A4.10 should add up to A4.4
		A4.11 Total number of customers changing from PPM to credit terms in this reporting period
		A4.12 Total number of requests to change from PPM to credit meter - from customers without a debt – that have been refused in this reporting period
		A4.13 The percentage of meters which use tokens, smart cards, keys etc. Please specify by meter type

	5	Disconnections/de-energisations for debt and reconnections/re-energisation
G	R	A5.1 Total number of customers disconnected in this reporting period (year) for non payment of debt - database to add this up from quarterly returns and suppliers to check it only
G		A5.2 Total number of customers reconnected within 24 hours of disconnection - database to add this up from quarterly returns and suppliers to check it only
G		A5.3 Total number of customers reconnected within 7 days of disconnection - database to add this up from quarterly returns and suppliers to check it only
G		A5.4 Total number of customers reconnected within 1 month of disconnection - database to add this up from quarterly returns and suppliers to check it only
G		A5.5 Total number of customers reconnected within 1 quarter of disconnection - database to add this up from quarterly returns and suppliers to check it only

Appendix - Guidance Document

October 2006

G		A5.6	Of those disconnected in this reporting period, the number of customers not reconnected in this reporting period
		A5.7	Average period (days) of disconnection, for customers disconnected and reconnected within the same quarter, in this reporting period
		A5.8	Number of disconnections in this reporting period where there was no dialogue with customer during the lifecycle of the bill for which their supply has been disconnected
		A5.9	Number of disconnections of all known pensioner, disabled, chronically sick or vulnerable (as defined by the ERA) households in this reporting period

6	Fuel Direct
A6.1	Number of customers on Fuel Direct who no longer have a debt

7	Warrants of entry
A7.1	Number of customers disconnected for non payment of debt on a warrant visit.
A7.2	Number of PPMs installed for non payment of debt on a warrant visit.

	8	Priority Service Register (PSR)
R	A8.1	Number of customers on Priority Service Register at end of reporting period
C	A8.2	The number of customers refused from joining the PSR this reporting period – provide reasons why in the commentary section
	A8.3	Number registered for receiving talking bills at end of reporting period
	A8.4	Number registered to receive bills in Braille/large print at end of reporting period
	A8.5	Number registered for password schemes at end of reporting period
	A8.6	Number registered for third party billing/bill re-direction at end of reporting period
	A8.7	Number registered for quarterly reads at end of reporting period
	A8.8	Number of meters repositioned or replaced at the customer's request, free of charge, in this reporting period
C	A8.9	The number of eligible customers refused a meter repositioning/replacement free of charge in this reporting period – provide reasons why in the commentary section
	A8.10	Number of customers provided with special controls or adapters, free of charge, in this reporting period
C	A8.11	The number of eligible customers refused special controls/adaptors free of charge in this reporting period – provide reasons why in the commentary section
	A8.12	Number of customers that used minicom/textphone service in this reporting period
R	A8.13	Number of customers provided with free gas safety check in this reporting period – GAS ONLY
C	A8.14	The number of customers refused a free gas safety check in this reporting period – provide reasons why in the commentary section – GAS ONLY

	9	Energy efficiency advice
R	A9.1	Number of customers provided with energy efficiency advice in this reporting period
	A9.2	Number of customers on a debt payment arrangement provided with energy efficiency information in this reporting period
	A9.3	Number of customers on the Priority Service Register provided with energy efficiency information in this reporting period
	A9.4	Number of customers referred to a government scheme (such as Warm Front) or to the Energy Efficiency Commitment (EEC) in this reporting period

Appendix 4 - Postcode areas

1.1. List of relevant postcodes for Scotland and Wales

WALES	
Area	Area name
CF	Cardiff
CH4 0, 8 & 9, CH5, CH6, CH7, CH8	Chester
LD	Llandrindod Wells
LL	Llandudno
NP	Newport
SA	Swansea
SY10, SY15 to SY25	Shrewsbury
SCOTLAND	
Area	Area name
AB	Aberdeen
DD	Dundee
DG	Dumfries
EH	Edinburgh
FK	Falkirk
G	Glasgow
HS	Outer Hebrides
IV	Inverness
KA	Kilmarnock
KW	Kirkwall
KY	Kirkcaldy
ML	Motherwell
PA	Paisley
PH	Perth
TD (all except TD15 1 & TD15 2)	Galashiels
ZE	Lerwick

Appendix 5 - Glossary

D

Domestic suppliers

A company which sells gas or electricity and bills household customers.

E

energywatch

energywatch is the Consumer Council set up under the Utilities Act 2000 to represent the interests of gas and electricity consumers.

F

Fuel Direct

This is the scheme administered by the Department of Work and Pensions to allow for payments to gas and electricity suppliers from sums which are deducted at source from social security benefit.

P

Prepayment Meter (PPM)

A prepayment customer pays for energy by inserting electronic tokens, keys or cards into a PPM. Prepayment meters currently use electronic tokens, keys or cards. The customer therefore needs to be provided with a network of outlets where tokens can be purchased, or cards and keys can be charged up. This network of outlets needs to be linked to a payment settlement system for suppliers.

Priority Services Register

SLC37(3)(a) requires suppliers to establish a list ("Priority Services Register") of those domestic customers who, by virtue of being of pensionable age or disabled or chronically sick, require information and advice in respect of services specified under that condition.

Appendix 6 - Changes to previous guidance and reporting form

1.1. The revisions in this document to update the previous guidance and reporting form are as follows:

i. Quarterly Reporting form:

Under section 1: Number of customers on each payment scheme (all domestic customers)

- Q1.5 Budgeting payments schemes:

Reference to the guidance has been removed and the example for what payment methods we are looking for has been clarified

- Q1.6 Other:

Reference to the guidance has been removed and the examples clarified

Under section 2: Domestic debt (all customers)

- Q2.1 Number of customers repaying a debt

The following has been added as clarification: 'Includes non PPM customers on payment arrangements extending beyond 91 days/13 weeks and all PPM customers with a debt. Please refer to the accompanying guidance for further information on the definition'

Under section 5: Disconnections/de-energisations for debt and reconnection/re-energisation

- The wording of Q5.7 has been changed to clarify what is required. It has changed from:

'Of those disconnected in this reporting period, the average period of disconnection for customers reconnected in this reporting period'
to

'Of those disconnected and reconnected in this reporting period, the average period (days) of disconnection'

ii. Annual reporting form

Under section 1: Number of customers on each payment scheme (all domestic customers)

- Q1.5 Budgeting payments schemes:

Reference to the guidance has been removed and the example for what payment methods we are looking for has been clarified

- Q1.6 Other:

Reference to the guidance has been removed and the examples clarified

Under section 2: Domestic debt (all customers)

- Q2.1 Number of customers repaying a debt

The following has been added for clarification: 'Includes non PPM customers on payment arrangements extending beyond 91 days/13 weeks and all PPM customers with a debt. Please refer to the accompanying guidance for further information on the definition'

Under section 5: Disconnections/de-energisations for debt and reconnection/re-energisation

- The wording of A5.7 has been changed to clarify what is required. It has changed from:

*'Average period of disconnection for customers reconnected in this reporting period' to
'Average period (days) of disconnection, for customers disconnected and reconnected within the same quarter, in this reporting period'.*

iii. Guidance

- Paragraph 1.11 is new and sets out what a supplier should do before providing their first return to Ofgem.
- In Paragraph 1.15 a reference to how to find the online guidance provided within the reporting system has been added.
- In Paragraph 2.24 the reference to **Q5.7** has changed to provide further clarification on this item.
- In Paragraph 2.45 the reference to **A5.7** has changed to provide further clarification on this item.