

## Gas and electricity licence applications - Application Regulations and Guidance Document

**Document type:** Consultation

**Ref:** 82/07

**Date of publication:** 5 April 2007

---

**Deadline for response:** 16 May 2007

**Target audience:** Gas and electricity licensees, potential new entrants, consumer groups and any other interested parties.

---

### **Overview:**

This document sets out our proposed changes to the Gas and Electricity Application Regulations and our Guidance Document on licence applications.

If a number of proposed changes are made as part of the Supply Licence Review, then a number of changes will be required to our licensing process. We are proposing other changes to reduce the administrative burdens on applicants. Additionally, to protect the interests of consumers and market participants we are proposing to clarify the checks we will make and factors that we will take into consideration in respect of applicants who are insolvent and situations where "phoenix companies" are using a prohibited name.

We propose to bring about these changes by repealing the existing Application Regulations and replacing them with new Application Regulations and by replacing our existing published Guidance Document on licence applications.

---

**Contact name and details:** Ikbal Hussain, Licensing Manager

**Tel:** 020 7901 7049

**Email:** [Ikbal.hussain@ofgem.gov.uk](mailto:Ikbal.hussain@ofgem.gov.uk)

**Team:** Licensing

## Context

The Gas Act 1986 and the Electricity Act 1989 (together "the Acts") allow the Authority to make regulations which provide a mechanism for those wishing to participate in the gas and electricity markets to obtain a licence<sup>1</sup>. There are currently regulations in force (the current Application Regulations<sup>2</sup>) which have been made under the Acts.

An EC Directive<sup>3</sup> requires the publication of objective and non-discriminatory criteria and procedures for assessing gas licence applications. Since 2002 we have published guidance on licence applications which apply to both gas and electricity.

In light of proposed changes to the gas and electricity supply licences as part of the Supply Licence Review ("SLR") and a general review of the adequacy of the current Application Regulations, it may be necessary to make changes to the Application Regulations and Ofgem's Guidance Document, to reflect any changes that are made.

## Associated Documents

- Supply Licence Review - Initial Policy Proposals. July 2006. Ref: 113/06.
- Supply Licence Review - Further Proposals. December 2006. Ref: 217/06.
- Distribution and transportation codes of practice. Guidance notes. October 2001. Ref: 60/01.
- Electricity and gas interconnector licences - Guidance Document. April 2005.
- Gas and electricity licence applications. Guidance Document. March 2005. Ref 86/05.

---

<sup>1</sup> S.7B of the Gas Act 1986 and s.6A(2) of the Electricity Act 1989.

<sup>2</sup> The Gas (Applications for Licences and Extensions and Restrictions of Licences) (No.2) Regulations 2004 SI 2983 and the Electricity (Applications for Licences, Modifications of an Area and Extensions and Restrictions of Licences) (No.2) Regulations 2004 SI 2952.

<sup>3</sup> Directive 2003/55/EC - Concerning Common Rules for the Internal Market in Natural Gas  
[http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l\\_176/l\\_17620030715en00570078.pdf](http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_176/l_17620030715en00570078.pdf).

## Table of Contents

<b>Summary</b> .....	<b>1</b>
<b>1. Introduction</b> .....	<b>3</b>
Purpose of this document .....	3
The Guidance Document .....	3
The new Application Regulations .....	3
The Supply Licence Review .....	3
Future reviews .....	4
Offshore wind and network licences .....	4
<b>2. Changes to the Application Regulations and the Guidance Document</b> .....	<b>5</b>
Changes to Key Performance Indicators .....	5
Insolvency .....	5
Prohibited names .....	6
Related companies .....	6
Changes to be made as a result of the SLR - compliance arrangements for conditions relating to customer codes of practice .....	7
Other changes - format of application .....	7
Metering .....	8
Proposed changes to application fees .....	8
Table 1 - current and proposed fees .....	8
Correction of typographical errors .....	10
Companies Act 2006 .....	10
Electricity Generation - SLCs 14 and 15 .....	10
Electricity Distribution .....	11
<b>Appendices</b> .....	<b>1</b>
<b>Appendix 1 - Consultation Response and Questions</b> .....	<b>2</b>
<b>Appendix 2 – Draft Application Regulations 2007</b> .....	<b>3</b>
<b>Appendix 3 – The Authority’s Powers and Duties</b> .....	<b>28</b>
<b>Appendix 4 - Glossary</b> .....	<b>30</b>
<b>Appendix 5 - Feedback Questionnaire</b> .....	<b>31</b>

## Summary

This document sets out the proposed changes to the current Application Regulations<sup>4</sup> (see draft 'new Application Regulations' in Appendix 2) and the Guidance Document (see supplementary appendix) for licence applicants<sup>5</sup>.

In summary the key proposed changes are that:

- we will reduce the time taken to process licence applications from the current 90% in 10 weeks to 90% in 8 weeks from April 2007<sup>6</sup>
- in all cases we will check the Companies House web site and other available sources<sup>7</sup> before granting a licence to seek to ensure that the applicant is not insolvent<sup>8</sup>
- we will not grant a licence where there is a court decision<sup>9</sup> that an applicant is using a prohibited name in breach of the Insolvency Act 1986
- if the proposed changes to the supply licences are made as part of the SLR<sup>10</sup>, supply licence applicants will no longer be required to submit details of compliance arrangements for conditions relating to customer codes of practice as part of the licence application process
- electricity supply licence applicants will no longer be required to submit details of proposed arrangements for compliance with SLC 7 (Duty to Offer Terms for Meter Provision)

---

<sup>4</sup> Existing Application Regulations are The Gas (Applications for Licences and Extensions and Restrictions of Licences) (No.2) Regulations 2004 SI 2983 <http://www.opsi.gov.uk/si/si2004/20042983.htm> and The Electricity (Applications for Licences, Modifications of an Area and Extensions and Restrictions of Licences) (No.2) Regulations 2004 SI 2952 <http://www.opsi.gov.uk/si/si2004/20042952.htm>.

<sup>5</sup> Gas and electricity licence applications. Guidance document. March 2005. Ref: 86/05 <http://www.ofgem.gov.uk/Licensing/Work/Documents1/10070-8605.pdf>.

<sup>6</sup> This includes competitive licences i.e. supply, gas shipping and electricity generation and does not include gas transporter, electricity distribution or interconnector licences or applications where modifications have been requested.

<sup>7</sup> Including but not restricted to - The London, Edinburgh and Belfast Gazettes website at <http://www.gazettes-online.co.uk>, The Insolvency Service website at <http://www.insolvency.gov.uk>, the Registry of Judgments, Orders and Fines website at <http://www.registry-trust.org.uk> and, if applicable, the relevant company registry website in the jurisdiction under which the applicant company is incorporated.

<sup>8</sup> Within the meaning of the revocation conditions in Schedule 2 of a licence see paragraphs 2.2 to 2.4 below.

<sup>9</sup> Under the Insolvency Act there are certain exceptions on prohibited names and a court can grant leave making the use of a prohibited name lawful.

<sup>10</sup> Supply Licence Review - Initial Policy Proposals. July 2006. Ref: 113/06 [http://www.ofgem.gov.uk/Markets/RetMkts/Compl/SLR/Documents1/14581-Supply\\_Licence\\_Review.pdf](http://www.ofgem.gov.uk/Markets/RetMkts/Compl/SLR/Documents1/14581-Supply_Licence_Review.pdf). Supply Licence Review - Further Proposals. December 2006. Ref: 217/06 [http://www.ofgem.gov.uk/Markets/RetMkts/Compl/SLR/Documents1/16507-217\\_06.pdf](http://www.ofgem.gov.uk/Markets/RetMkts/Compl/SLR/Documents1/16507-217_06.pdf).

- electricity distribution licence applicants will no longer be required to submit details of proposed arrangements for compliance with SLC 8 (Provisions Relating to the Connection of Metering Equipment)
- gas transporter licence applicants will no longer be required to submit details of proposed arrangements for compliance with SLC 8 (Provision and Return of Meters)
- we have reviewed our application fees:
  - all fees have been increased in line with inflation since they were last reviewed in January 2003, and
  - domestic supply licences application fees have been reduced to align them with non-domestic supply licences as there will no longer be the need to review details of proposed arrangements for compliance.
- if the provisions of the Companies Act 2006 which define, among other things, "ultimate holding company", "shadow directors", "directors" and "parent undertaking" are brought into effect (replacing the definitions in the Companies Act 1985)<sup>11</sup> then the Application Regulations will need to be amended accordingly. It is not yet certain whether these changes will be brought into effect before the Application Regulations are laid, hence they have not been included in the draft Application Regulations attached at appendix 2
- electricity generation applicants will no longer have to provide a statement on the extent that they consider it necessary for enabling powers under Schedule 3 (Compulsory Acquisition of Land etc by Licence Holders) and Schedule 4 (Other Powers etc by Licence Holders)<sup>12</sup> to be given through the licence for which they are applying, and
- electricity distribution applicants will be required to provide details of proposed arrangements for compliance with ring fencing conditions. These conditions are not currently in the licence, but the Authority will consult on and, if appropriate modify the licence to include them, prior to or on the granting the licence.

We will consider responses to this consultation and the SLR consultation before making these changes and may make further changes to the new Application Regulations and Guidance Document if necessary.

---

<sup>11</sup> Current definitions are as set out in the Companies Act 1985

<sup>12</sup> of the Electricity Act 1989

## 1. Introduction

### Purpose of this document

#### The Guidance Document

1.1. The draft Guidance Document (see supplementary appendix) sets out the proposed revised procedures that we intend to follow when assessing applications for all types of gas and electricity licences. It also explains the process that follows a proposal by us not to grant a licence.

1.2. The revisions are required in light of the SLR and also as a result of our continuing overall aim to, as far as possible, minimise the regulatory burden involved in making an application for a licence, balanced against our primary duty to protect consumers.

1.3. It should be noted that the attached draft guidance is in the form it will take should all the proposed changes as set out in this consultation be made. Should any of the proposed changes not be made then the Guidance Document will be updated accordingly.

#### The new Application Regulations

1.4. The current Application Regulations set out the manner and form in which applications for licences (or modifications of an area or extensions or restrictions of licences) should be made and the fee payable for each type of application. In addition they specify the information that applicants must provide in order for us to consider an application.

1.5. This document sets out the changes which are proposed to the current Application Regulations. The changes proposed can be broadly categorised as being either:

- the result of policy changes which may be introduced by the SLR
- the result of our proposed changes to the current policy
- the amendment of application fees, or
- the correction of minor errors and the clarification of certain requirements.

1.6. We intend to repeal the current Application Regulations and replace these with the new Application Regulations.

#### The Supply Licence Review

1.7. Further information on the proposals in the SLR can be found in the associated documents listed above.

## Future reviews

### *Offshore wind and network licences*

1.8. Ofgem/DTI has published a joint consultation<sup>13</sup> on the appropriate regime for licensing offshore activities.

1.9. No significant changes have been proposed to our procedures for assessing applications for Network Licences<sup>14</sup> at this time. However, we intend to review this over the coming year.

1.10. Further changes may be necessary to the Application Regulations and Guidance Document when the regime for licensing offshore activities comes into effect (expected in 2008) and following further consideration of our procedures for assessing Network Licence applications. We also intend to further review the application fees to ensure that they continue to be cost reflective.

---

<sup>13</sup> Licensing Offshore Electricity Transmission - a joint Ofgem / DTI consultation. Ofgem 199/06. 20 November 2006  
[http://www.ofgem.gov.uk/Networks/Trans/Offshore/ConsultationDecisionsResponses/Documents1/16175-199\\_06.pdf](http://www.ofgem.gov.uk/Networks/Trans/Offshore/ConsultationDecisionsResponses/Documents1/16175-199_06.pdf).

<sup>14</sup> Electricity Distribution and Gas Transporter licence applications

## 2. Changes to the Application Regulations and the Guidance Document

→ This chapter sets out the changes which we propose to make to the current Application Regulations and the Guidance Document

### Questions

Question 1: Do you agree with the proposed changes to the current Application Regulations and the Guidance Document?

Question 2: Do you have any additional comments on the content and format of the Guidance Document?

### Changes to Key Performance Indicators

2.1. Due to reducing some of the administrative requirements associated with applying for a licence, from April 2007 we will reduce the time taken to process licence applications from the current 90% in 10 weeks to 90% in 8 weeks<sup>15</sup>.

### Insolvency

2.2. The concept of “insolvency” for the purpose of triggering our discretion to revoke a licence is defined in the revocation conditions<sup>16</sup>. We may revoke a licence on insolvency grounds, on giving not less than 24 hours notice, if the licensee:

- is unable to pay its debts (within the meaning of section 123(1) or (2) of the Insolvency Act 1986, but subject to a higher threshold of £100,000 (as opposed to £750 under the Act)),
- has a receiver appointed,
- has an administration order made in relation to it,
- passes any resolution for its winding-up (unless we had previously approved such resolution), or
- becomes the subject of a winding-up order by a court.

---

<sup>15</sup> This includes competitive licences i.e. supply, gas shipping and electricity generation and does not include gas transporter, electricity distribution or interconnector licences or applications where modifications have been requested.

<sup>16</sup> Schedule 2 of the relevant licence paragraph 1(f)



2.3. On the first limb of the first insolvency trigger – the licensee is “unable to pay its debts” – we will wait for a formal determination<sup>17</sup> of insolvency as set out in the revocation conditions before deciding the matter. We cannot unilaterally and definitively determine whether or not a company is “unable to pay its debts” nor would we seek to pre-empt the outcome of any formal insolvency steps by the company or its creditors.

2.4. Accordingly, we will apply the same tests outlined above to any application for a licence. In all cases we will check the Companies House web site and other available sources before granting a licence to ensure that the applicant is not insolvent.

### **Prohibited names** <sup>18</sup>

2.5. We consider it important that consumers and other market participants are protected from any confusion which may arise from the naming of “phoenix” companies<sup>19</sup> in those cases where there is abuse of the phoenix company arrangements.

2.6. Going forward, where we suspect that an applicant may be using a prohibited name in breach of the Insolvency Act 1986 we will liaise with the relevant Insolvency Practitioner and, where appropriate, the Insolvency Service.

2.7. We propose that we will not grant a licence where there is a court decision<sup>20</sup> that an applicant is using a prohibited name in breach of the Insolvency Act 1986.

### **Related companies**

2.8. Following a response to our open letter consultation on a review of our policy on licence revocations<sup>21</sup>, we have considered the issue of whether to change the

---

<sup>17</sup> This includes an administration order or a winding-up order of the court, the appointment of an administrator (other than by an order of the court), the appointment of a receiver, or if a resolution for a creditors' voluntary liquidation is passed by the company and a liquidator is appointed pursuant to it.

<sup>18</sup> 'For the purposes of this section, a name is a prohibited name in relation to such a person if- (a) it is a name by which the liquidating company was known at any time in that period of 12 months, or (b) it is a name which is so similar to a name falling within paragraph (a) as to suggest an association with that company.' S216 (2), the Insolvency Act 1986.

<sup>19</sup> A phoenix company is where the assets of one Limited Company are moved to another legal entity. Often some or all of the directors remain the same and in some cases, the new company has the same or a similar name. The Insolvency Act makes it an offence for a director of a company which has gone into insolvent liquidation to be a director of a company with the same or similar name, or be concerned in its management, without leave of the court within 5 years after winding up or the exceptions set out in section 216 of the Insolvency Act.

<sup>20</sup> Under the Insolvency Act there are certain exceptions to the use of prohibited names and a court can grant leave making the use of a prohibited name lawful

<sup>21</sup> From energywatch in response to our 'Open letter: Review of policy on licence revocations'. 24 November 2006 <http://www.ofgem.gov.uk/Licensing/Work/Notices/RevocNotice/Documents1/16228-revocation%20letter2.pdf>.

applications regulations and guidance to enable us to take into account circumstances where the applicant is related to an insolvent company<sup>22</sup>.

2.9. We do not propose to make any changes in this area as we consider there to be sufficient protection for consumers and market participants through the credit assessment arrangements contained in industry codes, should a licence applicant be related to a company which is insolvent.

### **Changes to be made as a result of the SLR - compliance arrangements for conditions relating to customer codes of practice**

2.10. Currently, domestic supply licence applicants have to provide details of proposed arrangements for compliance with certain licence conditions<sup>23</sup>. Applicants provide these details to the Authority in their codes of practice. The contents of the codes of practice include all of the licence conditions listed in the Application Regulations, including those licence conditions for which there is no requirement to provide a code of practice in the licence. If licence applicants are no longer required to produce these codes for approval by the Authority (as a result of the SLR), there will be no need for the Authority to receive and approve the codes prior to granting a licence.

2.11. Accordingly, we intend to remove the requirement on supply applicants to provide information on proposed arrangements for compliance with these licence conditions. Nevertheless, we intend to state in the new Guidance Document that applicants must comply with conditions from the date that a licence is granted, including the new requirements to publish in plain and intelligible language statements setting out its obligations under those licence conditions relating to vulnerable customers<sup>24</sup>.

### **Other changes - format of application**

2.12. The current Application Regulations state that an application must be made in writing to the Authority. We propose to amend this wording to allow for electronic applications to be made.

---

<sup>22</sup> That holds or has previously held a licence.

<sup>23</sup> SLC24 (Arrangements in Respect of Powers of Entry), SLC25 (Energy Use of Electricity/Gas), SLC35 (Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty), SLC36 (Code of Practice on the Use of Prepayment Meters), SLC37 (Provision of Services for Pensioners, Disabled and Chronically Sick), SLC38 (Provision of Services for Blind or Deaf), SLC 39 (Complaint Handling Procedure). The current Application Regulations also required compliance arrangements with gas SLC37A (Pensioners Not to Have Supply Cut Off in Winter) and SLC43 (Contractual Terms - Payment Methods). Whilst these licence conditions do not require the preparation of codes of practice, they are referred to in the Gas and electricity code of practice guidance for domestic suppliers (2001) as relevant to the preparation of the code on payment difficulties.

<sup>24</sup> Draft modified SLC26 (Services for specific Domestic Customer groups), SLC27 (Payments, Security Deposits and Disconnections), and SLC28 (Prepayment meters).

## Metering

2.13. For electricity distribution licence applicants, there is currently a requirement to provide details of proposed arrangements for compliance with SLC 8 (Provisions Relating to the Connection of Metering Equipment). However, it is difficult to make a meaningful assessment of compliance with this condition at time of application.

2.14. For gas transporter licence applicants, there is currently a requirement to provide details of proposed arrangements for compliance with SLC 8 (Provision and Return of Meters). Often at the application stage an applicant may not be in a position to know whether they themselves will become an accredited Meter Asset Manager ("MAM") or whether they will satisfy this condition by entering into agreements with an accredited MAM.

2.15. We propose to remove the above requirements from the new Application Regulations. Nevertheless, we intend in the Guidance Document to bring to the attention of new applicants the importance of complying with these conditions from licence grant.

2.16. For electricity supply licence applicants, there is currently a requirement to provide details of proposed arrangements for compliance with SLC 7 (Duty to Offer Terms for Meter Provision). It is proposed as part of the SLR that this condition will fall away, if this is the case then this requirement will need to be removed from the Application Regulations.

## Proposed changes to application fees

2.17. The fees payable under the current Application Regulations and the proposed new fees are set out below. The current fees were set at a level to reflect the costs of processing applications and were formulated in line with The Treasury's 'Fees and Charges Guide'<sup>25</sup>. This guide sets out the rules applying to charges for the provision of licences, which is a 'Statutory Service'. Such charges may be set so as to recover full costs, including an appropriate share of overheads.

*Table 1 - current and proposed fees*

	Current fee	Proposed fee
Electricity generation	£450	£500
Electricity transmission	£450	£500
Electricity transmission – modification of area	£225	£250
Electricity distribution	£1250	£1400

<sup>25</sup> HM Treasury's 'Fees and Charges Guide'. HMSO 1992.

Electricity distribution – extension or restriction	£125	£150
Electricity supply – domestic	£1150	£450 (in line with gas supply non domestic)
Electricity supply – non domestic	£450	£450 (in line with gas supply non domestic)
Electricity supply extension	£400	£450
Electricity interconnector	£950	£1050
Gas supply – domestic	£1150	£450 (in line with gas supply non domestic)
Gas supply – non domestic	£400	£450
Gas supply – Other than by gas transporter	£300	£350
Gas supply – extension	£400	£450
Gas shipper	£300	£350
Gas transporter	£950	£1050
Gas transporter – extension or restriction	£125	£150
Gas interconnector	£950	£1050

2.18. Ofgem is unable to alter the fees charges for applications without making new Application Regulations. Fees charges have not therefore kept track with inflation since the Regulations were last made in 2004. Therefore, the proposed new fees set out above include an appropriate inflation related increase<sup>26</sup>.

2.19. The proposed change, set out above at paragraphs 2.11, to remove the requirement for applicants for domestic supply licences to submit details of compliance with certain SLCs, would result in the existing domestic supply licence application fee for both gas and electricity being reduced to bring it in line with the non-domestic application fee. This is also applicable to the fee payable for an extension to a supply licence, where there will now be one fee for any type of extension.

2.20. If the proposed change to remove electricity SLC7 (Duty to Offer Terms for Meter Provision) is implemented and applicants are no longer required to provide particulars of their proposed arrangements for compliance with it, the application fee for an electricity supply licence will be reduced so as to bring it in line with the application fee for a gas supply licence. A similar reduction<sup>27</sup> will be reflected in the application fee for a gas transporter licence and an electricity distribution licence to

<sup>26</sup> These increases have been rounded up or down to the nearest £25.

<sup>27</sup> This reduction in the electricity supply, electricity distribution and gas transporter licences is equivalent to £50.

reflect the removal of the requirement to provide details of proposed compliance with SLC 8 if this proposed change is implemented.

2.21. We intend to further review our application fees for the next review of our application regulations and guidance (expected in 2008) to ensure that they continue to be cost reflective.

### **Correction of typographical errors**

2.22. A number of typographical errors within the existing Application Regulations have been identified. These will be corrected in the new Application Regulations.

### **Companies Act 2006**

2.23. The current Application Regulations refer to the Companies Act 1985 for the definitions of, among other things, "ultimate holding company", "shadow directors", "directors" and "parent undertaking". These definitions will be replaced should the relevant provisions of the Companies Act 2006 be commenced prior to laying the Application Regulations.

2.24. As the proposed changes to these definitions are not yet in force they not been included in the draft Application Regulations attached at appendix 2. However, should the definitions be replaced prior to the proposed new Application Regulations being made, then further changes will need to be made to the Application Regulations.

### **Electricity Generation - SLCs 14 and 15**

2.25. Currently, under the Application Regulations applicants for an electricity generation licence have to provide a statement of the extent to which they consider it necessary for powers under Schedule 3 (Compulsory Acquisition of Land etc. by Licence Holders) and Schedule 4 (Other Powers etc. by Licence Holders)<sup>28</sup> to be given through the licence. The related conditions SLC14 and 15 can be "switched on" by a direction. However, all these licence conditions do is enable the licensee to apply to the Secretary of State to make a final decision.

Following a recent consultation<sup>29</sup> Ofgem is minded to give the powers conferred by these conditions to all generation licence holders. We are currently consulting on

---

<sup>28</sup> of the Electricity Act 1989

<sup>29</sup> Review of Standard Licence Conditions 14 and 15 of the Electricity Generation Licence. Consultation Document. Ref 202/06. 27 November 2006  
[http://www.ofgem.gov.uk/Markets/WhlMkts/CompanEff/Documents1/16244-202\\_06.pdf](http://www.ofgem.gov.uk/Markets/WhlMkts/CompanEff/Documents1/16244-202_06.pdf).

proposed Collective Licence Modifications in this respect<sup>30</sup>. If the modifications are made we intend to remove the requirement to make the statement from the proposed new Application Regulations.

## **Electricity Distribution**

2.26. The current Guidance Document specifies that we will consider supplementary information provided by electricity distribution applicants for compliance with licence conditions on financial ring fencing, which are introduced by way of licence modification at the time of granting the licence.

2.27. For clarity, this requirement has been moved to the Application Regulations. The new Application Regulations require applicants for electricity distribution licences to provide information on applicable requirements of any modifications<sup>31</sup> that the Authority has indicated it proposes to make to the standard licence conditions prior to the granting of a licence. The new Guidance Document has been amended to indicate that the Authority will propose to make a modification inserting into the standard licence conditions the financial ring fencing conditions on grant of licence.

---

<sup>30</sup> Ofgem letter - Statutory consultation on the modification of Standard Licence Conditions 14 and 15 of the Electricity Generation Licence. and Notice of modification of the standard conditions of electricity generation licences under section 11A of the Electricity Act 1989 - 27 March 2007  
[http://www.ofgem.gov.uk/Markets/WhlMkts/CompanEff/Documents1/19168\\_5107.pdf](http://www.ofgem.gov.uk/Markets/WhlMkts/CompanEff/Documents1/19168_5107.pdf).

<sup>31</sup> Under section 8A(2) of the Electricity Act 1989.

## Appendices

### Index

Appendix	Name of Appendix	Page Number
1	Consultation response and questions	2
2	Draft Application Regulations 2007	3
3	The Authority's Powers and Duties	28
4	Glossary	30
5	Feedback Questionnaire	31

- We have also published a supplementary appendix<sup>32</sup> to this consultation that sets out the proposed revised procedures that we intend to follow (if the proposed changes set out in this document are made) when assessing applications for all types of gas and electricity licences. It also explains the process that follows a proposal by us not to grant a licence.
- Should any of the proposed changes not be made then the guidance will be updated accordingly.

---

<sup>32</sup> Gas and electricity licence applications - Draft Guidance Document. February 2007

## Appendix 1 - Consultation Response and Questions

1.1. Ofgem would like to hear the views of interested parties in relation to any of the issues set out in this document. In particular, we would like to hear from Gas and electricity licensees and potential new entrants and consumer groups.

1.2. We would especially welcome responses to the specific questions which we have set out at the beginning of each chapter heading and which are replicated below. Responses should be received by 14 May 2007 and should be sent to:

Ikbal Hussain  
Licensing Manager  
Ofgem  
9 Millbank  
London  
SW1P 3GE  
020 7901 7049  
[Ikbal.hussain@ofgem.gov.uk](mailto:Ikbal.hussain@ofgem.gov.uk)

1.3. Unless marked confidential, all responses will be published by placing them in Ofgem's library and on its website [www.ofgem.gov.uk](http://www.ofgem.gov.uk). Respondents may request that their response is kept confidential. Ofgem shall respect this request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

1.4. Respondents who wish to have their responses remain confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. It would be helpful if responses could be submitted both electronically and in writing. Respondents are asked to put any confidential material in the appendices to their responses.

1.5. Next steps: Having considered the responses to this consultation, Ofgem intends to make the proposed changes to the Application Regulations and replace the current guidance on licence applications with the proposed revised Guidance Document. Any questions on this document should, in the first instance, be directed to Ikbal Hussain on Tel: 020 7901 7049 or by email: [Ikbal.hussain@ofgem.gov.uk](mailto:Ikbal.hussain@ofgem.gov.uk)

### **CHAPTER: Two**

Question1: Do you agree with the proposed changes to the current Application Regulations and the Guidance Document?

Question2: Do you have any additional comments on the content and format of the Guidance Document?



---

**Appendix 2 – Draft Application Regulations 2007**


---



---

**S T A T U T O R Y   I N S T R U M E N T S**


---

**2007 No.**

**ELECTRICITY**

**Electricity (Applications for Licences, Modifications of an Area and Extensions and Restrictions of licences) Regulations 2007**

<i>Made</i>	- - - -	<i>7<sup>th</sup> June 2007</i>
<i>Coming into force</i>	- -	<i>29<sup>th</sup> June 2007</i>

The Gas and Electricity Markets Authority (**a**), in exercise of the powers conferred upon it by sections 6A(2), (3) and (6) and 60 of the Electricity Act 1989(**b**) makes the following Regulations:

**Citation, commencement and revocation**

**1.**—(1) These Regulations may be cited as the Electricity (Applications for Licences, Modification of an Area and Extensions and Restrictions of Licences) Regulations 2007 and shall come into force on 1st June 2007.

(2) The Electricity (Applications for Licences, Modification of an Area and Extensions and Restrictions of Licences) (No. 2) Regulations 2004(**c**) (“the 2004 Regulations”) are revoked.

**Transitional provisions**

**2.**—(1) Where an application has been made under the 2004 Regulations but at the point at which these Regulations come into force the application has neither been granted or refused, the application shall be treated thereafter as having been made under these Regulations.

(2) An application to which paragraph (1) applies which conformed to the requirements of the 2004 Regulations in force at the time it was made and was accompanied by the fee prescribed under those regulations shall not be treated as defective by virtue only of failure in any respect to comply with these Regulations.

(3) Where, in relation to an application to which paragraph (1) applies, the applicant, before the coming into force of these Regulations, published a notice of the application in accordance with the 2004 Regulations, the requirements of these Regulations as regards publication shall be taken to have been met.

## Interpretation

### 3.—(1) In these Regulations —

“the 2000 Act” means the Utilities Act 2000(**d**);

“the 2004 Act” means the Energy Act 2004(**a**);

- (a) The Gas and Electricity Markets Authority was established under section 1(1) of the Utilities Act 2000 (c.27).
- (b) 1989 c.29; with effect from 1 October 2001, section 30 of the Utilities Act 2000 introduced section 6A into the Electricity Act 1989.
- (c) SI. 2004/2952.
- (d) 2000 c.27.

“the Act” means the Electricity Act 1989;

“application” means an application for a licence or for a modification of a licence under the Act; and references to an application in respect of a licence shall be construed accordingly;

“the Authority” means the Gas and Electricity Markets Authority established by section 1 of the 2000 Act;

“distribution licence” means a licence granted or to be granted under section 6(1)(c) of the Act;

“domestic premises” means premises used wholly or mainly for domestic purposes as defined in the standard conditions of the supply licence;

“extension” in relation to a supply licence, means an extension of the licence under section 6(4) of the Act and, in relation to a distribution licence, means an extension of the licence under section 6(6) of the Act;

“generation licence” means a licence granted or to be granted under section 6(1)(a) of the Act;

“interconnector licence” means a licence granted or to be granted under section 6(1)(e) of the Act;

“modification of an area” in relation to a transmission licence, means a modification of an area of the licence under section 6(6B) of the Act;

“restriction” in relation to a supply licence, means a restriction of the licence under section 6(4) of the Act and, in relation to a distribution licence, means a restriction of the licence under section 6(6) of the Act, and, in relation to a transmission licence, means a modification of an area of the licence under section 6(6B) of the Act by a restriction of the area of the licence;

“signed” includes signed in a manner which would for the purposes of section 7 of the Electronic Communications Act 2000(**a**) be an electronic signature;

“supply licence” means a licence granted or to be granted under section 6(1)(d) of the Act;

“transmission licence” means a licence granted or to be granted under section 6(1)(b) of the Act; and

“ultimate holding company” means a holding company (within the meaning of sections 736, 736A and 736B of the Companies Act 1985(**b**)) of the licensee which is not itself a subsidiary of another company; which is in the position to control, or exercise significant influence over, a policy of the licensee by virtue of rights under contractual arrangements or rights of ownership which are held by the company or of which the company is a beneficiary.

(2) In these Regulations, unless the context otherwise requires, a reference to a standard condition is a reference, —

(a) in relation to a distribution licence, a generation licence, a supply licence or a transmission licence, to standard condition which is determined under section 33(1) of the 2000 Act or section 137(1) of the 2004 Act; or

(b) in relation to an interconnector licence, to a standard condition which is determined under section 146(1) of the 2004 Act,

subject to such modifications of the standard conditions made under Part I of the Act, the 2000 Act, or the 2004 Act after the determination under those sections.

(3) In these Regulations, unless the context otherwise requires—

- (a) any reference to a numbered regulation or Schedule is a reference to the regulation or Schedule bearing that number in these Regulations; and
- (b) any reference to a numbered paragraph is a reference to the paragraph bearing that number in the regulation in which the reference occurs.

- (a) 2004 c.20.
- (b) 2000 .c7
- (c) 1985 c.6.

### **Manner of Application**

#### **1. An application shall be—**

- (a) made in writing, addressed to the Authority and delivered or sent by prepaid post to the Authority at its principal office or sent by electronic mail to an address specified by the Authority; and
- (b) signed and dated by or on behalf of the applicant, stating, where signed on behalf of the applicant, the capacity of the signatory.

### **Form of application**

**2.** An application shall be made in the form specified in Schedule 1 or a form to the like effect, and shall contain the information there specified.

### **Additional information and documents to accompany application**

#### **3.—(1) Subject to paragraphs (2) and (3)—**

- (a) an application in respect of a generation licence shall be accompanied by the information and documents specified in Part 1 of Schedule 2;
- (b) an application in respect of a transmission licence shall be accompanied by the information and documents specified in Part 2 of Schedule 2;
- (c) an application in respect of a distribution licence shall be accompanied by the information and documents specified in Part 3 of Schedule 2;
- (d) an application in respect of a supply licence shall be accompanied by the information and documents specified in Part 4 of Schedule 2; and
- (e) an application in respect of an interconnector licence shall be accompanied by the information and documents specified in Part 5 of Schedule 2.

(2) The obligation imposed by paragraph 6(1) shall, to the extent that information and documents are specified in Schedule 2 by reference to, or in relation to, a standard condition, apply—

- (a) subject to paragraph 6(3), in the case of an application for a licence, as if the standard condition in question were to be included and have effect in any licence granted as a result of the application; and
- (b) in the case of an application for a modification of an area, or for an extension or restriction of a licence, in relation to such of the standard conditions in question as have been included and have effect in that licence.

Where a modification to any standard condition is requested in accordance with paragraph 4 of Schedule 1, the obligation imposed by paragraph (2)(a) above shall be modified accordingly.

**Notice of application**

4.—(1) The period prescribed for the purpose of section 6A(3) of the Act (notice of applications) is ten working days (the prescribed period).

(2) The prescribed manner of publication for that purpose shall be either by—

- (a) requesting the Authority to place the notice on the website address of the Authority (at “www.ofgem.gov.uk” or such other website address as may be notified to the applicant by the Authority in writing); or
- (b) publishing the notice on the website address of the applicant and requesting the Authority to place a link to the applicant’s website address on the website address of the Authority (at “www.ofgem.gov.uk” or such other website address as may be notified to the applicant by the Authority in writing).

(3) Where an application is for the restriction of a licence, the applicant shall also ensure that notice of application is published within the prescribed period in such newspapers as are calculated to ensure that the notice is circulated throughout the area to which the proposed restriction relates.

The seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of



A member of the Authority Department  
For and by the Gas and Electricity Markets Authority

7th June 2007

SCHEDULE 1

Regulation 5

FORM OF APPLICATION IN RESPECT OF A GENERATION LICENCE, TRANSMISSION LICENCE, DISTRIBUTION LICENCE, SUPPLY LICENCE OR INTERCONNECTOR LICENCE UNDER THE ELECTRICITY ACT 1989

GENERAL PARTICULARS

1. State—

- (a) name and registered address of applicant in full. In the case of a partnership or other joint venture (other than a body corporate), give the names and addresses of each party concerned.

.....  
 .....  
 .....

- (b) name, address, facsimile number (where applicable), telephone number and electronic mail address (where applicable) of person to whom correspondence or enquiries concerning the application should be directed.

.....  
 .....  
 .....

- (c) where the address provided in paragraph 1(1) above is not an address in Great Britain an address in Great Britain for service of documents.

.....  
 .....

- (d) whether the application is in respect of a generation licence, a transmission licence, a distribution licence, a supply licence or an interconnector licence<sup>(33)</sup>.

.....

- (e) whether the application is for a licence, a modification of an area<sup>(34)</sup>, an extension of a licence or a restriction of a licence<sup>(35)</sup>.

.....

- (f) the date from which the licence, the modification of an area or extension or restriction is desired to take effect.

.....

2. State—

---

<sup>(33)</sup> Application may not be made on the same form in respect of more than one of these types of licence.

<sup>(34)</sup> Application for a modification of an area may only be made in relation to a transmission licence.

<sup>(35)</sup> Application may not be made for an extension or restriction of a generation or an interconnector licence.

- (a) whether the applicant is a public limited company, private limited company, overseas company, other body corporate, partnership, unincorporated association, sole trader or other entity (and in the last case give particulars of the legal status).

.....  
 .....

- (b) where the applicant is a body corporate, —

- (i) the jurisdiction under which it is incorporated.

.....  
 .....

- (ii) if applicable, its registered number.

.....  
 .....

- (iii) the full names and home addresses of its current directors (including any shadow directors within the meaning of section 741 of the Companies Act 1985) or, where applicable, the corresponding officers.

.....  
 .....

- (iv) the name and registered office of any ultimate holding company and its current directors (within the meaning of sections 736, 736A and 736B of the Companies Act 1985) of the applicant and the name and registered or principal office of any parent undertaking (within the meaning of section 258 of the Companies Act 1985) of the applicant.

.....  
 .....

- (c) where the applicant is neither a body corporate nor a sole trader, the name(s) and address(es) of the person or persons in whom effective control of the applicant rests.

.....

- (d) where any person (other than a person whose name is given at paragraph 2(b)(iv) or paragraph 2(c) above) holds 20 per cent or more of any class of the shares<sup>(36)</sup> of the applicant, the name and address of each such person, specifying in each case the number of shares so held and the percentage of the aggregate number of shares of that class represented thereby.

.....

**3.** Give particulars of any licences under the Act or the Gas Act 1986<sup>(37)</sup> held, applied for (whether or not successfully) or intended to be applied for by the applicant or (so far as is known to the applicant) by any person who is a related person<sup>(38)</sup> in relation to the applicant.

<sup>(36)</sup> References to shares –

<sup>(37)</sup> 1986 c.44.

<sup>(38)</sup> In this sub-paragraph “related person” means-

(i) in relation to an applicant who is an undertaking within the meaning of section 259 of the Companies Act 1985 (“the principal undertaking”), a parent or subsidiary undertaking of the principal undertaking or a subsidiary undertaking of a parent undertaking of the principal undertaking, in each case within the meaning of section 258 of that Act; and

.....

*DETAILS OF APPLICATION*

4. If the application is for a licence describe—
- (a) any modification requested to any of the standard conditions for the type of licence for the purposes of section 8A(2) of the Act; and
  - (b) the grounds on which the applicant believes that—
    - (i) any such modification is requisite to meet the circumstances of the particular case; and
    - (ii) any such modification is such that—
      - (aa) the licence holder would not be unduly disadvantaged in competing with other holders of licences of that type; and
      - (bb) no other holder of a licence of the same type would be unduly disadvantaged in competing with other holders of such licences (including the applicant).

*CRIMINAL OFFENCES*

5. Either—
- (a) give particulars of any criminal convictions of the applicant and any other person specified in paragraph 2(b)(iii), 2(b)(iv), 2(c) or 2(d) (other than for offences under the Road Traffic Offenders Act 1988<sup>(39)</sup> or convictions in respect of which the person has become rehabilitated under the Rehabilitation of Offenders Act 1974<sup>(40)</sup>); or
  - (b) provide a statement that there are no relevant convictions.

**SCHEDULE 2**

Regulation 6

**PART 1**

**FURTHER INFORMATION AND DOCUMENTS TO ACCOMPANY AN APPLICATION IN RESPECT OF A GENERATION LICENCE**

1. A generation licence may authorise the holder to operate—
- (a) throughout Great Britain; or
  - (b) within a specified area or areas or at specified premises.

Please specify which of (a) or (b) is applicable, and in the case of (b) provide a sufficient description

(ii) in relation to any applicant (including such an undertaking), a connected person of the applicant within the meaning of section 286 of the Taxation of Chargeable Gains Act 1992 (c.12).

<sup>(39)</sup> 1988 c.53.

<sup>(40)</sup> 1974 c.53.

adequately specifying the area or premises to which the application relates<sup>(41)</sup>.

## PART 2

### FURTHER INFORMATION AND DOCUMENTS TO ACCOMPANY AN APPLICATION IN RESPECT OF A TRANSMISSION LICENCE<sup>(42)</sup>

1. Provide a brief description of the activities that the applicant intends to carry out with respect to the transmission of electricity.

2. Provide a sufficient description of—

- (a) the area to which the application relates; and
- (b) where different to the area in sub-paragraph (a), the area in which the applicant intends to carry out activities under a transmission licence<sup>(43)</sup>.

#### *MODIFICATION OF AN AREA OF A TRANSMISSION LICENCE*

3. If the application is for a modification of an area of a transmission licence and the modification in

<sup>(41)</sup> The description should enable the areas to be adequately and readily identified by map if the applicant so desires or by any other convenient means.

<sup>(42)</sup> In this part of this Schedule, if the application is for an extension or restriction of a licence, information and documents need only be given in so far as, in any material respect, they differ from or add to the most recent information or documents which were provided in relation to the same requirement—

- (i) with an application made by the applicant in accordance with these Regulations; or
- (ii) subsequent to such an application in pursuance of a condition of the applicant's licence.

<sup>(43)</sup> The description should enable the areas to be adequately and readily identified by map if the applicant so desires or by any other convenient means.

<sup>(44)</sup> In this Part of this Schedule, if the application is for an extension or restriction of a licence, information and documents need only be given insofar as, in any material respect, they differ from or add to the most recent information or documents which were provided in relation to the same requirement -

- (i) with an application made by the applicant in accordance with these Regulations; or
- (ii) subsequent to such an application in pursuance of a condition of the applicant's licence.

<sup>(45)</sup> The description should enable the areas, location or premises concerned to be adequately and readily identified by map if the applicant so desires or by any other convenient means.

<sup>(46)</sup> In this Part of this Schedule, if the application is for an extension or restriction of a licence, information and documents need only be given insofar as, in any material respect, they differ from or add to the most recent information or documents which were provided in relation to the same requirement—

- (i) with an application made by the applicant in accordance with these Regulations; or
- (ii) subsequent to such an application in pursuance of a condition of the applicant's licence.

<sup>(47)</sup> The description should enable the areas, location or premises to be adequately and readily identified by map if the applicant so desires or by any other convenient means.



question constitutes a restriction of the area, also provide details of any of the following persons who may be affected by the application—

- (a) any person authorised by a licence granted under section 6(1) of the Act or an exemption granted under section 5(1) of the Act;
- (b) any person directly connected to the applicant's transmission system; and
- (c) any other person who may reasonably be affected by the restriction which is the subject of the application.

### PART 3

#### FURTHER INFORMATION AND DOCUMENTS TO ACCOMPANY AN APPLICATION IN RESPECT OF A DISTRIBUTION LICENCE<sup>(44)</sup>

1. A distribution licence may authorise the holder to operate—

- (a) throughout Great Britain; or
- (b) within a specified area or areas or at specified premises.

Please specify which of (a) or (b) is applicable, and in the case of (b) provide a sufficient description adequately specifying the area(s) or premises to which the application relates<sup>(45)</sup>.

2. Provide a statement of the extent (if any) to which the applicant considers it necessary for powers under Schedule 3 (compulsory acquisition of land etc.) and under Schedule 4 (other powers etc.) to the Act to be given through the licence for which he is applying.

3. Provide particulars of the applicant's proposed arrangements for compliance with the applicable requirements of standard conditions 6 (Safety and Security of Supplies Enquiry Service), 17 (Provision of Services for Persons who are of Pensionable Age, Disabled or Chronically Sick), 18 (Provision of Services for Persons who are Blind or Deaf), 19 (Code of Practice on Procedures with Respect to Site Access), and 21 (Complaint Handling Procedure).

4. Provide particulars of the applicant's proposed arrangements for compliance with the applicable requirements of any modifications that the Authority has indicated, in writing, that it proposes to make to the standard licence conditions prior to the granting of any distribution licence.

#### *RESTRICTION OF A DISTRIBUTION LICENCE*

1.—(1) Provide particulars of the applicant's proposed arrangements for compliance with the applicable requirements of standard conditions BA4 (Undertaking from Ultimate Controller) and BA5 (Credit Rating of Licensee).

(2) If the application is for a restriction of a licence provide—

- (a) an estimate of the total number of premises to which the applicant distributes electricity at the time of the application and to which the applicant would cease to distribute electricity if the application were acceded to ("relevant premises");
- (b) unless there are, at the date of the application, no relevant consumers (within the meaning set out in paragraph (2) below) in relation to the applicant, a description of the applicant's

proposed arrangements to ensure compliance with section 16 of the Act (ensuring the connection of all such relevant consumers is maintained); and

- (3) For the purposes of paragraph (1)(b), a person is a relevant consumer if—
- (i) immediately before the restriction takes effect, he is connected to the distribution system of the holder of the licence; and
  - (ii) his premises are to be excluded from the licence by the restriction.

## PART 4

### FURTHER INFORMATION AND DOCUMENTS TO ACCOMPANY AN APPLICATION IN RESPECT OF A SUPPLY LICENCE<sup>(46)</sup>

1. A supply licence may authorise the holder to supply electricity—
- (a) to any premises;
  - (b) only to premises specified in the licence, or to premises of a description so specified; or
  - (c) only to any premises situated in a specified area, or to premises of a specified description which are so situated (section 6(3) of the Act).

Please specify which of (a), (b) or (c) above is applicable. Provide a sufficient description adequately specifying<sup>(47)</sup> the premises or a description of the premises and the location of the premises intended to be supplied, and, in the case of an application that relates to (c) above, also the specified area. Also state whether the application relates to domestic premises.

#### *RESTRICTION OF A SUPPLY LICENCE*

4. If the application is for a restriction of a licence provide—
- (a) an estimate of the total number of premises to which the applicant supplies electricity at the time of the application and which the applicant would cease to supply if the application were acceded to (“relevant premises”); and
  - (b) unless there are, at the date of the application, no relevant consumers (within the meaning set out in sub-paragraph (c) below) in relation to the applicant, a description of the applicant’s proposed arrangements under standard condition 22A (Restriction or Revocation: Securing Continuity of Supply) for—
    - (i) ensuring continuity of supply for all such relevant consumers; and
    - (ii) in the case of each such consumer who is supplied with electricity in pursuance of a contract (which does not include any contract which, by virtue of paragraph 3 of Schedule 6 to the Act, is deemed to have been made), securing such continuity on the same terms as nearly as may be as the terms of the contract.
  - (c) For the purposes of sub-paragraph (b), a person is a relevant consumer if—
    - (i) immediately before the restriction takes effect, he is being supplied with electricity by the holder of the licence; and
    - (ii) his premises are to be excluded from the licence by the restriction.

## PART 5

### FURTHER INFORMATION AND DOCUMENTS TO ACCOMPANY AN APPLICATION IN RESPECT OF AN INTERCONNECTOR LICENCE

1. An application in respect of an interconnector licence must specify the actual or proposed point of

connection to an electricity transmission or electricity distribution network. Where the applicant is unable to specify a point of connection the applicant should provide Ordnance Survey Grid References co-ordinates for the proposed point of connection.

2. In relation to an application for a licence in respect of an interconnector that was not completed by 3 August 2003, state whether the applicant seeks not to have applied to the licence any or all of the following standard licence conditions—

- (a) conditions relating to the use of revenues;
- (b) conditions relating to the charging methodology to apply to third party access to the licensee's interconnector;
- (c) conditions relating to the requirement to offer terms to an applicant for access to the licensee's interconnector.

3. Where the applicant so seeks for any or all of the licence conditions relating to the matters referred to in paragraphs 2(a), 2(b) and 2(c) above not to be in effect the following additional information must be provided in respect of those licence conditions—

- (a) the period of time for which the applicant seeks that the licence condition or conditions not be in effect;
- (b) a statement setting out the evidence and reasoning as to why the applicant considers —
  - (i) the investment in the interconnector enhances competition in electricity supply;
  - (ii) the level of risk attached to the investment to be made in relation to the interconnector is such that the investment would not be or would not have been made unless those licence conditions were not in effect;
  - (iii) that, should the licence conditions not be in effect for the period of time sought, this will not be detrimental to competition or the effective functioning of the internal electricity market, or the efficient functioning of the regulated system to which the interconnector is linked; and
- (c) a further statement that —
  - (i) the interconnector will be owned by a natural or legal person who is separate, at least in terms of its legal form, from the system operators in whose systems the interconnector to which this application relates will be built;
  - (ii) charges will be levied on users of the interconnector; and
  - (iii) since the partial market opening referred to in Article 19 of Directive 96/92/EC, no part of the capital or operating costs of the interconnector has been recovered from any component of charges made for the use of transmission or distribution systems linked by the interconnector.

## SCHEDULE 3

Regulation 7

### APPLICATION FEES

<i>Description of application</i>	<i>Fee payable £</i>
<i>Generation</i>	
1. Application for licence	500

*Transmission*

2. Application for licence 500

3. Application for modification of an area 250

*Distribution*

4. Application for licence 1400

5. Application for extension or restriction 150

*Supply*

6. Application for licence 450

7. Application for any extension or restriction 450

*Interconnector*

8. Application for licence 1050

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations set out the information and other documents that are required to be submitted with applications for electricity generation, transmission, distribution, supply and interconnector licences (and for modifications of an area of transmission licences and extensions, or restrictions of supply and distribution licences) under the Electricity Act 1989, as amended by the Utilities Act 2000 and the Energy Act 2004. They specify the form and manner of such applications. These Regulations also set out the manner in which notices of applications are to be published.

These Regulations come into force on 29<sup>th</sup> June 2007. Regulation 1 provides for the citation, commencement and revokes the previous Regulations. Regulation 2 makes transitional provisions for applications made but not determined before these Regulations come into force.

Regulation 3 provides for general interpretation.

Regulation 4 deals with the manner of applications.

Regulation 5 concerns the form of applications, and incorporates Schedule 1 that specifies their form, and the information and documents to accompany them.

Regulation 6 specifies the additional information and documents to accompany applications. It incorporates Schedule 2, which covers, respectively, applications for:

- generation licences, at Part 1;
- transmission licences, at Part 2;
- distribution licences, at Part 3;
- supply licences, at Part 4; and
- interconnector licences at Part 5.

Regulation 7 incorporates Schedule 3, which specifies the fees payable in respect of applications.

Regulation 8 provides for the notice period and publication requirements for applications. It requires applicants to ensure notice of the application is published either on the Ofgem website or their own website. If the application is for a restriction (including a modification of an area of a transmission licence to restrict that area) the applicant must also publish the notice in local newspapers.

---



---

 STATUTORY INSTRUMENTS
 

---

**2007 No.****GAS**
**The Gas (Applications for Licences and Extensions and  
Restrictions of Licences) Regulations 2007**

*Made* - - - - - 7<sup>th</sup> June 2007

*Coming into force* - - - - - 29<sup>th</sup> June 2007

The Gas and Electricity Markets Authority(a), in exercise of the powers conferred upon it by sections 7B(1), (2) and (11) and 47 of the Gas Act 1986( ) makes the following Regulations:

**Citation, commencement and revocation**

- 1.—(1) These Regulations may be cited as the Gas (Applications for Licences and Extensions and Restrictions of Licences) Regulations 2007 and shall come into force on 1st June 2007.  
(2) The Gas (Applications for Licences and Extensions and Restrictions of Licences) (No. 2) Regulations 2004( ) (“the 2004 Regulations”) are revoked.

**Transitional provisions**

- 2.—(1) Where an application has been made under the 2004 Regulations but at the point at which these Regulations come into force the application has neither been granted or refused, the application shall be treated thereafter as having been made under these Regulations.  
(2) An application to which paragraph (1) applies which conformed to the requirements of the 2004 Regulations and was accompanied by the fee prescribed under those regulations shall not be treated as defective by virtue only of failure in any respect to comply with these Regulations.  
(3) Where, in relation to an application to which paragraph (1) applies, the applicant, before the coming into force of these Regulations, published a notice of the application in accordance with the 2004 Regulations the requirements of these Regulations as regards publication shall be taken to have been met.

**Interpretation**

- 3.—(1) In these Regulations —  
“the 2000 Act” means the Utilities Act 2000( );  
“the 2004 Act” means the Energy Act 2004( );  
“the Act” means the Gas Act 1986;

- (a) The Gas and Electricity Markets Authority was established under section 1(1) of the Utilities Act 2000 (c.27).
- (b) 1986 c.44: section 7B of the Gas Act was inserted by section 74(7) of the Utilities Act 2000.
- (c) S.I. 2004/2983.
- (d) 2000 c.27.
- (e) 2004 c.20.

“application” means an application for a licence, an application for an extension of a licence or an application for a restriction of a licence under the Act; and references to an application in respect of a licence shall be construed accordingly;

“the Authority” means the Gas and Electricity Markets Authority established by section 1 of the 2000 Act;

“domestic premises” means premises used wholly or mainly for domestic purposes as defined in the standard conditions of the supply licence;

“extension”, in relation to a gas transporter licence, means an extension of the licence under section 7(4) of the Act and, in relation to a gas supplier licence or a gas shipper licence, means an extension of the licence under section 7A(4) of the Act;

“interconnector licence” means a licence granted or to be granted under section 7ZA(1) of the Act;

“restriction” in relation to a gas transporter licence, means a restriction of the licence under section 7(4A) of the Act and, in relation to a gas supplier licence or a gas shipper licence, means a restriction of the licence under section 7A(6) of the Act;

“signed” includes signed in a manner which would for the purposes of section 7 of the Electronic Communications Act 2000( ) be an electronic signature;

“shipper licence” means a licence granted or to be granted under section 7A(2) of the Act;

“supply licence” means a licence granted or to be granted under section 7A(1) of the Act;

“transporter licence” means a licence granted or to be granted under section 7 of the Act; and

“ultimate holding company” means a holding company (within the meaning of sections 736, 736A and 736B of the Companies Act 1985**(b)**) of the licensee which is not itself a subsidiary of another company; which is in the position to control, or exercise significant influence over, a policy of the licensee by virtue of rights under contractual arrangements or rights of ownership which are held by the company or of which the company is a beneficiary.

(2) In these Regulations, unless the context otherwise requires, a reference to a standard condition is a reference —

(a) in relation to a shipper licence, a supply licence or a transporter licence, as the case may be, to a standard condition which is determined under section 81(2) of the 2000 Act; or

(b) in relation to an interconnector licence, to a standard condition which is determined under section 150(1) of the 2004 Act,

subject to any modifications of the standard conditions made under Part I of the Act, or the 2004 Act, after the determination under those sections.

(3) In these Regulations, unless the context otherwise requires—

(a) any reference to a numbered regulation or Schedule is a reference to the regulation or Schedule bearing that number in these Regulations; and

(b) any reference to a numbered paragraph is a reference to the paragraph bearing that number in the regulation in which the reference occurs.

**Manner of Application**

2. An application shall be—

- (a) made in writing, addressed to the Authority and delivered or sent by prepaid post to the Authority at its principal office or sent by electronic mail to an address specified by the Authority; and
- (b) signed and dated by or on behalf of the applicant, stating, where signed on behalf of the applicant, the capacity of the signature.

- (a) 2000 .c7
- (b) 1985 c.6.

**Form of application**

3. An application shall be in the form specified in Schedule 1 or a form to the like effect, and shall contain the information there specified.

**Additional information and documents to accompany application**

4.—(1) Subject to paragraphs (2) and (3)—

- (a) an application in respect of a gas supplier licence shall be accompanied by the information and documents specified in Part 1 of Schedule 2;
- (b) an application in respect of a gas shipper licence shall be accompanied by the information and documents specified in Part 2 of Schedule 2;
- (c) an application in respect of a gas transporter licence shall be accompanied by the information and documents specified in Part 3 of Schedule 2; and
- (d) an application in respect of an interconnector licence shall be accompanied by the information and documents specified in Part 4 of Schedule 2.

(2) The obligation imposed by paragraph 6(1) shall, to the extent that information and documents are specified in Schedule 2 by reference to, or in relation to, a standard condition, apply—

- (a) subject to paragraph 6(3), in the case of an application for a licence, other than for a gas supplier licence of the type described in section 8(2) of the Act, as if the standard condition in question were to be included and have effect in any licence granted as a result of the application; and
- (b) in the case of an application for an extension or restriction of a licence, in relation to such of the standard conditions in question as have been included and have effect in that licence.

Where a modification to any standard condition is requested in accordance with paragraph 4(1) of Schedule 1, the obligation imposed by paragraph (2)(a) above shall be modified accordingly.

**Application fees**

5.—(1) Subject to paragraph (2), the prescribed fee in relation to an application of the description specified in the first column of the Table in Schedule 3 shall be the corresponding fee specified in the second column of that Table.



(2) Where more than one fee would, but for this paragraph, be payable in respect of a particular application, the prescribed fee shall be the higher or highest such fee.

### **Publication of notice of application**

6.—(1) The period prescribed for the purpose of section 7B(2) of the Act (notice of applications) is ten working days (“the prescribed period”).

(2) The prescribed manner of publication for that purpose shall be either by—

- (a) requesting the Authority to place the notice on the website address of the Authority (at “www.ofgem.gov.uk” or such other website address as may be notified to the applicant by the Authority in writing); or
- (b) publishing the notice on the website address of the applicant and requesting the Authority to place a link to the applicant’s website address on the website address of the Authority (at “www.ofgem.gov.uk” or such other website address as may be notified to the applicant by the Authority in writing).

(3) Where an application is for the restriction of a licence, the applicant shall also ensure that notice of application is published within the prescribed period in such newspapers as are calculated to ensure that the notice is circulated throughout the area to which the proposed restriction relates.

(4) In this Regulation “working day” shall have the same meaning as in section 64 of the Electricity Act 1989(a).

The seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of



A member of the Authority  
For and by the authority of the Gas and Electronic Markets Authority

7th June 2007

(a) 1989 c.29

SCHEDULE 1

Regulation 5

FORM OF APPLICATION IN RESPECT OF A SUPPLIER LICENCE,  
SHIPPER LICENCE, TRANSPORTER LICENCE OR  
INTERCONNECTOR LICENCE UNDER THE GAS ACT 1986

*GENERAL PARTICULARS*

1. State—

- (a) name and registered address of applicant in full. In the case of a partnership or other joint venture (other than a body corporate), give the names and addresses of each party concerned.

.....  
 .....  
 .....

- (b) name, address, facsimile number (where applicable), telephone number and electronic mail address (where applicable) of person to whom correspondence or enquiries concerning the application should be directed.

.....  
 .....  
 .....

- (c) where the address provided in paragraph 1(1) above is not an address in Great Britain an address in Great Britain for service of documents.

.....

- (d) whether the application is in respect of a supply licence, a shipper licence, a transporter licence or an interconnector licence(a).

.....

- (e) whether the application is for a licence, an extension of a licence or a restriction of a licence(a).

.....

- (f) the date from which the licence or extension or restriction is desired to take effect.

.....

- (g) the kind of gas to which the application relates (a).

.....  
**2. State—**

(a) whether the applicant is a public limited company, private limited company, overseas company, other body corporate, partnership, unincorporated association, sole trader or other entity (and in the last case give particulars of the legal status).  
 .....

(b) where the applicant is a body corporate, —

(i) the jurisdiction under which it is incorporated.  
 .....

(ii) if applicable, its registered number.  
 .....

(iii) the full names and home addresses of its current directors (including any shadow directors within the meaning of section 741 of the Companies Act 1985) or, where applicable, the corresponding officers.  
 .....

(iv) the name and registered office of any ultimate holding company and its current directors (within the meaning of sections 736, 736A and 736B of the Companies Act 1985) of the applicant and the name and registered or principal office of any parent undertaking (within the meaning of section 258 of the Companies Act 1985) of the applicant.  
 .....

(c) where the applicant is neither a body corporate nor a sole trader, the name(s) and address(es) of the person or persons in whom effective control of the applicant rests.  
 .....

(d) where any person (other than a person whose name is given at paragraph 2(b)(iv) or paragraph 2(c) above) holds 20 per cent or more of any class of the shares (a) of the applicant, the name and address of each such person, specifying in each case the number of shares so held and the percentage of the aggregate number of shares of that class represented thereby.  
 .....

**3. Give particulars of any licences under the Act or the Electricity Act 1989(a) held, applied for (whether or not successfully) or intended to be applied for by the applicant or (so far as is known to the applicant) by any person who is a related person(a) in relation to the applicant.**  
 .....

*DETAILS OF APPLICATION*

**4. —(1) If the application is for a licence other than a gas supplier licence of the type specified in section 8(2) of the Act —**

(a) provide details of any modification requested to any of the standard conditions for the type of licence for the purposes of section 8(3) of the Act; and

- (b) state the grounds on which the applicant believes that—
  - (i) any such modification is requisite to meet the circumstances of the particular case; and
  - (ii) if the application is for a gas shipper licence or gas supplier licence, any such modification is such that no other holder of such a licence would be unduly disadvantaged in competing with other holders of such licences (including the applicant).

(2) If the application is for a gas supplier licence of the type specified in section 8(2) of the Act, specify, with reasons, any standard conditions that in the applicant’s opinion should be included and have effect in the licence.

.....

*CRIMINAL OFFENCES*

5. Either—

- (a) give particulars of any criminal convictions of the applicant and any other person specified in paragraph 2(b)(iii), 2(b)(iv), 2(c) or 2(d) (other than for offences under the Road Traffic Offenders Act 1988<sup>(a)</sup> or convictions in respect of which the person has become rehabilitated under the Rehabilitation of Offenders Act 1974<sup>(b)</sup>); or
- (b) provide a statement that there are no relevant convictions.

**SCHEDULE 4**

Regulation 6

**PART 6**

**FURTHER INFORMATION AND DOCUMENTS TO ACCOMPANY AN APPLICATION IN RESPECT OF A SUPPLY LICENCE (a)**

1. A gas supply licence may authorise the holder to supply gas—

- (a) to any premises;
- (b) only to premises specified in the licence, or to premises of a description so specified; or
- (c) only to any premises situated in a specified area, or to premises of a specified description which are so situated;

(section 7A(1) of the Act). Please specify whether (a), (b) or (c) above is applicable. Provide a sufficient description adequately specifying (b) the premises or a description of the premises and the location of the premises intended to be supplied, and, in the case of an application that relates to (c) above, also the specified area. Also state whether the application relates to domestic premises.

2. For all applications for gas supplier licences, or extensions of such licences, state whether the

licence or extension is to authorise the supply of gas to premises to which it is conveyed by a gas transporter, and if not give details of any exemption under section 6A of the Act under which the gas is or will be conveyed.

#### *RESTRICTION OF A SUPPLY LICENCE*

4. If the application is for a restriction of a licence provide—

- (a) an estimate of the total number of premises to which the applicant supplies gas at the time of the application and which the applicant would cease to supply gas if the application were acceded to (“relevant premises”); and
- (b) unless there are, at the date of the application, no relevant consumers (within the meaning of section 7A(10) of the Act) in relation to the applicant, a description of the applicant’s proposed arrangements under section 7A(9) of the Act for—
  - (i) ensuring continuity of supply for all such relevant consumers; and
  - (ii) in the case of each such consumer who is supplied with gas in pursuance of a contract (within the meaning of that section), securing such continuity on the same terms as nearly as may be as the terms of the contract.

### PART 7

#### FURTHER INFORMATION AND DOCUMENTS TO ACCOMPANY AN APPLICATION IN RESPECT OF A SHIPPER LICENCE<sup>(a)</sup>

1. A gas shipper licence may authorise the holder to—

- (a) make arrangements generally 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; or
- (b) make such arrangements for purposes connected with the supply of gas to specified premises, being—
  - (i) any premises in a specified area;
  - (ii) any premises of a specified description (whether in a specified area or throughout Great Britain); or
  - (iii) particular premises;

(section 7A(2) of the Act). Provide a sufficient description adequately specifying the premises or a description of the premises, and also the specified area, if any, to which the application relates **(b)**.

### PART 8

#### FURTHER INFORMATION AND DOCUMENTS TO ACCOMPANY AN APPLICATION IN RESPECT OF A TRANSPORTER LICENCE<sup>(a)</sup>

**1. A gas transporter licence may authorise the holder to convey gas—**

- (a) to any premises, and/or
- (b) to any pipe-line system operated by another gas transporter—
  - (i) throughout Great Britain; or
  - (ii) within a specified area or areas.

Please specify which of (a) or (b) is, or both are, applicable, and, if (b) is applicable, which of (i) or (ii) is applicable, and in the case of (ii) provide a sufficient description adequately specifying the area to which the application relates (**a**).

Also state whether the application relates to domestic premises. For applications within paragraph 1(b) above, also specify the description of the pipe-line system to which the application relates (stating, in particular, whether it relates only to any system which is designed to receive gas at an operating pressure not exceeding 7 bar gauge).

**2. Provide particulars of the applicant's proposed arrangements for compliance with the applicable requirements of standard conditions 18 (Provision of Services for Persons who are Blind or Deaf), 19 (Arrangements in Respect of Powers of Entry), 19A (Authorisation of Officers), 19B (Exercise of Powers of Entry) and 21 (Complaint Handling Procedure).**

**3. Provide a declaration that .....**

*RESTRICTION OF A TRANSPORTER LICENCE*

**4. If the application is for a restriction of a licence provide—**

- (a) an estimate of the total number of premises to which the applicant conveys gas at the time of the application and to which the applicant would cease to convey gas if the application were acceded to (“the relevant premises”);
- (b) unless there are, at the date of the application, no relevant consumers (within the meaning set out in sub-paragraph (c) below) in relation to the applicant, a description of the applicant's proposed arrangements to ensure compliance with section 10 of the Act (ensuring the connection of all such relevant consumers is maintained); and
- (c) for the purposes of sub-paragraph (b), a person is a relevant consumer if—
  - (i) immediately before the restriction takes effect, he is connected to the pipe-line system of the holder of the licence; and
  - (ii) his premises are to be excluded from the licence by the restriction.

## PART 9

### FURTHER INFORMATION AND DOCUMENTS TO ACCOMPANY AN APPLICATION IN RESPECT OF AN INTERCONNECTOR LICENCE

**1.** An application in respect of a gas interconnector licence must specify the actual or proposed point of connection to a gas transportation or gas distribution network. Where the applicant is unable to specify a point of connection the applicant should provide Ordnance Survey Grid Reference co-ordinates for the proposed point of connection.

**2.** In relation to an application for a licence in respect of an interconnector that was not completed by 3 August 2003, state whether the applicant seeks not to have applied to the licence any or all of the following standard licence conditions —

- (a) conditions relating to the charging methodology to apply to third party access to the licensee's interconnector;
- (b) conditions relating to the requirement to offer terms to an applicant for access to the licensee's interconnector.

**3.** Where the applicant so seeks for any or all of the licence conditions relating to the matters referred to in paragraphs 2(a) and 2(b) above not to be in effect the following additional information must be provided in respect of those licence conditions —

- (a) the period of time for which the applicant seeks that the licence condition or conditions not be in effect;
- (b) a statement setting out the evidence and reasoning as to why the applicant considers —
  - (i) the investment in the interconnector enhances competition in gas supply and enhances security of supply;
  - (ii) the level of risk attached to the investment to be made in relation to the interconnector is such that the investment would not be or would not have been made unless those licence conditions were not in effect;
  - (iii) that, should the licence conditions not be in effect for the period of time sought, this will not be detrimental to competition or the effective functioning of the internal gas market, or the efficient functioning of the regulated system to which the interconnector is connected; and
- (c) a further statement that —
  - (i) the interconnector will be owned by a natural or legal person who is separate, at least in terms of its legal form, from the system operators in whose systems the interconnector to which this application relates will be built; and

(ii) charges will be levied on users of the interconnector.

### SCHEDULE 3 APPLICATION FEES

Regulation 7

Description of application	Fee payable £
<b>Supplier</b>	
1. Application for licence including authorisation to supply gas to premises to which gas is, or is to be, conveyed by a gas transporter	450
2. Application for licence including authorisation to supply gas to premises to which gas is, or is to be, conveyed otherwise than by a gas transporter	350
3. Application for any extension or restriction	450
<b>Shipper</b>	
4. Any application	350
<b>Transporter</b>	
5. Application for a licence	1050
6. Application for extension or restriction	150
<b>Interconnector</b>	
7. Application for a licence	1050

#### EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations set out the information, and other documents that are required to be submitted with applications for gas transporter, gas shipper, gas supplier and gas interconnector licences (and for extensions or restrictions of supplier, shipper and transporter licences) under the Gas Act 1986, as amended by the Utilities Act 2000 and the Energy Act 2004. They specify the form and manner of such applications. These Regulations also set out the manner in which notices of applications are to be published.

These Regulations come into force on 29<sup>th</sup> June 2007. Regulation 1 provides for the citation, commencement and revokes the previous Regulations. Regulation 2 makes transitional provisions for applications made but not determined before the Regulations come into force.

Regulation 3 provides for general interpretation.

Regulation 4 deals with the manner of applications.



Regulation 5 concerns the form of applications, and incorporates Schedule 1 that specifies their form, and the information and documents to accompany them.

Regulation 6 specifies the additional information and documents to accompany applications. It incorporates Schedule 2, which covers, respectively, applications for:

- gas supplier licences, at Part 1;
- gas shipper licences, at Part 2;
- gas transporter licences, at Part 3; and
- gas interconnector licences, at Part 4.

Regulation 7 incorporates Schedule 3, which specifies the fees payable in respect of applications.

Regulation 8 provides for the notice period and publication requirements for applications. Its effect is to require applicants to ensure notice of the application is published either on the Ofgem website or their own website. If the application is for a restriction (including a modification of an area of a transmission licence to restrict that area) the applicant must also publish the notice in local newspapers.

## Appendix 3 – The Authority's Powers and Duties

1.1. Ofgem is the Office of Gas and Electricity Markets which supports the Gas and Electricity Markets Authority ("the Authority"), the regulator of the gas and electricity industries in Great Britain. This Appendix summarises the primary powers and duties of the Authority. It is not comprehensive and is not a substitute to reference to the relevant legal instruments (including, but not limited to, those referred to below).

1.2. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002 and the Energy Act 2004, as well as arising from directly effective European Community legislation. References to the Gas Act and the Electricity Act in this Appendix are to Part 1 of each of those Acts.<sup>48</sup>

1.3. Duties and functions relating to gas are set out in the Gas Act and those relating to electricity are set out in the Electricity Act. This Appendix must be read accordingly<sup>49</sup>.

1.4. The Authority's principal objective when carrying out certain of its functions under each of the Gas Act and the Electricity Act is to protect the interests of consumers, present and future, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas conveyed through pipes, and the generation, transmission, distribution or supply of electricity or the provision or use of electricity interconnectors.

1.5. The Authority must when carrying out those functions have regard to:

- The need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met;
- The need to secure that all reasonable demands for electricity are met;
- The need to secure that licence holders are able to finance the activities which are the subject of obligations on them<sup>50</sup>; and
- The interests of individuals who are disabled or chronically sick, of pensionable age, with low incomes, or residing in rural areas.<sup>51</sup>

1.6. Subject to the above, the Authority is required to carry out the functions referred to in the manner which it considers is best calculated to:

---

<sup>48</sup> entitled "Gas Supply" and "Electricity Supply" respectively.

<sup>49</sup> However, in exercising a function under the Electricity Act the Authority may have regard to the interests of consumers in relation to gas conveyed through pipes and vice versa in the case of it exercising a function under the Gas Act.

<sup>50</sup> under the Gas Act and the Utilities Act, in the case of Gas Act functions, or the Electricity Act, the Utilities Act and certain parts of the Energy Act in the case of Electricity Act functions.

<sup>51</sup> The Authority may have regard to other descriptions of consumers.

- 
- Promote efficiency and economy on the part of those licensed<sup>52</sup> under the relevant Act and the efficient use of gas conveyed through pipes and electricity conveyed by distribution systems or transmission systems;
  - Protect the public from dangers arising from the conveyance of gas through pipes or the use of gas conveyed through pipes and from the generation, transmission, distribution or supply of electricity;
  - Contribute to the achievement of sustainable development; and
  - Secure a diverse and viable long-term energy supply.

1.7. In carrying out the functions referred to, the Authority must also have regard, to:

- The effect on the environment of activities connected with the conveyance of gas through pipes or with the generation, transmission, distribution or supply of electricity;
- The principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed and any other principles that appear to it to represent the best regulatory practice; and
- Certain statutory guidance on social and environmental matters issued by the Secretary of State.

1.8. The Authority has powers under the Competition Act to investigate suspected anti-competitive activity and take action for breaches of the prohibitions in the legislation in respect of the gas and electricity sectors in Great Britain and is a designated National Competition Authority under the EC Modernisation Regulation<sup>53</sup> and therefore part of the European Competition Network. The Authority also has concurrent powers with the Office of Fair Trading in respect of market investigation references to the Competition Commission.

---

<sup>52</sup> or persons authorised by exemptions to carry on any activity.

<sup>53</sup> Council Regulation (EC) 1/2003

## Appendix 4 - Glossary

### **MAM**

The role that could be taken on by a number of parties who manage a portfolio of meters on behalf of their client. They could control the meter replacement program, arrange meter work or arrange purchase of new meters. The MAM will act as the point of contact for a meter point and can supply all known information regarding that meter point. There will only be one MAM per meter point. If there is not one clearly identifiable agent capable of providing all required information for a meter point then the controlling authority will be regarded as the MAM.

### **P**

#### Phoenix companies

A phoenix company is where the assets of one Limited Company are moved to another legal entity. Often some or all of the directors remain the same and in some cases, the new company has the same or a similar name. The Insolvency Act makes it an offence for a director of a company which has gone into insolvent liquidation to be a director of a company with the same or similar name, or be concerned in its management, without leave of the court within 5 years after winding up or the exceptions set out in section 216 of the Insolvency Act.

#### Prohibited names

For the purposes of this section, a name is a prohibited name in relation to such a person if- (a) it is a name by which the liquidating company was known at any time in that period of 12 months, or (b) it is a name which is so similar to a name falling within paragraph (a) as to suggest an association with that company. S216(2), The Insolvency Act 1986.

### **S**

#### SLR

Supply licence review.

## Appendix 5 - Feedback Questionnaire

1.1. Ofgem considers that consultation is at the heart of good policy development. We are keen to consider any comments or complaints about the manner in which this consultation has been conducted. In any case we would be keen to get your answers to the following questions:

1. Do you have any comments about the overall process, which was adopted for this consultation?
2. Do you have any comments about the overall tone and content of the report?
3. Was the report easy to read and understand, could it have been better written?
4. To what extent did the report's conclusions provide a balanced view?
5. To what extent did the report make reasoned recommendations for improvement?
6. Please add any further comments?

1.2. Please send your comments to:

**Andrew MacFaul**  
Consultation Co-ordinator  
Ofgem  
9 Millbank  
London  
SW1P 3GE  
andrew.macfaul@ofgem.gov.uk