

**NOTICE OF STATUTORY MODIFICATION OF THE STANDARD LICENCE
CONDITIONS OF ELECTRICITY SUPPLY LICENCES UNDER SECTION 8(5) OF THE
UTILITIES ACT 2000**

Utilities Act 2000

Section 8(5)

Whereas –

1. Each of the companies to whom this document is addressed (a "Licence holder") has been granted a licence ("a Licence") under the Electricity Act 1989 to supply electricity subject to the conditions contained in its licence.
2. The Gas and Electricity Markets Authority ("The Authority") gave notice on 30 May 2008 ("the Notice") that it proposed to make modifications to Standard Licence Condition ("SLC") 1 and SLC 31.1(a) of the Electricity Supply Licence and by requiring any objections or representations to the modification to be made on or before 27 June 2008.
3. The reasons for making the licence modifications are those stated in the attached Reasons Notice / the Notice in Appendix 1 to the consultation on modifications to Standard Licence Conditions of 30 May 2008.
4. In accordance with section 8(6) of the Utilities Act 2000, the Authority consulted on the proposed modifications.
5. At the close of the consultation period, the Authority had not received any responses which constituted a formal objection. All non-confidential responses have been placed in the Research and Information Centre ("RIC") and on the Ofgem website.
6. The Authority has carefully considered in relation to the proposed modification all representations received.

Now therefore

In accordance with the powers contained in section 8(5) of the Act, the Authority hereby modifies the SLCs for the Electricity Supply Licence in the manner specified in the attached Schedule 1 and 2 to Appendix 1 with effect on and from 1 October 2008.

**The official seal of the Gas and Electricity Markets Authority
Here affixed is authenticated by the signature of
Director/MD Signature**



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Mark Feather, Director, Corporate Affairs

Duly Authorised on behalf of the Authority

28 August

DECISION NOTICE GIVING REASONS FOR THE MODIFICATION OF THE STANDARD LICENCE CONDITIONS OF THE ELECTRICITY SUPPLY LICENCES UNDER SECTION 8(5) OF THE UTILITIES ACT 2000

Following the Authority's consultation concerning the proposed modifications, the following explains why the Authority has decided to modify the Standard Licence Conditions of the Electricity Supply Licence.

1. Standard Licence Condition ("SLC 1") (Definitions for Standard Conditions) and SLC 31.1(a) (General Information for Domestic Customers) of Electricity Supply Licence have been modified.
2. The reasons and effects of the modifications are as follows:

Reasons

The Authority proposed the modifications set out in Schedules 1 and 2 to Appendix 1 respectively of this notice because it is expected that energywatch will be abolished from 1 October 2008. Under the new arrangements for consumer representation set out in the CEAR Act 2007 Consumer Direct will have a key role in providing information, advice and signposting consumers. As we anticipate that the changes to consumer representation will take effect on and from 1 October 2008, we are not proposing to give effect to the proposed licence modifications set out in this notice until then. However, we are informing licensees in advance of this date to provide them with adequate time to reflect the necessary changes in their stationery before the modified condition has effect.

Effect

The effect of the proposed modifications is as follows:

- i. The definition of Consumer Direct is to be added to SLC 1 (Definitions for standard conditions).
- ii. SLC 31.1 (Information about Consumer Council) is to be amended. References to Consumer Council are to be deleted and replaced with references to Consumer Direct.

The effect of the proposed modifications to this condition is that the licensee must inform its domestic customers on or with each bill or statement of account that Consumer Direct can assist in providing information and advice to the domestic customer. Licensees will no longer be obliged to inform domestic customers on or with each bill or statement of account that the Consumer Council can assist in resolving complaints that the licensee has not resolved to the domestic customer's satisfaction.

3. The Authority gave notice that it proposed to make modifications to SLC 1 and SLC 31.1(a) of the Electricity Supply Licence and required that objections or representations to the modification were made before or on 27 June 2008.

4. All respondents agreed with the wording proposed in our letter of 30 May. One respondent suggested that the words 'free and independent' be added to the description of Consumer Direct's role. They also cautioned Ofgem against assuming that the Energy Ombudsman's (EO) details would continue to be included on bills voluntarily by suppliers, and suggested that both Consumer Direct's and the Ombudsman's details be included on non-domestic bills.
5. No objections have been received to the proposed modifications.
6. As the Authority is of the opinion that the licence modifications are necessary for the reasons set out it directed that such modification be made on 28 August 2008 to be effective from 1 October 2008.



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Mark Feather, Director, Corporate Affairs

Duly Authorised on behalf of the Authority

28 August 2008

Appendix 1 - schedule 1

Proposed modification to Standard Licence Condition 1 of the Electricity Supply Licence

1. It is proposed that Standard Licence Condition 1 (Definitions for standard conditions) of the Electricity Supply Licence is amended as set out in paragraph 2 below.
2. After the definition of Consumer Council, insert:

“Consumer Direct means the body of that name which is funded by the Office of Fair Trading to provide a consumer advice helpline;”

Appendix 1 - schedule 2

Proposed modification to Standard Licence Condition 31 of the Electricity Supply Licence

1. It is proposed that Standard Licence Condition 31 (General information for Domestic Customers) of the Electricity Supply Licence is amended as set out in paragraphs 2 to 4 below.
2. Substitute 'Consumer Council' with 'Consumer Direct' in the heading of paragraph 31.1.
3. Substitute 'the Consumer Council' with 'Consumer Direct' in 31.1(a).
4. Delete 'resolving complaints that the licensee has not resolved to the Domestic Customer's satisfaction' and insert 'providing information and advice to Domestic Customers' in 31.1(a).

**NOTICE OF THE STATUTORY MODIFICATION OF STANDARD LICENCE
CONDITIONS OF GAS SUPPLY LICENCES UNDER SECTION 8(5) OF THE
UTILITIES ACT 2000**

Utilities Act 2000

Section 8(5)

Whereas –

1. Each of the companies to whom this document is addressed (a "Licence holder") has been granted a licence ("a Licence") under the Gas Act 1986 to supply gas subject to the conditions contained in its licence.
2. The Gas and Electricity Markets Authority ("The Authority") gave notice on 30 May 2008 ("the Notice") that it proposed to make modifications to Standard Licence Condition ("SLC") 1 and SLC 31.1(a) of the Licence and by requiring any objections or representations to the modification to be made on or before 27 June 2008.
3. The reason for making the licence modifications are those stated in the attached Reasons Notice / the Notice in Appendix 1 to the consultation on modifications to Standard Licence Conditions of 30 May 2008.
4. In accordance with section 8(6) of the Utilities Act 2000, the Authority consulted on the proposed modifications.
5. At the close of the consultation period, the Authority had not received any responses constituting a formal objection. All non-confidential responses have been placed in the Research and Information Centre ("RIC") and on the Ofgem website.
6. The Authority has carefully considered in relation to the proposed modification all representations received.

Now therefore

In accordance with the powers contained in section 8(5) of the Act, the Authority hereby modifies the SLCs for the Gas Supply Licence in the manner specified in the attached Schedule 1 and 2 of Appendix 2 with effect on and from 1 October 2008.

**The official seal of the Gas and Electricity Markets Authority
Here affixed is authenticated by the signature of
Director/MD Signature**

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Mark Feather, Director, Corporate Affairs

Duly Authorised on behalf of the Authority

28 August 2008

DECISION NOTICE GIVING REASONS FOR THE MODIFICATION OF THE STANDARD LICENCE CONDITIONS OF THE GAS SUPPLY LICENCES UNDER SECTION 8(5) OF THE UTILITIES ACT 2000

Following the Authority's consultation concerning the proposed modifications, the following explains why the Authority has decided to modify the Standard Licence Conditions of the Gas Supply Licence.

1. Standard Licence Condition ("SLC") 1 (Definitions for Standard Conditions) and SLC 31.1(a) (General Information for Domestic Customers) of the Gas Supply Licence have been modified.
2. The reasons and effects of the modifications are as follows:

Reasons

The Authority proposed the modifications set out in Schedules 1 and 2 of Appendix 2 respectively of this notice because it is expected that energywatch will be abolished from 1 October 2008. Under the new arrangements for consumer representation set out in the CEAR Act 2007, Consumer Direct will have a key role in providing information, advice and signposting consumers. As we anticipate that the changes to consumer representation will take effect on and from 1 October 2008, we are not proposing to give effect to the licence modifications set out in this notice until then. However, we are informing licensees in advance of this date to provide them with adequate time to reflect the necessary changes in their stationery before the modified condition has effect.

Effect

The effect of the proposed modifications is as follows:

- i. The definition of Consumer Direct is to be added to SLC 1 (Definitions for standard conditions).
- ii. SLC 31.1 (Information about Consumer Council) is to be amended. References to Consumer Council are to be deleted and replaced with references to Consumer Direct.

The effect of the proposed modifications to this condition is that the licensee must inform its domestic customers on or with each bill or statement of account that Consumer Direct can assist in providing information and advice to the domestic customer. Licensees will no longer be obliged to inform domestic customers on or with each bill or statement of account that the Consumer Council can assist in resolving complaints that the licensee has not resolved to the domestic customer's satisfaction.

3. The Authority gave notice that it proposed to make modifications to SLC 1 and SLC 31.1(a) of the Gas Supply Licence and required that objections or representations to the modification were made before or on 27 June 2008.

4. All respondents agreed with the wording proposed in our letter of 30 May. One respondent suggested that the words 'free and independent' be added to the description of Consumer Direct's role. They also cautioned Ofgem against assuming that the Energy Ombudsman's (EO) details would continue to be included on bills voluntarily by suppliers, and suggested that both Consumer Direct's and the Ombudsman's details be included on non-domestic bills. Summarise the responses received.
5. No objections have been received to the proposed modifications.
6. As the Authority is of the opinion that the licence modifications are necessary for the reasons set out it directed that such modification be made on 28 August 2008 to be effective from the 1 October 2008.



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Mark Feather, Director, Corporate Affairs

Duly Authorised on behalf of the Authority

28 August 2008

Appendix 2 - schedule 1

Proposed modification to Standard Licence Condition 1 of the Gas Supply Licence

1. It is proposed that Standard Licence Condition 1 (Definitions for standard conditions) of the Gas Supply Licence is amended as set out in paragraph below.
2. After the definition of Consumer Council, insert:

"Consumer Direct

means the body of that name which is funded by the Office of Fair Trading to provide a consumer advice helpline; "

Appendix 2 - schedule 2

Proposed modification to Standard Licence Condition 31 of the Gas Supply Licence

1. It is proposed that Standard Licence Condition 31 (General information for Domestic Customers) of the Gas Supply Licence is amended as set out in paragraphs 2 to 4 below.
2. Substitute 'Consumer Council' with 'Consumer Direct' in the heading of paragraph 3.1.1
3. Substitute 'the Consumer Council' with 'Consumer Direct' in 31.1(a).
4. Delete 'resolving complaints that the licensee has not resolved to the Domestic Customer's satisfaction' and insert 'providing information and advice to Domestic Customers' in 31.1(a).