



Secretary of State, Holders of
Gas and Electricity Supply
Licences, consumers and their
representatives, consumer bodies
and other interested parties

*Promoting choice and value for
all gas and electricity customers*

Direct Dial: 020 7901 7291
Email: Maxine.frerk@ofgem.gov.uk

Date: 8 September 2010

Dear Colleagues

Modification of the Standard Conditions of Gas Supply Licences granted under Section 23(3) of the Gas Act 1986 and the Electricity Supply Licences granted under Section 11A(3) of the Electricity Act 1989

Further to the Notice of proposed modifications in relation to the disconnection of vulnerable customers dated 15 July 2010, please see attached Modification Direction for the insertion of Standard Licence Condition (SLC) 27.11 (A) clarifying that licensees are obliged to take all reasonable steps to ascertain the status of a customer and the occupants of any affected domestic premises before disconnection.

The Authority modifies the SLCs for all gas and electricity supply licences in the manner specified in the attached Schedule 1 with effect on and from 1 October 2010.

Yours faithfully

Maxine Frerk
Partner
Sustainable Development

**Gas Act 1986
Section 23(1)(b)**

**MODIFICATION OF THE STANDARD CONDITIONS OF GAS SUPPLY LICENCES
GRANTED UNDER SECTION 7A(1) OF THE GAS ACT 1986.**

Whereas –

1. Each of the companies to whom this document is addressed (a "Licence Holder") has been granted a licence ("a Licence") under section 7A(1) of the Gas Act 1986 ("the Act") to supply gas subject to the conditions contained in its Licence.
2. In accordance with section 23(3) of the Act the Gas and Electricity Markets Authority ("the Authority") gave notice on 15 July 2010 ("the Notice") that it proposed to make the insertion of Standard Licence Condition (SLC) 27.11(A) of the Licence and by requiring any objections or representations to the modification to be made on or before 26 August 2010.
3. In accordance with section 38A of the Act, the reasons for making the licence modifications are those stated in the Notice dated 15 July 2010 and are to clarify that licensees are obliged to take all reasonable steps to ascertain the status of a customer and the occupants of any affected domestic premises before disconnection.
4. In accordance with section 23(4)(b) of the Act, the Authority gave such notice of its intention to make the modifications to the Secretary of State and has not received a direction not to make the modification.
5. Prior to the close of the consultation period in respect of the Notice, the Authority received no responses which constituted a formal objection. All non-confidential responses have been placed in the Ofgem library 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 23(1)(b) of the Act, the Authority hereby modifies the standard licence conditions for all gas supply licences in the manner specified in attached Schedule 1 with effect on and from 1 October 2010.

**The Official Seal of the Gas and Electricity Markets Authority
here affixed is authenticated by the signature of**



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Maxine Frerk, Partner, Sustainable Development

Duly Authorised on behalf of the Authority

8 September 2010

Schedule 1

Condition 27. Payments, Security Deposits and Disconnections

Disconnection for unpaid charges

27.9 The licensee must not Disconnect a Domestic Premises at which the Domestic Customer has not paid Charges for the Supply of Gas unless it has first taken all reasonable steps to recover those charges by means of the service referred to in sub-paragraph 27.6(a)(iii).

27.10 The licensee must not Disconnect, in Winter, a Domestic Premises at which the Domestic Customer has not paid Charges for the Supply of Gas if it knows or has reason to believe that the customer is of Pensionable Age and lives alone or lives only with persons who are of Pensionable Age or under the age of 18.

27.11 The licensee must take all reasonable steps to avoid Disconnecting, in Winter, a Domestic Premises at which the Domestic Customer has not paid Charges for the Supply of Gas if the occupants of the premises include a person who is of Pensionable Age, disabled or chronically sick and to whom paragraph 27.10 does not apply.

27.11(A) The licensee shall, before it exercises any right it may have to Disconnect a Domestic Premises, take all reasonable steps to ascertain whether:

- (i) the relevant Domestic Customer falls within the scope of SLC 27.10; or
- (ii) the restriction on its right to disconnect in accordance with SLC 27.11 applies.

**Electricity Act 1989
Section 11A**

**MODIFICATION OF THE STANDARD CONDITIONS OF ELECTRICITY SUPPLY
LICENCES GRANTED UNDER SECTION 6 (1)(d) OF THE ELECTRICITY ACT 1989.**

Whereas –

1. Each of the companies to whom this document is addressed (a "Licence Holder") has been granted a licence ("a Licence") under section 6 (1)(d) of the Electricity Act 1989 ("the Act") to supply electricity subject to the conditions contained in its Licence.
2. In accordance with section 11A(3) of the Act the Gas and Electricity Markets Authority ("the Authority") gave notice on 15 July 2010 ("the Notice") that it proposed to make the insertion of Standard Licence Condition (SLC) 27.11(A) of the Licence and by requiring any objections or representations to the modification to be made on or before 26 August 2010.
3. In accordance with section 49A of the Act, the reasons for making the licence modifications are those stated in the Notice dated 15 July 2010 and are to clarify that licensees are obliged to take all reasonable steps to ascertain the status of a customer and the occupants of any affected domestic premises before disconnection.
4. In accordance with section 11A(4)(b) of the Act, the Authority gave such notice of its intention to make the modifications to the Secretary of State and has not received a direction not to make the modification.
5. Prior to the close of the consultation period in respect of the Notice, the Authority received no responses which constituted a formal objection. All non-confidential responses have been placed in the Ofgem library 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 11A of the Act, the Authority hereby modifies the standard licence conditions for all electricity supply licences in the manner specified in attached Schedule 1 with effect on and from 1 October 2010.

**The Official Seal of the Gas and Electricity Markets Authority
here affixed is authenticated by the signature of**



.....
Maxine Frerk, Partner, Sustainable Development

Duly Authorised on behalf of the Authority

8 September 2010

Schedule 1

Condition 27. Payments, Security Deposits and Disconnections

Disconnection for unpaid charges

27.9 The licensee must not Disconnect a Domestic Premises at which the Domestic Customer has not paid Charges for the Supply of Electricity unless it has first taken all reasonable steps to recover those charges by means of the service referred to in sub-paragraph 27.6(a)(iii).

27.10 The licensee must not Disconnect, in Winter, a Domestic Premises at which the Domestic Customer has not paid Charges for the Supply of Electricity if it knows or has reason to believe that the customer is of Pensionable Age and lives alone or lives only with persons who are of Pensionable Age or under the age of 18.

27.11 The licensee must take all reasonable steps to avoid Disconnecting, in Winter, a Domestic Premises at which the Domestic Customer has not paid Charges for the Supply of Electricity if the occupants of the premises include a person who is of Pensionable Age, disabled or chronically sick and to whom paragraph 27.10 does not apply.

27.11(A) The licensee shall, before it exercises any right it may have to Disconnect a Domestic Premises, take all reasonable steps to ascertain whether:

- (i) the relevant Domestic Customer falls within the scope of SLC 27.10; or
- (ii) the restriction on its right to disconnect in accordance with SLC 27.11 applies.