

The Electricity Act 1989 and the Gas Act 1986

Provisional Order under Section 25(2) of the Electricity Act 1989 and Section 28(2) of the Gas Act 1986

To : First Utility Limited, Company No. **05070887**, having its registered office at 19 SOUTH AUDLEY STREET, LONDON, W1K 2NU, the holder of a licence granted under section 6(1)(d) of the Electricity Act 1989 (the 'Electricity Act') and 7A(1) of the Gas Act 1986 (the 'Gas Act').

WHEREAS :

(1) The Gas and Electricity Markets Authority ('the Authority') has been in discussions with First Utility Limited regarding compliance with its obligations under the standard conditions of the gas and electricity supply licences and, based on the information provided by First Utility Limited to the Authority, it appears to the Authority that First Utility Limited is and will continue to be in contravention of the relevant requirements imposed on it by standard licence condition ("SLC") 27 and, from the evidence provided in First Utility Limited's documentation, is likely to contravene SLCs 27.9 – 11A; and

(2) Having had regard to the matters set out in paragraphs 25(2)(b) and (3)(a) and (b) of the Electricity Act and 28(2)(b) and (3)(a) and (b) of the Gas Act, and the consequences of contravention, the Authority considers it requisite to make a Provisional Order.

NOW THEREFORE:

The Authority, pursuant to section 25(2) of the Electricity Act and 28(2) of the Gas Act, and for the purpose of securing compliance with the above-mentioned provisions of the standard conditions of the gas and electricity supply licences, hereby orders First Utility Limited to do the following:

1. To refrain from disconnecting any domestic premises, except in accordance with SLCs 27.9 – 11A.

2. By 7 March 2011 First Utility Limited shall comply and continue to comply with its obligation in relation to the SLC 27.6(a)(iii) by providing the option of a prepayment meter for customers in payment difficulty where it is safe and reasonably practicable in all the circumstances of the case for the customer to use such a meter. First Utility shall produce to the Authority sufficient evidence to demonstrate its compliance with SLC 27.6, including but not limited to:

- Evidence that the high level project plan which you sent to us on 29 October 2010, for implementing a prepayment solution, is fully implemented and allows First Utility to comply with SLC 27.6(a)(ii) by the deadline of 7 March 2010;
 - An explanation of how First Utility has identified, and intends to identify in future, customers who may be in payment difficulty and who should be offered the option of using a prepayment meter in compliance with the terms set out SLC 27.6(a)(iii);
 - Evidence that First Utility has offered, and is able to offer, the option of using a prepayment meter to those customers to whom such an offer should be made, including details of any contact or correspondence with customers about the option of a pre-payment meter.
 - A list of all domestic premises whose meters have been updated and which offer pre-payments terms;
 - Details of customers who have been offered, or are using, a pre-payment meter;
- and

- Where customers have not been offered a prepayment meter on the basis that it would not be safe and reasonably practicable for them to do so, an explanation of why it was concluded that it would not be safe and reasonably practicable to do so.

3. By 1 February 2011 First Utility Limited shall comply and thereafter shall continue to comply with its obligations in relation to SLC 27.9 – 11A. First Utility shall produce to the Authority evidence that it has discharged its obligations in full by (a) showing fit for purpose policies and procedures that demonstrate compliance in relation to vulnerable customers and disconnections, (b) demonstrating that the policies and procedures have been properly implemented and are being executed in practice in First Utility, and (c) showing standard terms and conditions for gas and electricity consumers which demonstrate compliance with its obligations under SLC 27.

This order shall cease to have effect on 22 March 2011 unless previously confirmed by the Authority.

Dated 22 December 2010

Signed

Sarah Harrison
Senior Partner, Sustainable Development

Duly authorised on behalf of the Gas and Electricity Markets Authority