

January 31st, 2010

Mr. Ljuban Milicevic
Regulatory and Energy Economist
Ofgem
9 Millbank
London
SW1P 3GE

Dear Mr. Milicevic,

Classification of premises for the purposes of the standard conditions of the gas supply licence

Please find First Utility's response to your request for information below.

- 1. How should the definitions of a Domestic Customer and/or Domestic Premises be amended within the SLCs to clarify the position that in certain circumstances, a supply of gas to a legal entity acting on behalf of individual residents is a supply to Domestic Premises and to a Domestic Customer?*

First Utility believes that Ofgem's concerns are around the fact that Section B (which applies only to domestic gas suppliers) of the gas supply licence contains certain protections for Domestic Customers which it may believe that non domestic suppliers providing gas to Domestic Customers through intermediaries such as housing associations are not required to have regard to. However, we do not feel that it is likely that any gas supplier, whether domestic or non domestic, would consider it reasonable to treat those Domestic Customers on behalf of whom the housing association acts as an intermediary on anything other than an individual basis while giving full regard to Standard Licence Conditions 26, 27 and 29.

However, if Ofgem feels that it is appropriate to amend the definition of a Domestic Customer and/or Domestic Premises within the licence to specifically state that Domestic Customers supplied through a housing association should be treated in line with SLCs 26, 27 and 29 then First Utility would not be opposed to this.

- 2. How should the obligations placed on suppliers in SLCs 22-32 change, if at all, where a supply of gas to a legal entity acting on behalf of a number of individual residents can, in certain circumstances, be a supply to Domestic Premises and to a Domestic Customer?*

If, as stated above, Ofgem feels that it would be appropriate to amend the definition of a Domestic Customer and/or Domestic Premises within the licence to take into account Domestic Customers supplied through an intermediary, First Utility feels that the relevant licence conditions should also be changed to reflect this.

Please do not hesitate to contact me should you require any further information.



Yours sincerely,

Chris Hill

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Regulation