

The Company Secretary
Name and registered address of licence holder

GAS SUPPLY LICENCE

STANDARD CONDITION 31D (TEMPORARY PROVISIONS FOR WHITE LABEL TARIFFS)

Notice of direction issued by the Gas and Electricity Markets Authority pursuant to Standard Condition 31D

Notice of reasons for the decision to make a direction under section 38A of the Gas Act 1986

1. WHEREAS:

1. Each of the companies to whom this Notice is addressed ('the licensee') holds a gas supply licence granted, or treated as granted, pursuant to section 7A(1) of the Gas Act 1986 ('the licence').

2. The Gas and Electricity Markets Authority ('the Authority') has the power pursuant to paragraph 29 of standard condition 31D of the licence to issue on more than one occasion directions providing that paragraph 28 of licence condition 31D will continue to have effect for a further period of time.

3. The Authority consulted on giving itself the power to direct that paragraph 28 of licence condition 31D will continue to have effect for a further period of time as part of its Retail Market Review ('RMR') reforms. Further details of the Authority's reasons for the RMR reforms are stated in the following documents:

- a) The Retail Market Review – Implementation of Simpler Tariff Choices and Clearer Information, 27 August 2013;
- b) The Retail Market Review – Statutory consultation on the RMR domestic proposals (95a/13), 20 June 2013;
- c) The Retail Market Review – Final domestic proposals (40/13), 27 March 2013;
- d) The Retail Market Review – Final Impact Assessment for domestic proposals (41/13), 27 March 2013;
- e) The Retail Market Review – Updated domestic proposals (135/12), 26 October 2012.

4. Paragraph 28 of licence condition 31D currently provides that standard condition 31D will stop having effect on and from 31 December 2014.

5. The Authority stated in the Retail Market Review – Statutory consultation on the RMR domestic proposals (95a/13) on 20 June 2013 that it would give further consideration to the right regulatory framework for white labels. In this respect, the Authority:

- a) Published a Call for Evidence on 7 March 2014
- b) Held a stakeholder event on 11 July 2014
- c) Expects to consult on its proposals to develop the right regulatory framework for white labels in late August 2014
- d) Expects to put in place the regulatory framework in the first half of 2015.

6. To provide regulatory certainty during consultation and implementation of changes to the regulatory framework (if any), the Authority has decided to issue

a direction that paragraph 28 of licence condition 31D will continue to have effect until 31 December 2015.

NOW THEREFORE:-

7. The Authority hereby directs that paragraph 28 of licence condition 31D will continue to have effect until 31 December 2015.

8. This direction shall take effect on and from the date specified below and shall continue until the date specified in paragraph 7 of this direction, or until revoked or revised by the Authority in accordance with standard condition 31D.

Dated 13 August 2014

A handwritten signature in black ink, appearing to read 'NBarnes.', is written over the printed name.

Neil Barnes
Associate Partner, Retail Markets