

## **Annex 2**

**To: All holders of an electricity supply licence who are relevant licence holders for the purposes of section 11A(10) of the Electricity Act 1989**

### **Electricity Act 1989 Sections 11A and 49A**

#### **NOTICE UNDER SECTION 11A OF THE ELECTRICITY ACT 1989**

#### **MODIFICATION OF THE STANDARD CONDITIONS OF ELECTRICITY SUPPLY LICENCES GRANTED OR TREATED AS GRANTED UNDER SECTION 6 OF THE ELECTRICITY ACT 1989**

#### **AND NOTICE OF REASONS FOR THE DECISION TO MODIFY STANDARD CONDITIONS OF ELECTRICITY SUPPLY LICENCES UNDER SECTION 49A OF THE ELECTRICITY ACT 1989**

Whereas –

1. Each of the companies to whom this document is addressed (a “Licence Holder”) has been granted (or is otherwise treated as having been granted) a Licence under section 6(1)(d) of the Electricity Act 1989 (“the Act”).
2. In accordance with section 11A(2) of the Act the Gas and Electricity Markets Authority (“the Authority”) gave notice on 24 June 2014 (“the Notice”) that it proposed to modify the standard licence conditions of electricity supply licence by inserting a new standard licence condition 25D and requiring any representations to the modification to be made on or before 25 July 2014.
3. 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.
4. Prior to the close of the consultation period in respect of the Notice, the Authority received seven responses. All non-confidential responses have been placed on the Ofgem website.<sup>1</sup> Our responses to these comments are set out in Annex 1.
5. The Authority has carefully considered all representations received in relation to the proposed modifications and has decided to proceed with all the modifications proposed in the Notice.
6. The Authority’s reason for making the licence modification is to ensure that the payment of the Government Electricity Rebate (as described in the accompanying letter) to eligible domestic customers by all electricity suppliers is made in a transparent manner and to minimise the risk of material distortions of competition in the sector. Further details of the reason for the licence modification have been published by the Authority in:
  - our statutory consultation on the modification of standard conditions of electricity supply licences to enable the delivery of the Government Electricity Rebate;<sup>2</sup> and
  - our open letter consultation on the modification of relevant licence conditions to enable the delivery of the Government Electricity Rebate.<sup>3</sup>

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<sup>1</sup> Responses are published on the [Consultation](#) section of our website.

<sup>2</sup> Ofgem, [Statutory consultation on the modification of standard conditions of electricity supply licences to enable the delivery of the Government Electricity Rebate](#), 24 June 2014.

<sup>3</sup> Ofgem, [Open letter consultation on the modification of relevant licence conditions to enable the delivery of the Government Electricity Rebate](#), 28 April 2014.

7. The effects of the proposed modification are described in the documents referred to in paragraph 6 of this Notice. In summary, the proposed modification requires electricity supply licensees to: (i) comply with a direction issued by the Secretary of State to pay a twelve pounds government-funded rebate to each of their domestic electricity customers in the autumns of 2014 and 2015; and (ii) provide the Authority or Secretary of State with specified information relevant to the licensee's compliance with such a direction.

8. Where an application for permission to appeal the Authority's decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.7 of the CMA's Energy Licence Modification Appeals Rules<sup>4</sup> requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-confidential notice setting out the matters required in Rule 5.2. The attached Schedule 2 provides a list of the relevant licence holders in relation to this modification direction. The meaning of "relevant licence holder" is set out in section 11A(10) of the Act.

**Now therefore**

In accordance with the powers contained in section 11A(1)(b) of the Act, the Authority hereby modifies the standard licence conditions for all electricity supply licences in the manner specified in the attached Schedule 1. This decision will take effect on and from 00:00 on Friday 3 October 2014. This document constitutes notice of the reasons for the decision to modify the electricity supply licences as required by section 49A of the Act.

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

.....  
**Neil Barnes**  
**Associate Partner, Retail Markets**  
**Ofgem**

**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**7 August 2014**



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<sup>4</sup> The rules were published by the Competition Commission in September 2012. On 1 April 2014, the Competition Commission was abolished and its functions transferred to the Competition and Markets Authority.

## SCHEDULE 1

### MODIFICATIONS PURSUANT TO SECTION 11A OF THE ELECTRICITY ACT 1989 OF THE STANDARD CONDITIONS OF THE ELECTRICITY SUPPLY LICENCE GRANTED OR TREATED AS GRANTED UNDER SECTION 6(1)(d) OF THE ELECTRICITY ACT 1989.

#### Insertion of new standard condition 25D

The text set out below in red is to be inserted after existing standard condition 25C of the electricity supply licence.

#### **Standard Condition 25D. Power to direct payment of rebates to Domestic Customers**

25D.1 The licensee must comply with any direction relating to Relevant Matters for Standard Condition 25D which, following consultation and subject to the Secretary of State's duty to have regard to the Statutory Considerations, the Secretary of State may issue and may from time to time revise (following further consultation).

25D.2 The licensee must provide the Authority or the Secretary of State with information specified by the Authority or Secretary of State in relation to matters that it or he reasonably considers are relevant to the licensee's compliance with any direction issued pursuant to paragraph 25D.1.

25D.3 The Authority or Secretary of State may direct the licensee to comply with paragraph 25D.2 by providing to the Authority or the Secretary of State information:

- (a) in a particular form or medium by a particular date;
- (b) in a particular form or medium at such reoccurring intervals of time as the Authority or Secretary of State considers appropriate; and
- (c) of any description specified by the Authority or the Secretary of State, including any documents, accounts, estimates, returns, records or reports and data of any kind, whether or not prepared specifically at the request of the Authority or the Secretary of State.

25D.4 The licensee is not required to comply with paragraph 25D.2 if it could not be compelled to produce or give the information in evidence in civil proceedings before a court.

25D.5 This condition will cease to have effect from and including the date five years after this condition becomes effective.

#### **Definitions for condition**

25D.6 For the purposes of this condition:

**"Relevant Matters for Standard Condition 25D"** means:

- (a) a requirement to deliver a Government Electricity Rebate to a Domestic Customer;
- (b) the time and manner in which a Government Electricity Rebate is to be delivered to a Domestic Customer;

(c) a requirement to display or provide any information relating to a Government Electricity Rebate on or with a Bill or statement of account; and

(d) the format of any information relating to a Government Electricity Rebate which must be displayed on or provided with a Bill or statement of account.

**“Government Electricity Rebate”** means, in respect of any eligible Domestic Customer, up to two annual rebates equal to twelve pounds sterling per calendar year which the Secretary of State may in accordance with this condition direct the licensee to deliver to a Domestic Customer.

**“Statutory Considerations”** means the principal objective and duties set out in sections 3A to 3C of the Electricity Act 1989.

## SCHEDULE 2

### LIST OF RELEVANT LICENCE HOLDERS<sup>5</sup>

Addito Supply Limited	ICS Energy Limited
Altitude Energy Supply Limited	IPM Energy Retail Limited
AMRECS LLC	Iresa Limited
Angel Energy Limited	Jetstream Energy Supply Limited
Axis Telecom Limited	KAL-Energy Limited
AXPO UK Limited	Kensington Power Limited
Barbican Power Limited	Krave Management Limited
BES Commercial Electricity Limited	Loco2 Energy Supply Ltd.
Better Business Energy Limited	Lourdes Associates Limited
Better Energy Supply Limited	MA Energy Limited
BizzEnergy Limited	Marble Power Limited
Blizzard Utilities Limited	Morgan Stanley Capital Group Inc
BP Energy Europe Limited	MVV Environment Services Limited
Brilliant Energy Limited	Nationwide Electricity Limited
British Energy Direct Limited	NEAS Energy A/S
British Gas Trading Limited	Neas Energy Limited

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<sup>5</sup> Ofgem, [List of all electricity licensees with registered or service addresses](#), 25 July 2014.

Co-Operative Energy Limited	Npower Direct Limited
Corona Energy Retail 5 Limited	Npower Limited
Coulomb Energy Supply Limited	Npower Northern Limited
Crown Oil Limited	Npower Northern Supply Limited
Danske Commodities A/S	Npower Yorkshire Limited
Dong Energy Power Sales UK Limited	Npower Yorkshire Supply Limited
Donnington Energy Limited	Open4Energy Limited
Dorex UK Ltd	Opus Energy (Corporate) Limited
Dual Energy Direct Limited	Opus Energy Limited
E.ON Energy Solutions Limited	Opus Energy Renewables Limited
E.ON UK Plc	OVO Electricity Limited
Eco Green Management Limited	Paddington Power Limited
Economy Energy Supply Limited	Pan-Utility Limited
Economy Energy Trading Limited	Power4All Limited
Economy Power Limited	R Electrics Limited
Ecotrade Solutions Limited	Regent Power Limited
EDF Energy Customers Plc	Reuben Power Supply Limited
Effortless Energy Ltd.	S. C. Isramart SRL
Electricity Direct (UK) Limited	Scottish Power Energy Retail Limited
Electricity Plus Supply Limited	SEEBOARD Energy Limited
Emexconsult Limited	Simply Electricity Limited
Eneco Energy Trade BV	Sirocco Energy Supply Limited
Energy Coop Limited	Smart Electricity Limited
Energy Data Company Limited	Smarter Eco Energy Ltd
EPG Energy Limited	Smartest Energy Limited
Epower Supply Limited	South Wales Electricity Limited
ETUL Limited	Spark Energy Supply Limited
Europa Energy Supply Limited	SSE Energy Supply Limited

Extra Energy Supply Limited	Statkraft Markets GmbH
F & S Energy Limited	Supply Energy Limited
Farmoor Energy Limited	Symbio Energy Solutions LLP
First Utility Limited	Team Gas and Electricity Limited
Flow Energy Limited	The Nuclear Decommissioning Authority
Gazprom Marketing & Trading Retail Limited	The Renewable Energy Company Limited
GDF Suez Marketing Limited	Total Gas & Power Limited
GNERGY Limited	Tradelink Solutions Limited
Good Energy Limited	UK Healthcare Corporation Limited
Green Energy Limited	Universal Bioenergy Limited
Haven Power Limited	Utilita Energy Limited
Holborn Energy Limited	Utility Partnership Limited
Home Counties Energy Plc	Uttily plc
Hudson Energy Supply UK Limited	Vattenfall Energy Trading GmbH
I Supply Electricity 2 Limited	Vavu Power Limited
I Supply Electricity Limited	Wilton Energy Limited
I Supply Energy Limited	Winnington Networks Limited