

Guidance for derogation requests from domestic Retail Market Review (RMR) licence conditions

Guidance

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Overview:

This document sets out Ofgem's guidance on the process for requesting a derogation from an electricity or gas supply standard licence condition (SLC) introduced or modified under the Retail Market Review (RMR). A derogation relieves a licensee from its obligation to comply with a requirement in its licence, in specific circumstances and to a specified extent.

Ofgem believes that the RMR policies are the best way to protect consumers and make the retail energy market simpler, clearer and fairer for consumers. However, Ofgem would consider the case for a derogation where a licensee is able to demonstrate that compliance with one or more relevant RMR rules would have substantial unintended or unanticipated negative consequences for consumers.

The guidance will be kept under review and may from time to time be updated.

Context

Ofgem's principal objective is to protect the interests of both existing and future energy consumers. The RMR aims to make the market better at serving the interests of consumers and enable individuals to get a better deal from energy companies.

The Retail Market Review (RMR) proposals are designed to improve competitive pressure on suppliers' prices and quality of service by ensuring suppliers provide customers with simple choices, clear information and fair treatment.

Associated documents

All documents are available at www.ofgem.gov.uk.

- The Retail Market Review – Implementation of Simpler Tariff Choices and Clearer Information, August 2013.¹
- The Retail Market Review – Statutory consultation on the RMR domestic proposals, June 2013, Reference: 95a/13.²
- The Retail Market Review – Final domestic proposals, March 2013, Reference: 40/13
- The Retail Market Review – Final Impact Assessment for domestic proposals, March 2013, Reference: 41/13.

¹ Available [here](#).

² Ibid.

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Summary

This document constitutes our guidance on the approach we will take for considering derogations from aspects of our Retail Market Review (RMR) rules. We have previously consulted on the approach we intend to take with regard to derogations^{3,4}, but we will keep this guidance under review and may from time to time update it.

Ofgem is introducing new and revised licence conditions with the aim of making the retail energy market simpler, clearer and fairer as part of the RMR.

Suppliers (and, where applicable, their representatives) are required to comply with all the RMR licence conditions from the dates on which they become effective. However, if a supplier discovers unintended or unanticipated consequences for consumers resulting from compliance, they may apply for a derogation.

Derogations will only be granted in exceptional circumstances. Ofgem has carried out extensive work on the RMR and believes that the RMR policies are the best way to protect consumers and make the retail energy market simpler, clearer and fairer for consumers.

³ The Retail Market Review – Statutory consultation on the RMR domestic proposals, June 2013, Reference: 95a/13.

⁴ The Retail Market Review – Final domestic proposals, March 2013, Reference: 40/13

1. Introduction

1.1. This document constitutes our guidance on the approach we will take in considering any derogations from aspects of our Retail Market Review (RMR) rules. We have consulted on the broad approach we intend to take with regard to considering any such derogation requests.^{5,6}

1.2. In this document, we are expanding on our previous statements. We acknowledge that as the market develops and adapts to the RMR requirements, our approach to derogations may need to be amended; consequently, we will keep this guidance under review and may update it from time to time.

1.3. Derogations from RMR tariff and information standard licence conditions would only be granted in exceptional circumstances. Ofgem has carried out extensive work on the RMR and believes that the RMR policies are the best way to protect consumers and make the retail energy market simpler, clearer and fairer for consumers. Through the consultation process Ofgem has made significant changes to the RMR rules to take account of practical issues raised by suppliers or where additional flexibility in the rules would benefit consumers. On this basis we do not expect many requests for derogations.

Background

1.4. Ofgem is the Office of the Gas and Electricity Markets Authority, the regulator of the gas and electricity markets in Great Britain.

1.5. Ofgem is introducing new and revised licence conditions with the aim to make the retail energy market simpler, clearer, and fairer as part of the RMR programme. The rules will make it easier for consumers to make better choices over their electricity and gas supply, enabling them to secure a better deal and in doing so increase the competitive pressure on energy suppliers to deliver good customer service at efficient costs.

1.6. The RMR proposals have different implementation timelines. The Standards of Conduct, which are already in force, are not subject to derogations. Of the remainder, some rules will come into force on 23 October 2013, the main tariff proposals from the end of the year and the main information remedies from March 2014.⁷

⁵ The Retail Market Review – Statutory consultation on the RMR domestic proposals, June 2013, Reference: 95a/13.

⁶ The Retail Market Review – Final domestic proposals, March 2013, Reference: 40/13.

⁷ Exemptions for white labels will remain in place until 31 December 2014.

1.7. Unless the Gas and Electricity Markets Authority directs otherwise, electricity and gas supply licensees are required to comply with the RMR licence conditions from the date on which they become effective.

Derogations

What is meant by a derogation?

1.8. A derogation is a direction from the Gas and Electricity Markets Authority relieving a licensee from its obligation to comply with a licence condition in specific circumstances and to a specified extent. It is highly likely that conditions and/or alternative requirements would be placed on the supplier if a derogation was granted.

1.9. A derogation would normally have an expiry date so that the need for it can be systematically reviewed and performance towards compliance can be monitored. The derogation will normally have provisions for circumstances in which it could be revoked, for example if market conditions change. The derogation will not normally apply to a period before the date the direction is issued. However, in exceptional cases Ofgem may consider the possibility of granting derogations on a retrospective basis, allowing for consultation and consideration of wider implications for compliance with regulatory obligations where necessary.

Duration of derogations

1.10. Where Ofgem grants a derogation it may do so on the basis of different durations:

- **Definite** – continues for a period of time specified in the direction.
- **Lifetime** – continues for the lifetime of the scheme, tariff or other relevant initiative in relation to which the licensee seeks a derogation.
- **Indefinite** – continues until a further derogation is made or the derogation is revoked.

1.11. As a matter of policy, the longer the duration of any derogation, the more likely it is that Ofgem would consider it to be appropriate to include alternative obligations as a condition for granting a derogation and that the decision to grant the derogation would be subject to periodic reviews.

2. Guidance on derogations

Scope

2.1. Derogation requests, and hence this guidance document, are limited to domestic tariff and information standard licence conditions, as per the list in Appendix 1. Standards of Conduct are not subject to derogation.

When would a derogation be considered?

2.2. As previously stated, we believe that the RMR policies are the best way to protect consumers and make the retail energy market simpler, clearer and fairer for consumers, and therefore would only grant derogations in exceptional circumstances. However, in situations where there is substantial evidence that RMR compliance would have unintended or unanticipated consequences for consumers, a licensee may submit a request a derogation from one or more RMR licence conditions. We have in previous publications mentioned social tariffs and pilot schemes for innovative products linked to smart metering as examples of derogation requests we may consider.

2.3. Each such request would be considered on a case-by-case basis and Ofgem would only grant a derogation after careful consideration of the evidence provided by the supplier or third parties and the wider implications for RMR policy.

Who can apply for a derogation?

2.4. The rules we are proposing through the RMR are being delivered by amendments to the electricity and gas supply licence conditions. Consequently, only licensed suppliers can seek derogations from the rules that apply to them. Where our rules impact on third parties as a result of the obligations we are placing on licensed suppliers, if such a third party, for example a White Label, wishes to apply for a derogation it would need to make a joint submission with the relevant supplier. Any derogation granted will **only** apply to the licensed party or parties who made the request, which may indirectly impact on an associated third party or parties.

2.5. Supplier representatives and other third parties can also suggest that we consider derogations for all suppliers, i.e. with a view to Ofgem making derogations on its own initiative.

Applying for a derogation

Submitting a request and timelines

2.6. Where a relevant licensee has identified that compliance with one or more tariff or information standard licence conditions has unintended consequences which

negatively impact consumers, the licensee may wish to consider making a written request for a derogation from the licence requirement to comply with such obligations. Requests should be sent to rmr@ofgem.gov.uk.

2.7. Ofgem will deal with derogation requests in a timely manner. However, depending on the nature of the request, one or more consultation rounds with external stakeholders may be required. On an enduring basis, it is envisaged that the minimum duration will be about 6 weeks, however the process could take up to 6 months.

2.8. We acknowledge that suppliers may come forward with urgent derogation requests in the early phases of the implementation of the RMR. It may therefore not be possible for us to adhere to these timelines for considering and deciding upon derogation requests for an interim period as the RMR is implemented. To help manage the transitional period and enable us to make decisions quickly and efficiently, we are proposing a series of deadlines by which we would require any derogation requests to be sent to us.

2.9. For those licence conditions coming into effect on Day 1 (23 October 2013) we would require any derogation requests to be submitted by 4 October 2013. Due to the possible consultation period resulting in a decision being made after 23 October 2013 we will consider the possibility of a retrospective derogation to cover the period between 23 October and the decision being made.

2.10. For the remainder of our rules, we would require any derogation requests to be submitted to us no later than two months before they take effect, to allow us to consider them and make a decision.

2.11. If Ofgem decides that it is appropriate to grant a derogation it will issue a direction to the licensee as soon as possible. The direction will specify the duration of the derogation, any alternative obligations that will apply in place of the licence conditions which are subject to the derogation, any other conditions which must be satisfied by the licensee (which may include reporting obligations) and the grounds for when Ofgem may consider revoking the derogation.

Minimum requirements of any request

2.12. The onus is on the licensee making a derogation request to prove there is a substantial negative impact (primarily) on consumers resulting from an unintended or unanticipated consequence of one or more RMR licence conditions. Other impacts can be presented and will be taken into consideration.

2.13. Any request should include as a minimum:

- **Details of the applicant** (typically the Company Secretary), including the full name and address of the licensee concerned;
- **A clear description of the issue** including:

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- Relevant licence condition(s);
 - The exact nature of the unintended consequences of RMR policy;
- A comprehensive and, wherever possible, quantitative assessment, of the impact of the unintended consequences on:
 - **Consumers**
 - Who is affected and what proportion of their customer base they constitute
 - The nature of the impact, financial or non-financial
 - The duration of the impact
 - **The licensee**
 - Customers affected – whole customer base or a particular subgroup (numbers and corresponding percentages of customer base and their characteristics, for example vulnerable consumers)
 - The licensee's ability to continue operating using their business model, or the impact of changing their model on their financial viability
 - Other parties affected by the non-compliance (if applicable);
- A description of the **proposal for addressing the unintended consequences** including, where applicable, a description of suitable **alternative obligations**;
- **Why a derogation is the only possible solution**; and
- **The proposed duration of the derogation requested.**

Our assessment of any requests

2.14. Each derogation request is assessed by Ofgem individually on its merits in terms of meeting, as a minimum, the requirements set out at paragraph 2.13 and the likely effect on consumers.

2.15. In its assessment, Ofgem, having regard to its principal objective and its general duties including the need to have regard to social and environmental guidance issued by government, will consider amongst other things the impact on:

- Consumers: we will consider the extent to which the unintended consequences affect consumers, for example through increased costs. We will also consider specific impacts on vulnerable consumers;
- Market distortion: we will consider for example, any competitive advantage that may arise from granting the derogation.

2.16. Our assessment will also take into account:

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- The nature of derogations already granted by Ofgem, the circumstances under which they were given and the conditions attached to them;
- The likelihood of similar derogation requests in the future;
- The impact of the decision on the RMR objectives, and evidence from our monitoring activities; and
- Any other relevant information.

2.17. These considerations will be useful in determining whether a licence modification will be more appropriate than a derogation, with a view of ensuring consistency in the way derogations are assessed and eventually granted across licensees.

2.18. We have set out below Ofgem's procedure for considering an application for derogation and the criteria that Ofgem proposes to apply when considering a derogation request.

Procedure

2.19. Ofgem may consult with the licensee making the request initially to clarify points relating to the derogation request and satisfy itself that there is a need for a derogation.

2.20. As part of its consideration of the request, Ofgem may consult with other parties as required.

Criteria

2.21. Ofgem, in light of its principal objective, will consider the case for granting a derogation subject to the following criteria:

- The minimum information requirements have been met;
- The request has been submitted as soon as possible after the unintended consequence of RMR has been identified, subject to the delays necessary in gathering the required information and its analysis;
- An assessment has been provided by the applicant that demonstrates:
 - Unintended consequences on consumers were clearly identified and wherever possible quantified;
 - Alternative ways of meeting the SLC requirements have been considered;

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- A suitable timeline for the derogation and plan of action for remedying the situation (if applicable) has been provided;
- Any potential detrimental impacts on consumers are minimised and are outweighed by the benefits of the derogation; and
- The RMR objectives – simpler, clearer, fairer for consumers – would still be met if a derogation were granted.

2.22. Other relevant information provided by the applicant will be taken into consideration. There could be cases where a derogation request would not necessarily need to meet all of the listed criteria, but Ofgem still considers it appropriate to grant a derogation. Likewise, there may be cases where even if all the criteria are met, Ofgem decides no derogation is granted. Ultimately Ofgem's principal objective will always be the key consideration as to whether it is appropriate to grant a derogation.

2.23. Ofgem will advise any applicant of additional information requirements that may be needed to assess any derogation request.

2.24. Ofgem will maintain a record of derogations that have been granted and may in some cases decide to incorporate a derogation monitoring activity (for example review periods).

Next steps

2.25. As previously stated, we acknowledge that as the market develops and adapts to the RMR requirements, our approach to derogations may need to be amended. Consequently, we will keep this guidance under review and may update it from time to time. In particular, we will reflect on our experience with the first derogation requests to determine whether any immediate changes are necessary.

Appendix 1 – SLCs that could be subject to derogation

Relevant domestic RMR licence conditions

1.1. The following RMR domestic licence conditions could be subject to derogation. Insofar as a definition applies to any of the SLCs below, it could also be subject to derogation powers.

- SLC 22A Unit Rate and Standing Charge requirements
- SLC 22B Restrictions on Tariff numbers and Tariff simplification
- SLC 22C Fixed Term Supply Contracts
- SLC 22CA Transitional provisions for standard condition 22C covering end of fixed term notices and rollovers
- SLC 22CB Transitional provisions for certain existing Fixed Term Supply Contracts
- SLC 22D Dead Tariffs
- 22E Unmetered Supply Arrangements
- 22F Bespoke Heating Arrangements
- SLC 23 Notification of Domestic Supply Contract terms
- SLC 23A Mutual Variations
- SLC 31A Bills, statements of account and Annual Statements
- SLC 31B Tariff Information Label
- SLC 31C Tariff Comparison Rate
- SLC 31D Temporary Provisions for White Label Tariffs
- SLC 31E Overarching requirements

Appendix 2 - Glossary

A

Annual Statement

A written document that suppliers must provide to each customer, each year. The Annual Statement contains a range of key tariff information, including tariff name, consumption over the previous 12 months, estimate of annual cost for the next 12 months and details of any premium or discount that applies to the tariff.

Automatic contract rollover ('auto-rollover')

Where, due to the terms of a contract, a supplier has the ability to extend the duration of an existing Fixed Term tariff or apply a new Fixed Term tariff without the consumer's positive assent.

Annual Bill

The amount that a customer would have to pay for gas and/or electricity over one whole year.

Authority

The Gas and Electricity Markets Authority.

B

Barrier to entry

A factor that may limit a firm's ability to enter the market.

Barrier to expansion

A factor that may limit a firm's ability to increase in size.

Big 6

The name collectively given to the six companies that hold supply licences and supply most of the energy to domestic households in the GB market. They are: Centrica plc (three retail brands, British Gas, Scottish Gas and Nwy Prydain in England, Scotland and Wales respectively), E.ON UK, Scottish and Southern Energy (SSE), RWE npower, EDF Energy and ScottishPower.

Bundled Products (Bundles)

An 'opt in' bundle for the purpose of this proposal is when consumers can add on additional services/products to their energy offering.

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A 'tied' bundle for the purpose of this proposal is a form of pure bundling where it is tied/mandatory to buy the entire bundle to receive all the products and services offered, ie the specific energy offering is only available with this particular bundled form.

An 'opt out' bundle for the purpose of this proposal is a when a consumer is presented with an entire bundled product and they are required to 'opt out' of the additional services if they wish to only purchase the energy element of the bundle or if they wish to 'opt out' of any one of the elements of the bundled product.

C

Code of Practice

A set of guidelines and principles to be followed by members of some profession, trade, or group.

Cooling-off period

Usually refers to a period of time after the consumer has entered into a contract or signed up to a tariff during which they can reverse their decision without incurring any cancellation fees.

Core tariff

The charges for supply of electricity/gas combined with all other terms and conditions that apply, or are in any way linked, to a particular type of contract for the supply of gas/electricity to a domestic customer excluding certain matters such as dual fuel discounts, variations in charges relating to payment method, appropriate surcharges and optional additional services.

Cross subsidise

The part financing of one product or activity by another.

D

Dead tariff

An Evergreen Tariff that is not an Open Tariff.

Deemed Contract

A contract deemed to be in place pursuant to paragraph 8 of schedule 2B to the Gas Act 1986 and/or paragraph 3 of schedule 6 to the Electricity Act 1989, eg where a customer takes a supply of electricity and/or gas otherwise than under a contract that has been expressly entered into with a supplier.

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Department for Energy and Climate Change (DECC)

The UK government department responsible for energy and climate change policy.

Derogation

An exemption from or relaxation of a rule.

Direct debit (DD)

A method of payment where a fixed or variable amount is taken from a bank account each month, quarter or year.

Domestic customer

A customer that uses energy for non-commercial purposes.

Domestic energy suppliers

Companies who sell energy to and bill domestic customers in Great Britain.

Dual Fuel (DF)

A type of energy contract where a customer takes gas and electricity from the same supplier.

Dynamic Teleswitching (DTS)

A particular type of electricity meter where the tariffs have a control unit that allows the supplier (or distribution company) to switch the metered supply remotely by radio teleswitch. The Radio Teleswitching Access Provider controls the radio switches, and therefore heating load, following instructions from the supplier.

E

Economies of scale

The efficiency gains made when the average cost of producing a good or providing a service falls as output increases.

Economy 7 / Economy 10

A type of tariff that has different unit rates for consumption during the day and during the night. The number following 'Economy' refers to the number of hours for which night-time rates are available.

End of Contract Notification

A communication from a supplier to a consumer, indicating that the fixed term period of the consumer's energy supply contract is due to expire, and setting out the arrangements that the consumer will default to and the options available to the consumer to act in response to this notification.

Evergreen contract

A supply contract of indefinite duration which may be terminated by the customer by giving notice in accordance with the contractual terms, eg 28 days' notice.

Ex-PES

The previous Public Electricity Supplier (PES) for one of the 14 electricity regions in England, Wales and Scotland. From privatisation in 1990 until 1998 the ex-PES had a monopoly of electricity supply and distribution in their designated areas. Local distribution is still a monopoly regulated by Ofgem, however, competition has been introduced in supply, and so these 14 suppliers (consolidated now into five) are known as ex-PES suppliers. The 14 regions are detailed below, together with the name of today's ex-PES company for each region.

Region	Supplier Group
London	EDF Energy
Seeboard	
SWEB	
East Midlands	E.ON UK
Eastern	
Norweb	
Midlands	RWE npower
Northern	
Yorkshire	
Scottish Hydro	SSE
Southern	
Swalec	
Manweb	Scottish Power
Scottish Power	

F

Fixed price tariff

A tariff that guarantees that the price paid per unit of gas or electricity used will not change for a given period of time.

Fixed term tariff

A tariff with a fixed end date.

Fuel poverty

Households who need to spend more than 10 per cent of their annual income on fuel to maintain an adequately heated home.

G

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Green Deal

A scheme that allows householders to improve the energy efficiency of their homes and repay the cost through energy bills.

Green tariff

A tariff that is promoted primarily on the basis of its association with renewable energy sources and/or climate change mitigation.

I

In-area customers

Customers of an electricity supplier who are located within the supplier's original ex-PES region.

Incumbent suppliers

See ex-PES suppliers.

Intermediary

An organisation that can help consumers to switch energy tariffs.

K

kWh

Kilowatt-hour is a unit used to measure energy consumption in both electricity and gas.

L

Loyalty discount

A discount that is paid at a pre-specified point in time if the consumer does not switch energy suppliers.

M

Market segmentation

The process of splitting customers, or potential customers, in a market into different groups, or segments.

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Market share

The proportion of total customers (usually as proxied by the number of meter points) within a market that are registered to a particular supply group.

Mutual variation

An amendment to the terms and/or conditions (including price) of a consumer's energy supply contract, agreed with the consumer. The consumer would not be obliged to accept the proposed variation. The variation can only be binding following express agreement from the consumer.

MWh

A megawatt hour. Equal to 1000 kWh.

N

New entrant

An entrant that does not have an incumbent customer base.

Non Time of Use tariff (Non-ToU)

A tariff that is not a Time of Use (ToU) tariff.

O

Office of Fair Trading (OFT)

The body established by the Enterprise Act 2002 (which replaced the office of Director General of Fair Trading) with functions that include enforcing consumer protection law and competition law, reviewing mergers and conducting market studies.

Ombudsman Services: Energy

Ombudsman Services: Energy means the Ombudsman Services provided to Energy Suppliers and Energy Network Operators. The Ombudsman's principal aim is to receive complaints made by complainants in accordance with the *Ombudsman Services Terms of Reference* and to consider and, where appropriate, investigate such complaints in order to encourage and/or facilitate the terms of their resolution, settlement and/or withdrawal.

Online tariff

A tariff for the supply of electricity/gas which may only be entered into via a website, and/or a tariff which must be managed fully or partly by a customer via a website.

Open tariff

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A Tariff that is available to new and existing customers at any given time.

Out-of-area customers

Customers of an electricity supplier who are located outside of the supplier's original ex-PES region.

P

Personal projection

The estimated cost of energy to a consumer over a 12 month period, based on a specified methodology and the best available information about that consumer's consumption.

Prepayment

A method of payment where consumers pay for credit to their account. Their meter deducts credit from the account based on the amount of energy used by the consumer and the rates that apply to the consumer's tariff.

Price Increase Notification (PIN)

If a supplier increases the price of a tariff, then under Ofgem's licence obligations it must notify the consumer at least 30 days in advance of the date on which the price increase takes effect.

S

Self regulation

Industry regulation without Ofgem's binding licence conditions. However, if self regulation is not operating as Ofgem would hope, licence conditions may be introduced.

Smart meter

A meter that provides measured gas or electricity consumption data for multiple time periods, and is able to provide the relevant supplier with remote access to such data.

Small suppliers

Suppliers which operate in the domestic gas and electricity market but do not hold significant market share. This can refer to all suppliers other than the Big 6.

Standards of Conduct (SOC)

A written policy and procedure that outlines broad standards of integrity and business ethics.

Standard credit

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A method of payment where the consumer receives a bill for their energy use over a number of months and pays their bill by cash or cheque.

Standing charge

In respect of the supply of gas/electricity to a customer's premises, a monetary amount that is continuously chargeable to a customer on a daily basis and which is chargeable in addition to charges arising on the basis of a unit rate.

Standard Licence Conditions (SLCs)

The legally binding conditions that licensed gas and electricity suppliers must meet to supply to domestic and non-domestic customers, in accordance with the Gas Act (1986) and Electricity Act (1989).

Surcharge

An additional and exceptional charge added to the usual charge(s).

Switching

The process of changing gas or electricity supplier, or changing to a new tariff with the same supplier.

Switching window

The period in which a consumer is eligible to switch supplier, in response to an End of Contract Notification, in which they will not be subject to any Termination Fees or be required to notify their supplier of their intention to switch.

T

Tariff

The charges for supply of electricity/gas combined with all other terms and conditions that apply, or are in any way linked, to a particular type of contract for the supply of electricity/gas to a domestic customer.

Tariff Comparison Rate (TCR)

A metric that would allow consumers to compare the price of energy tariffs on a like-for-like basis using a typical consumption figure.

Tariff Information Label (TIL)

A table of key facts that would allow consumers to compare the price and non-price features of energy tariffs on a like-for-like basis.

Tariff structure

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The way in which a tariff's charges are structured. For example, currently some tariffs have a single unit rate whilst others have more than one unit rate (multi-rate).

Termination (exit) fees

Where part of their contract, these are the contractually agreed price a customer must pay if they terminate their contract before the agreed contract end date.

Third Package

The term 'Third Package' refers to a package of EU legislation on European electricity and gas markets that entered into force on the 3rd September 2009. The purpose of the Third Package is to further liberalise European energy markets. DECC is primarily responsible for its transposition in Great Britain and must do this by the 3rd March 2011.

Time of Use tariff (ToU)

A tariff where the charges vary by the time when the energy is consumed, for example through different unit rates for energy consumed during the day and during the night.

Tracker tariff

Currently, this is a tariff where the price per kWh for gas/electricity will vary in reference to other prices or indices. For example this can be the price of another tariff from another supplier. These tariffs will no longer be able to track the price of tariffs offered by suppliers, but only a published stock exchange quotation or index or a financial market rate over which the supplier has no control.

U

Unilateral variation

An amendment to the terms and/or conditions (including price) of a consumer's energy supply contract, which is provided for in the contract and is at the sole discretion of the supplier.

Unit rate

The monetary amount that is chargeable in respect of each unit of gas/electricity consumed.

V

Variation

An amendment to the terms and/or conditions (including price) of a consumer's energy supply contract.

W

[White label tariff](#)

A tariff offered by a licensed energy supplier but uses the brand name of a non-licensed entity (excluding a brand name of the corporate group to which the licensed supplier belongs). The price and terms of the tariff may replicate those of the licensed supplier or may be modified to suit the specific needs of the brand. The legal relationship between the customer and the licensed energy supplier remain unchanged irrespective of the brand utilised for sales and marketing purposes.