

**To: All holders of a gas supply licence ("licensees") who are relevant licence holders for the purposes of section 23(10) of the Gas Act 1986**

**MODIFICATION PURSUANT TO SECTION 23 OF THE GAS ACT 1986 OF THE STANDARD CONDITIONS OF THE GAS SUPPLY LICENCES GRANTED OR TREATED AS GRANTED UNDER SECTION 7A(1) OF THE GAS ACT 1986**

**NOTICE OF REASONS FOR THE DECISION TO MODIFY THE STANDARD CONDITIONS OF THE GAS SUPPLY LICENCE UNDER SECTION 38A OF THE GAS ACT 1986.**

**WHEREAS:**

1. Each of the companies to whom this notice is addressed holds a gas supply licence granted or treated as granted pursuant to section 7A(1) of the Gas Act 1986 (the "Act").
2. In accordance with section 23(2), (3) and (4) of the Act, the Gas and Electricity Markets Authority (the "Authority")<sup>1</sup> gave notice ("Notice") on 13 June 2016 that it proposed modifying the standard conditions of the gas supply licence by removing standard condition 26 ("Services for specific Domestic Customer groups") and replacing it with a new standard condition 26 ("Priority Services Register"). The Notice required any representations with respect to the proposed modification to be made on or before 15 July 2016.
3. A copy of the Notice was sent to the Secretary of State in accordance with section 23(4)(b) of the Act, and we have not received a direction that the modification should not be made.
4. We received 30 responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. A copy of the non-confidential representations received by Ofgem are available free of charge from the Ofgem Knowledge Management Team, 9 Millbank, London, SW1P 3GE.
5. The Authority has carefully considered the representations made and, subject to a typographical change and changes made to paragraph 26.5(c) of new standard condition 26 (which are explained in the decision document), has decided to proceed with the modification proposed in the Notice.
6. In accordance with section 38A of the Act, the reasons for making the licence modification are to implement the policy stated in the following documents:
  - (a) Modifications decision document, 25 October 2016;
  - (b) Priority Services Register Review – Statutory Consultation 13 June 2016; and
  - (c) Priority Services Register Review – Final Proposals 17 December 2015.

In summary, this modification is being made because the Authority has identified a number of issues with the current regulatory arrangements which are impacting on the effectiveness of the Priority Services Register and are resulting in poor outcomes for consumers in vulnerable situations.

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<sup>1</sup> The terms "the Authority", "we" and "Ofgem" are used interchangeably in this document.

7. The effects of this modification are described in the documents referred to in paragraph 6 of this Notice. In summary, the effects of this modification include replacing the existing regulatory obligations with a more principles-based approach in order to improve customer awareness of the Priority Services Register and require suppliers to take a flexible approach with the Priority Services they offer to best meet the needs of individual customers.
8. Where an application for permission to appeal the Authority's decision is made to the Competition and Markets Authority (CMA) under section 23B of the Act, Rule 5.7 of the CMA's Energy Licence Modification Appeals Rules<sup>2</sup> requires that the appellant send a non-confidential notice to any relevant licence holders who are not parties to the appeal, setting out the matters required in Rule 5.2. Schedule 2 to this Notice provides a list of the relevant licence holders in relation to the modification. Section 23(10) of the Act sets out the meaning of "relevant licence holder".

**Now therefore**

In accordance with the powers contained in section 23(1)(b) of the Act, the Authority hereby modifies the standard conditions for all gas supply licences in the manner specified in attached Schedule 1. The modification will take effect on and from 1 January 2017, a date which is at least 56 days from the publication of this Notice.

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



.....  
**Anthony Pygram, Partner  
Duly authorised on behalf of the  
Gas and Electricity Markets Authority**

**25 October 2016**

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<sup>2</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 CMA.

## SCHEDULE 1

### **MODIFICATION PURSUANT TO SECTION 23(1)(b) OF THE GAS ACT 1986 OF THE STANDARD CONDITIONS OF THE GAS SUPPLY LICENCE GRANTED OR TREATED AS GRANTED UNDER SECTION 7A(1) OF THE GAS ACT 1986**

The text below constitutes the modification to replace standard condition 26 of the gas supply licence (insertions are shown in underlined text and deletions in strikethrough text):

#### **Condition 26. Priority Services Register**

##### **Duty to establish a Priority Services Register**

26.1 The licensee must:

(a) establish and maintain a Priority Services Register of its Domestic Customers, who, due to their Personal Characteristics or otherwise being in a vulnerable situation, may require Priority Services;

(b) take all reasonable steps to promote the existence of the Priority Services Register and the Priority Services which may be available from the licensee; and

(c) take all reasonable steps (which are appropriate in the circumstances, having regard to the interests of the Domestic Customer) to:

(i) identify such Domestic Customers in the course of interactions between the licensee and Domestic Customers, and

(ii) offer to add any or all of the Minimum Details to the Priority Services Register during interactions.

26.2 In so far as permitted by any laws relating to data protection and/or privacy, the licensee must add the Minimum Details to the Priority Services Register.

##### **Duty to share information**

26.3 In so far as permitted by any laws relating to data protection and/or privacy, the licensee must share the Minimum Details using the Relevant Industry Mechanisms.

##### **Duty to offer services**

26.4 The licensee must offer (and, if accepted, provide), free of charge, to any of its Domestic Customers which have been added to the Priority Services Register, such of the Priority Services as the Domestic Customer may reasonably require on account of his or her Personal Characteristics or vulnerable situation.

26.5 The Priority Services are appropriate mechanisms and arrangements to enable the following:

(a) the Domestic Customer receiving additional support to assist him or her to identify any person acting on behalf of the licensee,

(b) a person nominated by, or otherwise legally entitled to act on behalf of, the Domestic Customer being able to receive communications relating to their account,

(c) the reading (and provision of that reading to the Domestic Customer) of the Domestic Customer's Gas Meter at appropriate intervals, if the Domestic Customer is unable to do so and there is no other person the Domestic Customer could reasonably nominate to do so on their behalf,

(d) functionality of the Domestic Customer's Prepayment Meter which is Safe and Reasonably Practicable in all the Circumstances of the Case,

(e) communications with the Domestic Customer in an accessible format that is, so far as is reasonably practicable, appropriate to the Domestic Customer's needs on the basis of their Personal Characteristics and/or vulnerable situation, and

(f) such further or additional services (of a similar non-financial nature as sub-paragraphs 26.5(a) to (e)) as the licensee identifies are appropriate to the needs of its Domestic Customers and reasonably practicable for the licensee to provide.

### **Compliance with data protection and/or privacy laws**

26.6 For the purposes of its obligations under standard condition 26 (including in respect of obtaining, recording, using and sharing information), the licensee must comply with any laws relating to data protection and/or privacy.

### **Definitions for condition**

26.7 In this condition:

**"Minimum Details"** means the Domestic Customer's name, details of any relevant Personal Characteristics and/or vulnerable situation, and such other details which are relevant to the subject matter of standard condition 26 as the Authority may from time to time specify by publishing a statement in Writing (following public consultation and giving at least two months' prior notice).

**"Personal Characteristics"** means:

(a) the Domestic Customer being of Pensionable Age;

(b) the Domestic Customer being chronically sick, or having an impairment, disability, or long term medical condition (including but not limited to a visual, auditory or mobility impairment);

(c) any other characteristics identified by the licensee as being relevant due to the nature of the Priority Services.

**"Priority Services"** is to be interpreted in accordance with paragraph 26.5.

**"Relevant Industry Mechanisms"** means arrangements for the purposes of sharing the Minimum Details with specified persons as:

- (a) set out in the Supply Point Administration Agreement and/or the Uniform Network Code, or
- (b) designated by the Authority by publishing a statement in Writing (following public consultation and giving at least two months' prior notice).

"Safe and Reasonably Practicable in all the Circumstances of the Case" is to be interpreted in accordance with paragraph 28.1B of standard condition 28.

**~~Condition 26. Services for specific Domestic Customer groups~~**

**~~Customers who are of Pensionable Age, disabled or chronically sick~~**

~~26.1—If a Domestic Customer who is of Pensionable Age, disabled or chronically sick requests it and it is appropriate and reasonably practicable for the licensee to do so, the licensee must, free of charge:~~

~~(a)—agree a password with the customer that can be used by any person acting on the licensee's behalf or on behalf of the Relevant Gas Transporter to enable that customer to identify that person;~~

~~(b)—send each Bill or statement of account in relation to the supply of gas to the customer's premises to any other person that the customer nominates, if that person agrees to receive them;~~

~~(c)—if the customer informs the licensee that no person occupying his premises is able to read the Gas Meter there, arrange to read that meter at least once each quarter and inform the customer of that reading; and~~

~~(d)—if Charges for the Supply of Gas are recovered through a Prepayment Meter and the customer cannot readily make payments through that meter because of infirmity, arrange to move that meter so that the customer can access it.~~

**~~Blind, partially sighted, deaf or hearing impaired customers~~**

~~26.2—When asked to do so by, or by someone acting on behalf of, a blind or partially sighted Domestic Customer, the licensee must, by means that are readily accessible to such customers, provide information free of charge about any Bill or statement of account relating to the supply of gas or any other service provided to the customer by the licensee.~~

~~26.3—The licensee must provide facilities, free of charge, which enable any Domestic Customer who:~~

~~(a)—is blind or partially sighted; or~~

~~(b)—is deaf or hearing impaired and in possession of appropriate equipment, to ask or complain about any Bill or statement of account relating to the supply of gas or any other service provided to that customer by the licensee.~~

**~~Duty to establish Priority Services Register~~**

~~26.4—The licensee must establish and maintain a Priority Services Register which lists all of the licensee's Domestic Customers who:~~

~~(a)—are of Pensionable Age, disabled or chronically sick; and~~

~~(b)—have either:~~

~~(i)—asked in person for their name to be added to the Priority Services Register; or~~

~~(ii)—had a person ask on their behalf for their name to be added to it.~~

~~26.5—When a Domestic Customer’s name is added to the Priority Services Register, that customer must be given, free of charge, advice and information on the services that are available to him under paragraphs 26.1 to 26.3 because of his age, disability or chronic sickness.~~

~~26.6—At least once each year, the licensee must take all reasonable steps to inform each of its Domestic Customers that the Priority Services Register exists and of how Domestic Customers who are of Pensionable Age, disabled or chronically sick may become listed on it.~~

### **~~Information to Relevant Gas Transporter~~**

~~26.7—The licensee must give the Relevant Gas Transporter the following information insofar as it is relevant to the performance of that transporter’s obligations under the Gas Transporter Licence:~~

~~(a)—details relating to any person who has agreed a password with the licensee, including what that password is; and~~

~~(b)—details of any person registered on the Priority Services Register.~~

### **~~Provision of information~~**

~~26.8—The licensee must:~~

~~(a)—prepare a statement that sets out, in plain and intelligible language, its obligations under this condition;~~

~~(b)—publish that statement on and make it readily accessible from its Website (if it has one);~~

~~(c)—take all reasonable steps to inform each of its Domestic Customers, at least once each year, of that statement and how to obtain it; and~~

~~(d)—give a copy of the statement on request and free of charge to any person.~~

## **SCHEDULE 2 – LIST OF RELEVANT LICENCE HOLDERS**

1 North Utilities Ltd  
1st Direct Utilities Limited  
Addito Supply Limited  
Affect Energy Ltd  
Avro Energy Limited  
Axis Telecom Limited  
Azacca Energy Limited  
Barbican Power Limited  
Better Energy Supply Limited  
Bluebell Energy Supply Limited  
Bor Energy Limited  
Breeze Energy Supply Limited  
Brilliant Energy Supply Limited  
Bristol Energy & Technology Services  
(Supply) Limited  
British Gas Trading Limited  
Brook Green Trading Limited  
Bruntwood Energy Services Limited  
Bulb Energy Ltd  
Bullion Energy Limited  
Business Power and Gas Limited  
Cardiff Energy Supply Limited  
Celesto Enterprises Limited  
Co-Operative Energy Limited  
Corona Energy Retail 4 Limited  
Cowpow Limited  
Crown Gas and Power Limited  
Crown Oil Limited  
Daffodil Energy Supply Limited  
Daisy Energy Supply Limited  
Daligas Limited  
Donnington Energy Limited  
Dual Energy Direct Limited  
Effortless Energy Ltd.  
ENGIE Power Limited  
E.ON Energy Gas (Eastern) Limited  
E.ON Energy Solutions Limited  
Eclipse Energy Supply Limited  
Economy Energy Supply Ltd  
Economy Energy Trading Limited  
EDF Energy Customers Plc  
E (Gas and Electricity) Limited  
Entice Energy Supply Limited  
Enstroga Ltd  
Envy Energy Limited  
Eversmart Energy Ltd  
Extra Energy Supply Limited  
Fairline Gas Ltd  
First Utility Limited  
Flogas Britain Limited  
Flow Energy Limited  
Foxglove Energy Supply Limited

Future Energy (Supply) Limited  
Galena Energy Limited  
Gas Plus Supply Limited  
GB Energy Supply Ltd  
GEN4U Ltd  
GnERGY Limited  
Golding Energy Limited  
Green Energy (UK) plc  
Greengen Direct Limited  
Green Network Energy Ltd  
Good Energy Gas Limited  
Hartree Partners Supply (UK) Limited  
Holborn Energy Limited  
Home Counties Energy Plc  
Hudson Energy Supply UK Limited  
Iresa Limited  
I Supply Energy Limited  
Jacob Developments Limited  
Kensington Power Limited  
Labrador Ltd  
Lavender Energy Supply Limited  
Loco2 Energy Supply Ltd.  
Locus Energy Ltd  
Lovely Energy Limited  
Mint Energy Supply Limited  
Mongoose Energy Supply Limited  
MyLife Home Energy Limited  
Nabuh Energy Ltd  
Nationwide Electricity Limited  
Newport Energy Limited  
Npower Direct Limited  
Npower Gas Limited  
Npower Northern Limited  
Npower Yorkshire Limited  
Octopus Energy Limited  
Oneselect Limited  
Opal Energy Limited  
Opal Gas Limited  
Opus Energy Limited  
Opus Gas Supply Limited  
Our Power Energy Supply Limited  
Ovo Gas Limited  
Palladium Energy Supply Limited  
Pan-Utility Limited  
Pioneer Energy Limited  
Places for People Energy Limited  
Pozitive Energy Ltd  
Retford Gas Limited  
Robin Hood Energy Limited  
Rose Energy Supply Limited  
Scottish Power Energy Retail Limited  
Seaboard Energy Gas Limited  
Shale Gas UK Limited  
Simple Energy Scotland Limited



Sing Power Limited  
Smarter Eco Energy Limited  
So Energy Trading Limited  
Southern Electric Gas Limited  
Spark Energy Supply Limited  
Squeaky Clean Energy Limited  
Sunflower Energy Supply Limited  
Switch Business Gas and Power Ltd  
Symbio Energy Solutions LLP  
Telecom Plus PLC  
The Renewable Energy Company Limited  
Tonik Energy Limited  
Total Gas & Power Limited  
Toto Energy Ltd.  
Tulip Energy Supply Limited  
UK National Gas Ltd  
UK Healthcare Corporation Limited  
Utilita Energy Limited  
Utilita Gas Limited  
Vavu Power Limited  
Zog Energy Limited