

## **Euston Energy Limited**

### **Electricity Act 1989 and Gas Act 1986**

**Final Order of the Gas and Electricity Markets Authority (“the Authority”) made under section 25(1) of the Electricity Act 1989 (“EA89”) and 28(1) of the Gas Act 1986 (“GA86”).**

To:

Euston Energy Limited, trading as Northumbria Energy (company number 09844783) whose registered office is situated at 2 Eastbourne Terrace, London, W2 6LG is the holder of an electricity supply licence and gas supply licence issued by the Authority on 31 October 2016 under section 6(1)(d) of the EA89 and section 7A(1) of the GA86 respectively.

### **WHEREAS:**

- A. Euston Energy Limited (“Euston”) is a licensed supplier of electricity and gas to Domestic Premises in Great Britain and is subject to the requirement to be a DCC User by the date specified in accordance with standard licence condition (“SLC”) 48.8 and SLC 42.8 of the electricity and gas supply licences (collectively referred to hereinafter as “the Relevant Condition”).
- B. Specifically, all domestic energy suppliers are required to be a member of the Smart Energy Code (“SEC”) in accordance with SLC 48.1 and SLC 42.1 of the electricity and gas supply licences. This is one of the preconditions to the requirement for all energy suppliers (other than Large Energy Suppliers as defined in the electricity and gas supply licences) to be a DCC User (as defined in SLC 48.11 and SLC 42.11 of the electricity and gas supply licences) under the Relevant Condition.
- C. In accordance with the Relevant Condition, the Secretary of State for Business, Energy and Industrial Strategy (“the Secretary of State”) issued a direction on 25 November 2016 requiring Large Energy Suppliers to be DCC Users by 25 May 2017 and requiring other energy suppliers to be DCC Users by 25 November 2017, or by

the date that the supplier exits Controlled Market Entry ("CME"), whichever is later.<sup>1</sup> Therefore, Euston was required to be a DCC User from the date that it exited CME.

- D. As of the date of the Final Order, Euston has failed to comply with the Relevant Condition and is not a DCC User. The DCC User Entry process must be completed by all suppliers before they can use the DCC system and provides protection for consumers by confirming the supplier meets core security, operational and financial requirements. The DCC User Entry process is set out in Section H of the SEC. Completion of the DCC User Entry process is a precondition to becoming a DCC User in accordance with the Relevant Condition.
- E. Euston's failure to be a DCC User may result in the loss of smart functionality for customers who switch to Euston with a first generation smart meter or a second generation smart meter, resulting in the risk of receiving inaccurate bills, confusion as the In-Home Display unit would display the tariff of the previous supplier, and the risk of loss of confidence in the smart meter programme and the switching process.
- F. The Authority is satisfied that:
  - a) Euston is contravening the Relevant Condition, by not being a DCC User; and
  - b) the inclusion of the obligations set out below upon Euston within a Final Order, made under section 25(1) of the EA89 and section 28(1) of the GA86, are requisite for the purpose of securing Euston's compliance with the Relevant Condition.

**NOW THEREFORE:**

The Authority, pursuant to section 25(1) of the EA89 and section 28(1) of the GA86 makes a Final Order requiring Euston:

- i. to be a DCC User by no later than 31 March 2020; and

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<sup>1</sup> In an [open letter](#) dated 1 December 2017, Ofgem stated that it would not take action against suppliers in CME.

- ii. not to acquire any new customers or add any customer accounts by upgrading to dual fuel from the date that the Final Order is made until Euston has satisfied the Authority that it has become a DCC User.

Date: 6 March 2020

Signed:

Megan Forbes - Chair  
Elizabeth France  
Peter Hinchliffe

**Enforcement Decision Panel**

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