

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

**Electricity Act 1989
Section 11A(1)(b)**

MODIFICATION PURSUANT TO SECTION 11A OF THE ELECTRICITY ACT 1989 OF THE STANDARD CONDITIONS OF THE ELECTRICITY DISTRIBUTION LICENCES GRANTED OR TREATED AS GRANTED UNDER SECTION 6(1)(c) OF THE ELECTRICITY ACT 1989

NOTICE OF REASONS FOR THE DECISION TO MODIFY THE STANDARD CONDITIONS OF THE ELECTRICITY DISTRIBUTION LICENCE UNDER SECTION 49A OF THE ELECTRICITY ACT 1989.

WHEREAS:

1. Each of the companies to whom this notice is addressed holds an electricity distribution licence granted, or treated as granted, pursuant to section 6(1)(c) of the Electricity Act 1989 (the "Act").
2. In accordance with section 11A (2), (3) and (4) of the Act, the Gas and Electricity Markets Authority (the "Authority")¹ gave notice ("Notice") on 13 June 2016 that it proposed modifying the standard conditions of the electricity distribution licence by amending standard condition 10 (Special services and complaints procedure). 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 11A(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 the changes, which are explained and set out in the decision document, has decided to proceed with all the modifications proposed in the Notice.
6. In accordance with section 49A of the Act, the reasons for making the licence modifications is 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

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

the effectiveness of the Priority Services Register and are potentially restricting the outcomes for consumers in vulnerable situations.

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 electricity distributors 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 11C of the Act, Rule 5.7 of the CMA's Energy Licence Modification Appeals Rules² 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 these modifications. Section 11A(10) of the Act sets out the meaning of "relevant licence holder".

Now therefore

In accordance with the powers contained in section 11A(1)(b) of the Act, the Authority hereby modifies the standard conditions for all electricity distribution 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**



.....
**Kersti Berge, Partner, RIIO Networks
Duly authorised on behalf of the
Gas and Electricity Markets Authority**

25 October 2016

² 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 11A OF THE ELECTRICITY ACT 1989 OF THE STANDARD CONDITIONS OF THE ELECTRICITY DISTRIBUTION LICENCES GRANTED OR TREATED AS GRANTED UNDER SECTION 6(1)(c) OF THE ELECTRICITY ACT 1989

The text below constitutes the modification to standard condition 10 of the electricity distribution licence (insertions are shown in underlined text and deletions in strikethrough text):

Condition 10. Special services

10.1 The licensee's obligations under this condition apply in relation to Domestic Customers at premises connected to the licensee's Distribution System.

Duty to establish and maintain a Priority Services Register

10.2 The licensee must establish and maintain a Priority Services Register which contains such details of Priority Services Register Customers ("PSR Customers") as will enable the licensee to fulfil its obligations to them under this condition.

10.3 The licensee must set up and maintain practices and procedures to identify Domestic Customers who may be eligible to become PSR Customers as a result of its customer interactions, and offer to add them to the Priority Services Register.

10.34 PSR Customers are Domestic Customers who:

(a) are either

(i) of Pensionable Age, disabled, or chronically sick, or live with children aged under 5; and or

(b) because they have special communication needs or are dependent on electricity for medical reasons, require certain information and advice about interruptions in the supply of electricity to their premises; and due to otherwise being in a vulnerable situation, in need of additional services related to their access, safety, and communication needs; and

(c) have either:

(i) personally asked the licensee to add their name to the Priority Services Register, or

(ii) had a person acting on their behalf ask for their name to be added to ~~it~~ the Priority Services Register, or

(iii) had a Relevant Supplier or Relevant Gas Transporter ask for their name to be added to ~~it~~ the Priority Services Register.

Duty to give information and advice to PSR Customers

10.45 The licensee must:

(a) when a PSR Customer's name is first added to the Priority Services Register, give that customer (or their representative) appropriate information and advice about what precautions to take and what to do in the event of interruptions in the supply of electricity to the customer's premises;

(b) when it needs to make a planned interruption in the supply of electricity to a PSR Customer's premises, give that customer (or their representative) such prior advice and information as may be appropriate in relation to that event; and

(c) ensure, so far as is reasonably practicable, that during any unplanned interruption of supply to their premises, PSR Customers are promptly notified and kept informed:

(i) of the time at which the supply is likely to be restored, and

(ii) of any help that may be able to be provided.

10.56 The licensee must provide the information given under paragraph 10.45:

(a) free of charge to any PSR Customer; and

(b) when asked to do so by a PSR Customer (or their representative) with additional communication needs (including a visual or hearing impairment) ~~who is blind, partially sighted, deaf, or hearing impaired,~~ in a manner or a format that is suitable for that customer's special additional communication needs.

Provision of information to the Relevant Supplier and Relevant Gas Transporter

10.67 Where a request for inclusion on the Priority Services Register has come directly from the PSR Customer or a third party (other than the Relevant Supplier or Relevant Gas Transporter) who is acting on behalf of that customer, in so far as permitted by any laws relating to data protection and/or privacy, the licensee must give the Relevant Supplier and/or Relevant Gas Transporter such details of that customer and their reasons for being included on the register, in such form and at such intervals, as are relevant to the performance of that supplier's and/or gas transporter's obligations under their Supply licence.

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

Services for other vulnerable Domestic Customers

10.79 ~~If a Domestic Customer who is of Pensionable Age, disabled, or chronically sick asks it to do so,~~ The licensee must offer, free of charge, to agree a password, ~~free of charge,~~ with that PSR Customer (or their representative) that can be used by any Representative of the licensee to enable the customer to identify that person.

10.810 The licensee must provide facilities, free of charge, which enable any Domestic Customer (or their representative) who is ~~is~~ has additional communication needs

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

~~(b) deaf or hearing impaired and in possession of appropriate equipment,~~

to ask or complain about any service provided by the licensee.

Requirement to publicise services and procedure

10.911 The licensee must prepare statements, in plain and intelligible language, that set out and explain its arrangements for complying with its obligations under paragraphs 10.2 to 10.810 (including how PSR Customers may become listed on its Priority Services Register).

10.102 In relation to statements prepared under paragraph 10.911, the licensee must:

(a) publish them on and make them readily accessible from its Website (if it has one);

(b) take all reasonable steps to inform Domestic Customers, at least once a year, of the existence of the statements and how to obtain them;

(c) when asked to do so by a Domestic Customer (or their representative) ~~who is blind, partially sighted, deaf, or hearing impaired~~ with additional communication needs, provide the statements in a manner or a format that is suitable for that customer's ~~special~~ additional communication needs;

(d) when asked to do so, provide to a person whose first language is not English such assistance or advice as will enable that person to understand the contents of the statements; and

(e) give a copy of a statement on request and free of charge to any person.

10.113 The statements prepared under paragraph 10.911 may, at the licensee's choice, be published in the form of a single document that may also include the statement referred to in standard condition 8 (Safety and Security of Supplies Enquiry Service) and standard condition 9 (Arrangements for access to premises).

Other Domestic Customers and other services

10.124 Nothing in this condition prevents the licensee from:

(a) including Domestic Customers additional to those specified at paragraph 10.34 in its Priority Services Register; or

(b) providing services to Domestic Customers that exceed those required under this condition.

Interpretation

10.135 In this condition, in relation to a Domestic Customer:

Pensionable Age means pensionable age within the meaning given by section 48(2B) of the Gas Act 1986.

Relevant Supplier means the supplier of electricity to that customer's premises.

Relevant Gas Transporter means the licensed gas transporter to whose gas distribution network that customer's premises are connected.

SCHEDULE 2 – LIST OF RELEVANT LICENCE HOLDERS

Eastern Power Networks Plc
Electricity North West Limited
Energetics Electricity Limited
ESP Electricity Limited
G2 Energy IDNO Limited
Harlaxton Energy Networks Limited
Independent Power Networks Limited
London Power Networks Plc
Northern Powergrid (Northeast) Limited
Northern Powergrid (Yorkshire) Plc
Peel Electricity Networks Limited
Scottish Hydro Electric Power Distribution Plc
South Eastern Power Networks Plc
Southern Electric Power Distribution Plc
SP Distribution Plc
SP Manweb Plc
The Electricity Network Company Limited
UK Power Distribution Limited
Utility Assets Limited
Western Power Distribution (East Midlands) Plc
Western Power Distribution (South Wales) Plc
Western Power Distribution (South West) Plc
Western Power Distribution (West Midlands) Plc