

To: All holders of a gas transporter licence who are relevant licence holders for the purposes of section 23(10) of the Gas Act 1986.

Please note: this Notice replaces the earlier version published on 25 October 2016, to correct two erroneous references to the standard conditions. The references should have been to the standard special conditions.

**GAS ACT 1986
SECTION 23(1)(a)**

MODIFICATION PURSUANT TO SECTION 23(1)(a) OF THE GAS ACT 1986 OF THE STANDARD SPECIAL CONDITIONS OF THE GAS TRANSPORTER LICENCE GRANTED OR TREATED AS GRANTED UNDER SECTION 7 OF THE GAS ACT 1986.

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

WHEREAS:

1. Each of the companies to whom this notice is addressed holds a gas transporter licence granted, or treated as granted, pursuant to section 7 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")¹ gave notice ("Notice") on 13 June 2016 that it proposed modifying the standard special conditions of the gas transporter licence which apply to gas network distribution operators by amending standard special condition D13 (Provision of services for specific domestic customer groups). 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 the changes, which are explained and set out 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 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

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

(c) Priority Services Register Review – Final Proposals 17 December 2015.

In summary, this modification is being made because the Authority has identified that the current regulatory arrangements could be improved to shift the responsibility onto licensees to identify consumers in vulnerable situations and to widen the eligibility requirements to ensure that consumers in vulnerable situations are provided with these services effectively.

7. The effects of this modification are described in the documents referred to in paragraph 6 of this Notice. In summary, the effects of the modification include amending the existing regulatory obligations with a more principles-based approach in order to improve customer awareness of the Priority Services Register and require Gas Transporters 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 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 this 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)(a) of the Act, the Authority hereby modifies the standard special conditions for all gas transporter licences in the manner specified in attached Schedule 1. The modification will take effect on and 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 23(1)(a) OF THE GAS ACT 1986 OF THE STANDARD SPECIAL CONDITIONS OF THE GAS TRANSPORTER LICENCE GRANTED OR TREATED AS GRANTED UNDER SECTION 7 OF THE GAS ACT 1986

The text below constitutes the modification to standard special condition D13 of the gas transporter licence (insertions are shown in underlined text and deletions in strikethrough text):

1. Standard Special Condition D13. Provision of services for specific domestic customer groups

Eligibility for services

1. The licensee must set up and maintain practices and procedures to identify domestic customers who may be eligible for assistance under this condition as a result of its customer interaction, and offer these customers specific priority services.
2. Customers eligible for assistance under this condition are domestic customers who:
 - (a) are either:
 - (i) of pensionable age, disabled, chronically sick or live with children aged under five; or
 - (ii) otherwise in a vulnerable situation, and require additional services related to their access, communication and safety needs; and
 - (b) have:
 - (i) personally approached the licensee to register their details as an eligible customer under this condition;
 - (ii) had a person acting on their behalf ask for their name to be registered;
or
 - (iii) had a relevant supplier or relevant distributor ask for their name and any relevant details to be suitably recorded for the purpose of providing additional services as described in this condition.

Arrangements in respect of meters

3. Where a relevant supplier or a gas supplier who is about to become such a supplier has -

- (a) pursuant to paragraph ~~1(d)~~ 5(d) of standard condition 26 (~~Services for specific Domestic Customer groups~~ Priority Services Register) of its supply licence transmitted to the licensee a request for the repositioning of a meter owned by the licensee; and
- (b) undertaken to pay the licensee's reasonable expenses in complying with the request,

then, so far as it is reasonably practicable and appropriate for it to do so, the licensee must comply with the request.

Services for vulnerable domestic customers

4. ~~If a domestic customer who is of pensionable age, disabled, or chronically sick asks it to do so, the~~ The licensee must offer, free of charge, to agree a password with that any customer who is eligible for assistance (or their representative), that can be used by any representative of the licensee to enable the customer to identify that person for the purpose of carrying out necessary work for which the password was agreed.

5. The licensee must provide facilities, free of charge to domestic customers, which enables any domestic customer who has additional communication needs who is:

(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.

6. In so far as permitted by any laws relating to data protection and/or privacy, the licensee must, upon becoming aware of a domestic customer who may be eligible for assistance under this condition give the relevant supplier and/or relevant distributor such details of that customer, in such intervals as are relevant to the performance of that supplier or distributor's obligations under its licence.

7. 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.

Provision of information

8. The licensee must prepare a statement, in plain and intelligible language, that sets out and explains its arrangements for complying with its obligations under this condition.

9. In relation to the statement prepared under paragraph ~~4-8~~, the licensee must:

- (a) publish the statement on and make it readily accessible from its website;
- (b) at least once each year, take all reasonable steps to inform domestic customers whose premises are connected to the pipe-line system to which this licence relates, of the existence of the statement and how to obtain it;
- (c) when asked to do so by a customer with additional communication needs, provide to a that domestic customer whose premises are connected to the pipe-line system to which this licence relates ~~and who is blind, partially sighted, deaf, or hearing impaired~~, the statement in a manner or a format that is suitable for that customer's ~~special communication~~ needs;
- (d) when asked to do so, provide to a domestic customer whose premises are connected to the pipe-line system to which this licence relates and whose first language is not English, such assistance or advice as will enable that customer to understand the contents of the statement; and
- (e) give a copy of the statement on request and free of charge to any person.

10. The statement prepared under paragraph 4 g may, at the licensee's choice, be published as a single document that may also include the statements referred to in Standard Special Condition D14 (Arrangements for access to premises).

Other domestic customers and other services

11. Nothing in this condition prevents the licensee from:

- (a) including domestic customers additional to those specified under paragraph 2; or
- (b) providing services to domestic customers that exceed those required under this condition.

Interpretation

12. For the purposes of this condition:

"pensionable age" has the meaning given in section 48(2B) of the Act.

"relevant distributor" means the licenced electricity distributor to whose electricity distribution network the domestic customer's premises are connected.

SCHEDULE 2 – LIST OF RELEVANT LICENCE HOLDERS

National Grid Gas Distribution Limited (NDDG)

Northern Gas Networks Limited

Scotland Gas Networks Plc

Southern Gas Networks Plc

Wales & West Utilities Limited