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ANNEX 1

**GAS AND ELECTRICITY PROPOSED SUPPLY LICENCE MODIFICATIONS FOR
IME3 IMPLEMENTATION**

(For illustration purposes modifications shown are based on a model electricity supply licence but, unless otherwise stated, all of the provisions set out in this Annex 1 will apply equally to gas supply licences)

Condition 1: Interpretation and construction

Condition 1 to be modified to include the following additional definitions -

Consumer Checklist	<p>means the guidance prepared and published by the Authority in accordance with Article 7(5) of the Energy Order, as amended from time to time, that:</p> <ul style="list-style-type: none">(a) addresses all matters included in any document published by the European Commission pursuant to Article 3(16) of the Directive; and(b) sets out other information as considered appropriate by the Authority and relating to:<ul style="list-style-type: none">(i) the roles and responsibilities of persons operating in the Northern Ireland electricity market; and(ii) the rights of electricity consumers in respect of matters relating to the Northern Ireland electricity market.
Internal Markets Regulations	<p>means the Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011.</p>
Promotional Materials	<p>means any document which contains information about the Licensee's electricity supply activities, and is handed out, or sent directly, by or on behalf of the Licensee to Customers.</p>

Also the following amended definition -

Directive	<p>means Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC.</p>
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[Amended] Condition 27: Terms and Conditions of Electricity Supply Contracts

- 1 The Licensee shall ensure that any Contract it enters, or offers to enter, into with a Customer for a supply of electricity contains provisions which are in clear and comprehensible language and which incorporate all relevant information so as to enable the Customer to understand the terms and conditions under which the supply of electricity is, or is to be, made.
- 2 The Licensee shall ensure that the terms and conditions of any Contract it enters into with a Customer for a supply of electricity provide:
 - (a) that the Contract will terminate automatically from the date that a Last Resort Supply Direction, given to another Electricity Supplier, takes effect in relation to the premises supplied under that Contract;
 - (b) that the Licensee will, where the premises is at the date of the Contract connected to an electricity distribution system, start supplying electricity under the Contract by no later than 15 working days after the Relevant Date, unless:
 - (i) the Customer requests that the supply starts from a later date; or
 - (ii) the Registered Supplier for the premises objects to the Supplier Transfer; or
 - (iii) there are other circumstances beyond the Licensee's control which prevent it from starting to supply by that date.
- 3 The Licensee shall not enter, or offer to enter, into a Contract, for the supply of electricity to premises, which contains a term that requires or has the effect of requiring the Customer to:
 - (a) obtain a supply of electricity to the same premises from another Electricity Supplier from a date and for such period as may be specified (whether in the Contract or otherwise) by the Licensee; and
 - (b) immediately following the expiry of that specified period, recommence taking a supply of electricity at the premises from the Licensee.
- 4 Before entering into or concluding a Contract with any Domestic Customer, the Licensee shall:
 - (a) explain to and draw to the attention of the Domestic Customer, the Principal Terms of the Contract; and
 - (b) give the Customer:
 - (i) a copy of the most up-to-date version of the Consumer Checklist; and
 - (ii) a written copy of the full terms and conditions of the Contract, including without

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limitation all the information referred to in paragraph 7.

5 The Licensee:

- (a) shall determine standard terms and conditions for the supply of electricity to Domestic Customers;
- (b) may determine different standard terms and conditions for different cases or classes of case or for different areas;
- (c) shall ensure that each set of standard terms and conditions it determines includes all of the terms and conditions that will apply to any Contract entered into with a Domestic Customer on that set of standard terms and conditions;
- (d) shall not determine standard terms and conditions which impose an obligation on the Domestic Customer to pay a termination fee, unless any such obligation has been approved in advance by the Authority;
- (e) shall ensure that an up to date copy of each set of standard terms and conditions that it has determined is published on and accessible from its web-site;
- (f) shall not enter, or offer to enter, into a Contract for the supply of electricity with a Domestic Customer otherwise than on a set of standard terms and conditions as determined in accordance with this paragraph 5.

6 The Licensee shall for any different case, class of case or area in respect of which it has determined standard terms and conditions, determine a set of standard terms and conditions:

- (a) which provide for a Contract of an indefinite length; and
- (b) in respect of which the terms as to price do not differ as between any Domestic Customers who may enter into that Contract (a **standard evergreen tariff**), provided that the Licensee may have a different standard evergreen tariff for each payment method offered by it.

7 The Licensee shall ensure that each set of standard terms and conditions it determines for Domestic Customers shall be fair (as between the Licensee and each Domestic Customer) and shall, as a minimum, include the following:

- (a) the identity and address of the Licensee and any other appropriate contact details;
- (b) the services to be provided, the service quality levels offered by the Licensee (which may be subject to the approval of the Authority pursuant to Condition 29) and the date for the commencement of the electricity supply under the Contract;

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- (c) the duration of the Contract, the terms and conditions for renewal and for termination of the Contract (which terms and conditions shall be compliant with the requirements of this Condition), the services provided under the Contract and the existence of any right of cancellation or termination of the Contract;
- (d) (if offered by the Licensee) the types of maintenance service offered under the Contract;
- (e) a right for the Customer to withdraw from and cancel the Contract:
 - (i) where a supply of electricity has at any time previously been taken at the premises, within ten working days of entering into the Contract; or
 - (ii) where a supply of electricity has not previously been taken at the premises, within ten working days of entering into the Contract, or any time up to ten working days prior to the premises being connected to a distribution system, whichever is the later;
- (f) a right for the Customer to terminate the Contract where the Licensee proposes a variation to the terms and conditions of the Contract and the Customer does not wish to accept such new terms and conditions;
- (g) the tariffs, charges and other payments applicable and required to be paid by the Customer, in a manner that enables the Customer to:
 - (i) identify the applicable tariff and the unit rate, in terms expressed as “pence per kWh”, of the applicable tariff;
 - (ii) identify any other charge or payment, including in particular:
 - (A) any applicable standing charge;
 - (B) any payment which is or has the effect of being a payment by way of security for the payment of charges for the supply of electricity;
 - (iii) where the applicable tariff is not a standard evergreen tariff (because the Contract is not of an indefinite length), compare the unit rate of the applicable tariff against the unit rate of the standard evergreen tariff that would apply if the relevant set of standard terms and conditions applied to a Contract of indefinite length;
- (h) the means by which up to date information on all applicable tariffs, charges and other payments (including any discounts and promotions) for the supply of electricity and for any other services which are to be provided under the Contract:

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- (i) can be promptly obtained by the Customer; and
 - (ii) will be communicated to the Customer in writing by the Licensee;
 - (i) the compensation and the refund arrangements which will apply if contracted service quality levels, including service quality levels relating to the timing, frequency and accuracy of bills and statements, are not met (which arrangements may be subject to the approval of the Authority pursuant to Condition 29);
 - (j) details of how the Customer may initiate the Licensee's complaint handling procedure (as established under Condition 33); and
 - (k) details of how the Customer can contact, and the relevant address and telephone number of, the General Consumer Council for further help and advice.
- 8 Where the Licensee proposes to vary any of the terms and conditions of a Contract it has with a Domestic Customer, it shall, by way of sending a notice that sets out the information in clear, transparent and easy to read and understand language, notify each such Domestic Customer of the proposed variation, together with the Customer's right (as included in the Contract in accordance with paragraph 7(f)) to terminate the Contract before the proposed variation is due to take effect, at least 28 days in advance of the date the variation is due to take effect.
- 9 Where the Licensee enters into a Contract with a Domestic Customer which has a fixed term period:
- (a) any such Contract may not include any term or condition which has the effect of:
 - (i) extending the length of that fixed term period; or
 - (ii) applying a consecutive fixed term period,unless the Domestic Customer has the right to terminate the Contract at any time in the extended or consecutive fixed term period without payment of a termination fee; and
 - (b) the Licensee shall, by way of sending a notice, notify each such Domestic Customer of:
 - (i) the expiry date of the fixed term period at least 28 but no more than 42 days before that expiry date;
 - (ii) details of the standard evergreen tariff, including the applicable unit rate expressed as "pence per kWh", that will apply under the Contract following the expiry date of the fixed term period.
- 10 The Licensee shall, on the request of a Domestic Customer and without charge, send to that Customer a copy of the then current set or sets of standard terms and conditions (as determined

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in accordance with this Condition) that are applicable to the request (including, for the avoidance of doubt, the applicable charges and tariffs relating to each such set).

11 The Licensee shall ensure that its standard terms and conditions provide Domestic Customers with a choice of payment methods, including as a minimum making payment:

- (a) in arrears (at such frequency as is set out in the terms and conditions);
- (b) by direct debit (at such frequency as is set out in the terms and conditions); and
- (c) in advance through a prepayment meter.

12 Any difference in or between the Licensee's standard terms and conditions, including terms as to price, relating to the choice of payment methods shall be determined by the Licensee on a basis which reflects the costs to the Licensee of providing the different payment methods.

13 The Licensee shall not impose on, or request from, a Domestic Customer any charge or payment for the purpose of enabling that Customer to exercise or preventing him from exercising (as the case may be) his right to receive a supply of electricity from his Electricity Supplier of choice.

14 In this Condition:

Market Registration Service means the service described in paragraph 2 of Condition 28 of the [Transmission Licence] granted to [Northern Ireland Electricity plc];

Principal Terms means in respect of any Contract, the terms and conditions that relate to:

- (i) the duration of the Contract;
- (ii) the charges, including the applicable tariff and the unit rate, expressed in "pence per kWh" of the applicable tariff;
- (iii) any requirement to pay the charges through a prepayment meter;
- (iv) any requirement for a Security Deposit;
- (v) the termination of the Contract, including any requirement to pay a termination fee,

and any other term or condition that may reasonably be considered to significantly affect the evaluation by the

Customer of the Contract.

Relevant Date

means the earlier of:

- (i) the day after the end of any period within which the Customer has a right to withdraw from and cancel the Contract; or
- (ii) 10 working days after the day on which the Customer entered into the Contract.

Registered Supplier

means the electricity supplier which is registered with the Market Registration Service as being the electricity supplier responsible for providing a supply of electricity to the Customer at the relevant premises.

Supplier Transfer

means, as the case may be, the transfer of responsibility for the supply of electricity to a premises from the Licensee to another Electricity Supplier or from another Electricity Supplier to the Licensee.

terms and conditions

means all the terms and conditions, including terms as to price, of the Contract.

[Amended] Condition 28: Deemed Contracts

Note – This is a new condition for gas supply licensees and will be included in the gas supply licence by virtue of the provisions in the Energy (Northern Ireland) Act 2011.

- 1 The Licensee shall, in accordance with paragraph 3 of Schedule 6 to the Order, make a scheme for determining the terms and conditions of its Deemed Contracts.
- 2 The Licensee shall ensure that each of its Deemed Contracts provides that it will terminate automatically in the event that a Last Resort Supply Direction is given to another Electricity Supplier in relation to the premises supplied under that Deemed Contract.

[NB: Paragraph 2 not to be included in gas supply licence condition as no last resort supply provisions yet in place for gas.]

- 3 Subject to paragraph 4, the Licensee must take all reasonable steps to ensure that the terms of each of its Deemed Contracts are not unduly onerous.
- 4 For the purposes of paragraph 3, the terms of a Deemed Contract shall be unduly onerous for any class of Domestic Customers, or for any class of Non-Domestic Customers, only if the revenue derived from supplying electricity to the premises of the relevant class of customers on those terms:
 - (a) significantly exceeds the Licensee's costs of supplying electricity to those premises; and
 - (b) exceeds such costs of supplying electricity by significantly more than the Licensee's revenue exceeds its costs of supplying electricity to the premises of the generality of its Domestic Customers or, as the case may be, to the premises of the generality of its Non-Domestic Customers (in each case excluding from the calculation premises supplied under a Last Resort Supply Direction). **[NB: Wording in brackets not in gas supply licence condition.]**

- 5 Where a Customer is being supplied by the Licensee with electricity under a Deemed Contract as a result of a Last Resort Supply Direction being issued in relation to his premises, paragraph 2 shall not apply until that direction stops having effect.

[NB: Paragraph 5 not to be included in gas supply licence condition as no last resort supply provisions yet in place for gas.]

- 6 The Licensee shall ensure that each of its Deemed Contracts shall provide that, where a Customer intends his premises to be supplied with electricity under a Contract agreed with the Licensee or any other Electricity Supplier, the Deemed Contract will continue to have effect until the Licensee or the other Electricity Supplier, as appropriate, begins to supply electricity to the premises under such a Contract.

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- 7 If the Licensee supplies electricity to a Customer under a Deemed Contract, the Licensee may not demand of the Customer any sum of money or other compensation (whether financial or otherwise) solely because the Deemed Contract is terminated (by whatever means).
- 8 If the Licensee supplies electricity to a Customer's premises under a Deemed Contract, it must take all reasonable steps to:
 - (a) provide that Customer with a notice:
 - (i) setting out the principal terms of the Deemed Contract (being all of those terms which may reasonably be considered significantly to affect the evaluation by the Customer of the Deemed Contract);
 - (ii) informing the Customer that Contracts with terms and conditions that may be different from the terms and conditions of Deemed Contracts may be available from the Licensee and of how further information about such terms may be obtained; and
 - (b) enter into a Contract with the Customer as soon as reasonably practicable.
- 9 If any person requests a copy of a Deemed Contract that the Licensee has available, the Licensee must provide it to that person within a reasonable period of time after receiving the request.
- 10 In determining the number of kilowatt hours of electricity that are to be treated as supplied to or taken at premises under a Deemed Contract, the Licensee must act reasonably and take into account available electricity consumption data for the premises and any other relevant factor.

[Amended] Condition 30: Code of Practice on payment of bills

- 1 This Condition shall apply where the Licensee supplies, or offers to supply, electricity to Domestic Premises.
- 2 The Licensee shall, no later than [two months] after this Condition takes effect or such later date as the Authority directs, prepare, submit to and have approved by the Authority a code of practice which sets out the services the Licensee will make available to assist Domestic Customers who through misfortune or inability to cope with credit terms, may have difficulty in paying their electricity bills (the **Code of Practice**).
- 3 The Code of Practice shall set out the arrangements by which the Licensee will:
 - (a) distinguish, so far as is reasonably practicable, those Customers who may have difficulty in paying bills through misfortune or inability to cope with credit terms ("**Customers in difficulties**") from other Customers in default;
 - (b) provide relevant information as to how Customers in difficulties might be able to reduce their bills in the future by the more efficient use of electricity;
 - (c) make arrangements, taking into account Customers' ability to comply with such arrangements, which enable Customers in difficulties to pay in instalments the charges accrued for the supply of electricity ("instalment arrangements");
 - (d) detect failures by Customers in difficulties to comply with the instalment arrangements;
 - (e) ascertain, with the assistance of any information provided by other persons or organisations, the ability of Customers in difficulties to comply with the instalment arrangements;
 - (f) provide for Customers who have failed to comply with the instalment arrangements, or procure for them the provision of, a prepayment meter (where safe and practicable to do so);
 - (g) calibrate any prepayment meter provided, whether in accordance with paragraph (f) above or otherwise, so as to take into account Customers' ability to pay any outstanding charges due from them to the Licensee in addition to the other charges lawfully being recovered through the prepayment meter;
 - (h) ensure that any calibration of the prepayment meter to recover outstanding charges due from Customers does not operate so as to recover more than 40% from each amount that is purchased by the Customer in any single transaction (and thereby transferred to the token, key or card by which the prepayment meter is operated), as payment of or towards the outstanding charges; and

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- (i) in so far as is reasonable and practicable to do so, take all reasonable steps to avoid cutting off the supply of electricity to Domestic Premises occupied by Customers in difficulties unless it has first taken all reasonable steps to recover the charges accrued for the supply of electricity to the premises by means of a prepayment meter.
- 4 This Condition is subject to Condition 35: Preparation, Revision Of and Compliance with Codes of Practice.

[Amended] Condition 31: Code of Practice on Provision of Services for persons who are of Pensionable Age or Disabled or Chronically Sick

- 1 This Condition shall apply where the Licensee supplies, or offers to supply, electricity to Domestic Premises.
- 2 The Licensee shall, no later than [two months] after this Condition takes effect or such later date as the Authority directs, prepare, submit to and have approved by the Authority a code of practice describing the particular services the Licensee will make available for each of its Domestic Customers who is:
 - (a) of pensionable age;
 - (b) disabled, including in particular Domestic Customers who are disabled by virtue of being blind, partially sighted, deaf or hearing impaired; or
 - (c) chronically sick,(the **Code of Practice**).
- 3 The Code of Practice shall set out the arrangements by which the Licensee will at the request of any such Domestic Customer, where reasonably practicable and appropriate, and in each case free of charge:
 - (a) provide special controls and adaptors for electrical appliances and meters and reposition meters (including in both cases prepayment meters);
 - (b) provide special means, including agreeing a password with the Customer, of identifying officers authorised by the Licensee;
 - (c) give advice on the use of electricity [and gas appliances and other gas fittings];

[NB: Wording in brackets in sub-paragraph (c) will not be in the electricity licenses and will apply to gas licenses only.]
 - (d) send bills in respect of the supply of electricity to the Customer's premises to any other person as nominated by the Customer where that person agrees to receive them (irrespective of whether or not the bill is also sent to the Customer); and
 - (e) where neither the Customer nor any other person occupying his premises is able to read the electricity meter at the premises, arrange to read that meter at least once each quarter and inform the Customer of that reading; [and
 - (f) where all of the occupants of the household are either of pensionable age, disabled, chronically sick or minors, arrange for a safety inspection of the gas appliances and other

gas fittings on the Customer's side of the meter to be undertaken by a person possessing appropriate expertise on at least an annual basis, other than an appliance for which the landlord of the consumer is responsible for the annual inspection in accordance with the Gas Safety (Installation and Use) Regulations (Northern Ireland) 2004.]

[NB: Sub-paragraph (f) will not be included in electricity licences and is intended for gas supply licences only.]

- 4 The Code of Practice shall include arrangements by which the Licensee will on request and free of charge:
- (a) provide services which will enable a Domestic Customer who is blind or partially sighted to receive, by means that are readily accessible to such Customers, information about (or set out in) any bill or statement relating to the supply of electricity or any other services provided to the Customer by the Licensee;
 - (b) make available facilities which will assist any Domestic Customer who is blind or partially sighted or deaf or hearing impaired and in possession of appropriate equipment, to enquire or complain about any bill or statement relating to the supply of electricity to him or any service provided by the Licensee;
 - (c) not, in any month from October to March, cut off the supply of electricity to Domestic Premises at which the Domestic Customer:
 - (i) has not paid charges for the supply of electricity to the Domestic Premises;
 - (ii) is of pensionable age, disabled or chronically sick; and
 - (iii) lives alone or only with other persons who are of pensionable age, disabled, chronically sick or under the age of 18;
 - (d) take all reasonable steps to avoid, in any month from October to March, cutting off the supply of electricity to a Domestic Premises:
 - (i) where the Domestic Customer has not paid the charges for the supply of electricity to the Domestic Premises; and
 - (ii) the occupants of the Domestic Premises include a person who is of pensionable age, disabled or chronically sick and to whom paragraph 4(c) does not apply;
 - (e) take all reasonable steps to ascertain, before it exercises any right it may have to cut off the supply of electricity to Domestic Premises, whether the Domestic Premises is one that falls within the scope of paragraph (c) or (d) above.

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- 5 The Code of Practice shall include the Licensee's arrangements for:
- (a) establishing and maintaining a register which:
 - (i) lists all of the Licensee's Domestic Customers who are of pensionable age, disabled or chronically sick and have asked to be included in the register; and
 - (ii) contains sufficient information about the age, disability or chronic sickness of each such Domestic Customer in order to identify his special needs or requirements;
 - (b) informing on at least an annual basis each of its Domestic Customers of the existence of the register and how Domestic Customers who are of pensionable age, disabled or chronically sick can be included on it;
 - (c) providing, without charge, to a Domestic Customer included on the register, advice and information on the services that can be provided to him by the Licensee because of his age, disability or chronic sickness; and
 - (d) providing the information in the register to any relevant party licensed under the Electricity Order to distribute electricity in an appropriate form and at appropriate intervals.
- 6 The Licensee shall, in respect of each Domestic Premises to which it cuts off the supply of electricity:
- (a) maintain for at least a period of six months, or (where a complaint has been made in respect of the Licensee's actions to cut off the supply) for at least a period of six months after the complaint has been resolved; and
 - (b) provide to the Authority on request,

evidence of the reasonable steps it took pursuant to the arrangements set out in its Code of Practice in accordance with paragraph 4(e) above.
- 7 For the purposes of this Condition a person is 'disabled' if he/she has a 'disability' within the meaning given to that term in the [Disability Discrimination (Northern Ireland) Order 2006].
- 8 This Condition is subject to Condition 35: Preparation, Revision Of and Compliance with Codes of Practice.

[Amended] Condition 32: Code of Practice on the efficient use of electricity

- 1 The Licensee shall, no later than [two months] after this Condition takes effect or such later date as the Authority directs, prepare, submit to and have approved by the Authority a code of practice setting out the ways in which the Licensee will make available to Customers information and guidance on the efficient use of electricity (the **Code of Practice**).
- 2 The Code of Practice shall include arrangements by which the Licensee will make available information and advice about:
 - (a) the efficient use of electricity such as will enable Customers to make informed judgments about measures to improve the efficiency with which they use the electricity supplied to them;
 - (b) the availability of heating systems and controls which are best calculated to make efficient use of electricity and the selection and operation of such systems and controls;
 - (c) the financial costs and benefits of energy efficient electricity appliances;
 - (d) sources, including the availability of a telephone information service, within the Licensee's organisation from which Customers may obtain further information about the efficient use of electricity supplied to them;
 - (e) sources (to the extent that the Licensee is aware of them) outside the Licensee's organisation from which Customers may obtain additional information or assistance about measures to improve the efficiency with which they use the electricity supplied to them, including information:
 - (i) which is publicly available about financial assistance towards the costs of such measures available from Central or Local Government;
 - (ii) which is available through bodies in receipt of financial support from Government in connection with measures to promote the efficiency of energy use.
- 3 This Condition is subject to Condition 35: Preparation, Revision Of and Compliance with Codes of Practice.

[Amended] Condition 33: Code of Practice on Complaints Handling Procedure

- 1 The Licensee shall, no later than [two months] after this Condition takes effect or such later date as the Authority directs, prepare, submit to and have approved by the Authority a code of practice for the handling of consumer complaints (the **Code of Practice**).
- 2 The Code of Practice shall include arrangements by which the Licensee will establish and operate an accessible, equitable and transparent, simple and inexpensive complaints procedure which shall enable any person who is being supplied with electricity by the Licensee or has at any time received a supply of electricity from the Licensee, to bring and have promptly dealt with any complaint he may have in respect of the Licensee's activities in providing such a supply.
- 3 The complaints procedure established and operated by the Licensee in accordance with the Code of Practice shall as a minimum:
 - (a) specify the period, which may differ for different types of complaint but which shall not be longer than three months, within which it is intended that complaints will be processed and resolved;
 - (b) be made available to any person without charge;
 - (c) facilitate the fair and prompt settlement of complaints and disputes; and
 - (d) provide for a system, where required by the Authority under Condition 29 or otherwise warranted, of making a reimbursement and/or compensation payment to complainants.
- 4 This Condition is subject to Condition 35: Preparation, Revision Of and Compliance with Codes of Practice.

[Amended] Condition 34: Code of Practice on Services for Prepayment Meter Customers

- 1 This Condition shall apply where the Licensee supplies, or offer to supply, electricity to Domestic Premises.
- 2 The Licensee shall, no later than [two months] after this Condition takes effect or such later date as the Authority directs prepare, submit to and have approved by the Authority a code of practice describing the services the Licensee will make available for its Domestic Customers who pay by prepayment meter (the **Code of Practice**).
- 3 The Code of Practice shall include arrangements by which the Licensee will:
 - (a) provide advice, information, services and facilities, including the availability of emergency credit, which will assist the Domestic Customer to avoid being without a supply of electricity at particular times or in particular circumstances;
 - (b) instructions for the operation of the prepayment meter system, including token availability, emergency credit and other such facilities;
 - (c) details of the advantages and disadvantages of prepayment meters, including situations or types of Customer for which they are particularly suited or unsuited;
 - (d) details of any additional charges which may be payable for the use of prepayment meters and the basis on which these charges are calculated;
 - (e) details of where the Customer may obtain information or assistance if the prepayment meter or any device used to allow the charges for the supply of electricity to be paid through the prepayment meter is not operating effectively; and
 - (f) information about the procedures the Licensee will follow when removing or resetting the prepayment meter, including the timescale and any conditions for removing or resetting it.
- 4 The Licensee shall, no later than [two months] after this Condition takes effect or such later date as the Authority directs establish, and submit to the Authority, such arrangements as will ensure that in an event in which:
 - (a) the Authority considers that circumstances have arisen that would entitle the Authority to revoke the Licence; or
 - (b) the Licensee proposes to assign or transfer its business to another electricity supplier or cease its business as an electricity supplier,

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each of the Licensee's prepayment Domestic Customers is able to continue using, and to do so on the same basis, the prepayment meter services being provided to that Domestic Customer by the Licensee until at least such time as either:

- (c) a Last Resort Supply Direction issued to another Electricity Supplier in accordance with Condition 22 takes effect; or
- (d) another Electricity Supplier starts to supply electricity to the Domestic Customer.

- 5 In this Condition "prepayment meter services" means the system of services for the operation of prepayment meters operated by the use of tokens, keys or cards.
- 6 Paragraphs 2 and 3 of this Condition are subject to Condition 35: Preparation, Revision Of and Compliance with Codes of Practice.

[Amended] Condition 35: Preparation, Revision Of and Compliance with Codes of Practice

- 1 This Condition applies to any Code of Practice (**Code**) which the Licensee is, pursuant to Conditions 30 – 34 of this Licence, required to prepare, submit to and have approved by the Authority.
- 2 The Licensee shall, before submitting any Code to the Authority for its approval, consult the General Consumer Council and shall consider any representations made by it about the Code or the manner in which it is likely to be operated.
- 3 The Licensee shall, whenever requested to do so by the Authority, review any Code and the manner in which it has been operated, with a view to determining whether any modification should be made to that Code or to the manner of its operation.
- 4 In carrying out any such review the Licensee shall consult the General Consumer Council and shall consider any representations made by it about the Code or the manner in which it is likely to be or has been operated.
- 5 The Authority, following consultation with the Licensee, the General Consumer Council and any other person who in the opinion of the Authority is likely to be interested or affected, may from time to time make such modifications to Conditions 30-34, as the Authority considers are necessary or expedient.
- 6 Where the Authority modifies a Condition in accordance with paragraph 5:
 - (a) it shall:
 - (i) send a copy of the modification to the Licensee and the Department;
 - (ii) publish a copy of the modification in such manner as it considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by the making of the modification; and
 - (b) the Licensee shall revise the Code to which the modification relates in such manner and to such extent as is required to ensure that the Code reflects and complies with the modified Condition.
- 7 Where the Licensee revises a Code:
 - (a) in accordance with paragraph 6(b) above; or
 - (b) following a review undertaken in accordance with paragraphs 3 and 4,it shall submit the revised Code to, and have it approved by, the Authority.

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- 8 The Licensee shall:
- (a) as soon as practicable following the Authority's approval of a Code (including following a revision):
 - (i) send a copy of the Code to the Authority and the General Consumer Council; and
 - (ii) draw the attention of its Customers to the Code and of how they may inspect or obtain a copy of it;
 - (b) publish on and make readily accessible from its web-site a copy of the Code;
 - (c) give or send free of charge a copy of the Code (as from time to time revised) to any person who requests it; and
 - (d) make available to members of the public, in such form and in such manner as the Authority considers appropriate, information published by the Authority pursuant to Article 7 of the Energy Order.
- 9 Subject to paragraph 11, the Licensee shall comply with each Code to which this Condition applies and which has been approved by the Authority.
- 10 The Licensee shall provide the Authority with all assistance reasonably necessary to enable the Authority to monitor the implementation and operation of any Code and this assistance shall include providing statistical data at such times and in such a format as the Authority reasonably requires and permitting the Authority access to relevant documentation held by the Licensee.
- 11 The Authority may (following consultation with the Licensee) issue directions relieving the Licensee of any of its obligations under Conditions 30-34 and this Condition to such extent as may be specified in those directions and subject to such terms and conditions as the Authority thinks fit.

[New] Condition 35A: Customer Protection: Modification of Conditions

- 1 The Authority, following consultation with the Licensee, the General Consumer Council and any other person who in the opinion of the Authority is likely to be interested or affected, may from time to time modify the Conditions of the Licence in accordance with paragraph 2.
- 2 The Authority may modify the Conditions of the Licence under this paragraph where both:
 - (a) the effect of the modification is to require the Licensee to prepare, submit and have approved by the Authority one or more codes of practice relating to the services or arrangements, as set out in the modification, to be provided or made available by the Licensee to such persons or class of persons as are specified in the modification; and
 - (b) the Authority is satisfied that the modification is necessary or expedient for the purposes of:
 - (i) ensuring that any activity authorised by the Licensee is carried out in compliance with the requirements and prohibitions, relating to the protection of consumers, laid down by the Directive;
 - (ii) giving effect to any aspect of the Directive which relates to the protection of consumers; or
 - (iii) giving effect to Article 11A(9) of the Order.

[Amended] Condition 36: Report on Performance

- 1 The Licensee shall keep a record of the operation of the arrangements set out in any Code of Practice prepared in accordance with Conditions 30-34 and, if the Authority so directs in writing, of the operation of any Code of Practice in particular cases specified, or of a description specified, by it.
- 2 The Licensee shall also keep for each quarter ending 30 June, 30 September, 31 December and 31 March, a statistical record of its performance in that quarter in relation to the provision of electricity supply services to Domestic Customers including:
 - (a) the number of the different type of services offered by the Licensee to Domestic Customers on the register maintained by it pursuant to Condition 31 and the number of Domestic Customers included on the register;
 - (b) the number of the Licensee's Domestic Customers using each payment method offered by the Licensee;
 - (c) the number of Domestic Premises to which the supply of electricity was cut off by the Licensee for reason of non-payment of charges;
 - (d) the quantities of electricity supplied and the recovery of electricity charges;
 - (e) the number of consumer complaints, whether made in writing, in person or by telephone;
 - (i) received by the Licensee;
 - (ii) resolved by the Licensee to the satisfaction of the complainant.
 - (f) the number of visits made to Customers' premises and the number of responses made to enquiries.
- 3 As soon as reasonably practicable after 31 December in each year, the Licensee shall submit to the Authority and the General Consumer Council a report dealing with the matters mentioned in this Condition which shall include a comparison of the Licensee's performance against any established standards in relation to that year and shall:
 - (a) make public the report so submitted in such manner as will in the reasonable opinion of the Licensee secure adequate publicity for it; and
 - (b) send a copy of it free of charge to any person requesting one,except that, in performing the obligations under paragraphs (a) and (b), the Licensee shall exclude from the report such information as appears to it to be necessary or expedient to ensure that, save where they consent, individual Customers referred to therein cannot readily be

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identified.

- 4 The report shall be presented, so far as is reasonably practicable, in a standard format determined by the Authority.

[Amended] Condition 38: Provision of Information to Customers

- 1 The Licensee shall:
 - (a) make readily accessible from its web-site an up-to-date copy of the Consumer Checklist:
 - (i) as published by the Authority; and
 - (ii) in each alternative format or language as the Licensee has in accordance with paragraph 1(b)(ii) sent to a Domestic Customer; and
 - (b) on request, send to a Domestic Customer a copy of the Consumer Checklist:
 - (i) in the form and language that is available on its web-site; or
 - (ii) where practicable, in such alternative format or language as is reasonably required by a Domestic Customer.
- 2 The Licensee shall on at least an annual basis send, by way of a paper hard copy or in such other form as agreed with the Domestic Customer, to each of its Domestic Customers:
 - (a) a bill or statement (save insofar as he receives an unmetered supply);
 - (b) an up-to-date copy of the Consumer Checklist.
- 3 The Licensee shall:
 - (a) use all reasonable endeavours to take an actual meter reading in respect of each of its Customers (save insofar as he receives an unmetered supply) on at least an annual basis; and
 - (b) maintain, for a period of at least three years, and provide to the Authority on request, evidence of the reasonable endeavours it has used to obtain such an actual meter reading for each of its Customers.
- 4 Each bill or statement sent to a Customer shall include:
 - (a) the name and address of the Licensee;
 - (b) the relevant Meter Point Registration Number;
 - (c) details of the applicable tariff including:
 - (i) the name and the unit rate, expressed in “pence per kWh”, of the tariff;
 - (ii) any discount or premium that applies to the tariff when compared with the

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Licensee's standard evergreen tariff and the period for which the discount or premium is applicable;

- (d) the total charges, setting out separately any applicable standing charge, for the period of the bill or statement;
- (e) the amount of electricity which the Licensee's records show has been consumed by the Customer since the last bill or statement sent to that Customer, in each case by reference to a meter reading; and
- (f) where the Licensee has provided a supply of electricity to the Customer at the same premises continuously for:
 - (i) 12 months or more, the amount of electricity which the Licensee's records show has been consumed by the Customer at those premises in the previous 12 months;
 - (ii) less than 12 months, the amount of electricity which the Licensee's records show has been consumed by the Customer at those premises since the date the Licensee started to provide the supply of electricity;
- (g) a statement to the effect that the Customer may change his electricity supplier and details of where the Customer can obtain impartial advice and information about changing electricity supplier; and
- (h) [the Fuel Mix Information].

[NB: Sub-paragraph 4(h) for electricity licences only.]

- 5 The Licensee shall, on request, provide to a Customer information on the quantity of electricity which the Licensee's records show as consumed by that Customer:
- (a) where the Licensee has provided a supply of electricity to the Customer at the same premises continuously for 12 months or more, in the 12 months preceding the date of the request; or
 - (b) where the Licensee has provided a supply of electricity to the Customer for less than 12 months, in the period from the date the Licensee started to provide the supply of electricity to the date of the request.
- 6 The amount of electricity calculated as having been consumed by the Customer shall be determined:
- (a) according to the reading taken of the meter through which he is supplied; or

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- (b) where no meter reading is available, according to the estimate of the Licensee.
- 7 Where the Licensee provides a bill showing an estimated current meter reading, the Licensee shall on or with the bill provide the Customer with details of how the Customer can:
 - (a) read his own meter (to be known as a self-read); and
 - (b) register the self-read with the Licensee.
- 8 Where the Customer registers a self-read with the Licensee, the Licensee shall within 14 days send an updated bill to the Customer reflecting the self-read provided by the Customer.
- 9 Where a Domestic Customer terminates the Contract in accordance with its provisions and exercises his right to receive a supply of electricity at the Domestic Premises from another Electricity Supplier, the Licensee shall send a final bill to the Domestic Customer within six weeks of the Licensee ceasing to provide a supply to him.
- 10 The Licensee shall keep each of its Customers informed:
 - (a) of the Customer's rights to initiate the Licensee's complaints handling procedure (as established under Condition 33);
 - (b) that the General Consumer Council can assist in resolving complaints which the Licensee has not resolved to the Customer's satisfaction;
 - (c) that the Customer has the right to refer complaints which relate to billing matters to the Authority where the General Consumer Council has not been able to resolve the complaint to the Customer's satisfaction;
 - (d) of the contact address and telephone number of:
 - (i) the Licensee's complaints handling department;
 - (ii) the General Consumer Council; and
- 11 The Licensee shall discharge its obligations:
 - (a) under paragraphs 10(a)–(c) by providing the relevant information:
 - (i) on or with each bill or statement given to a Customer in respect of charges for the supply of electricity, or
 - (ii) annually to each Customer to whom no such bills or statements are rendered; and

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- (b) under paragraph 10(d) by providing the relevant information:
 - (i) on or with each bill or statement given to a Customer in respect of charges for the supply of electricity, or
 - (ii) annually to each Customer to whom no such bills or statements are rendered;and in each case,
 - (iii) in all of its Promotional Materials.

- 12 The Licensee shall provide the information required under paragraphs 4, 7 and 10 above on or with each bill or statement in such detail and in such format as has been determined by the Licensee in consultation with the Authority and the General Consumer Council.

[Amended] Condition 40: Marketing of Electricity to Domestic Customers

- 1 This Condition shall apply, from the date of the direction, where the Authority has directed that it shall apply to the Licensee. This Condition applies to the selling methods and marketing activities of the Licensee in respect of the supply or proposed supply of electricity to Domestic Customers.
- 2 The Licensee shall (and shall procure that its agents or sub-contractors shall):
 - (a) comply with the Marketing Code of Practice;
 - (b) establish appropriate procedures for the selection of persons employed or engaged in roles the principal duties of which involve verbal communications with Domestic Customers for the purpose of selling to such Customers the Licensee's services in respect of the supply of electricity;
 - (c) take all reasonable steps to ensure that each such person is sufficiently trained so as to have a sufficient understanding of:
 - (i) the electricity supply market in Northern Ireland;
 - (ii) the terms and conditions of the Licensee's Contracts available for Domestic Customers; and
 - (iii) matters relating to the efficient use of electricity (in order to provide energy efficiency advice to Domestic Customers including details of other organisations that may be able to assist the Domestic Customer on such matters),so that any advice given to Domestic Customers by such persons is not misleading; and
 - (d) take all reasonable steps to ensure that a Domestic Customer is:
 - (i) made aware or will readily understand that he has entered, or is about to enter, into a Contract with the Licensee for the supply of electricity to the Customer's premises;
 - (ii) where the Customer is to receive a supply of electricity for the first time at the premises, made aware or will readily understand that he should take appropriate action to ensure that he is able to continue the use of his existing fuel source (if any) until the commencement of the supply of electricity; and
 - (iii) take all reasonable steps to ensure that any unsolicited contact made on

behalf of the Licensee with any Domestic Customer takes place at a reasonable time of the day.

3 Where the Licensee enters into a Contract with a Domestic Customer in the course of:

- (a) a visit to that Customer's premises by a representative of the Licensee;
- (b) a conversation in a place to which the public have access; or
- (c) a telephone conversation between a representative of the Licensee and the Customer,

the Licensee shall use its reasonable endeavours to contact the Customer between 1 to 14 days after the Contract has been entered into to confirm that the Customer understands that he has entered into the Contract and is content to have done so but that the supply of electricity will not commence until the supply start date notified, or to be notified, to him.

4 If in the course of, or in response to, the Licensee's contact in accordance with paragraph 3 the Domestic Customer indicates that he is not content to have entered into the Contract and wishes to cancel the Contract, the Licensee shall use all reasonable endeavours to ensure that the Contract is cancelled and that the Licensee does not commence the supply of electricity to the Customer's premises.

5 In this Condition:

marketing activities

means any activities of the Licensee that are directed at or incidental to identifying and communicating with Domestic Customers for the purpose of promoting the Licensee's electricity supply contracts to them, and includes entering into contracts with such Customers;

Marketing Code of Practice

means the document of that name, prepared and published from time to time by the Authority, relating to marketing activities; and

Representative

means any person directly or indirectly authorised to represent the Licensee in its dealings with Domestic Customers.

[New] Condition 41: Fuel Mix Disclosure – [Electricity Only]

- 1 The Licensee shall, in respect of a Disclosure Period during which it has at any time supplied electricity to Customers, publish:
 - (a) the contribution, expressed as a percentage, of each Energy Source to the overall fuel mix of the total amount of electricity supplied by the Licensee to Customers in the Disclosure Period;
 - (b) the environmental impact of the carbon dioxide emissions and radioactive waste, measured and expressed as [tonnes/grammes per KWh], resulting from the overall fuel mix of the total amount of electricity supplied by the Licensee to Customers in the Disclosure Period;
 - (c) the contribution, expressed as a percentage, of each Energy Source to the overall fuel mix of the total amount of electricity supplied in the Island of Ireland;
 - (d) the environmental impact of carbon dioxide emissions and radioactive waste, measured and expressed as [tonnes/grammes per KWh], resulting from the overall fuel mix of the total amount of electricity supplied in the Island of Ireland; and
 - (e) details of reference sources, including addresses of web-sites, from which Customers can obtain further information on the environmental impact of their electricity supply.
- 2 Where the Licensee has not supplied electricity to Customers at any time during a Disclosure Period it shall nevertheless publish the information set out in paragraphs 1(c), (d) and (e).
- 3 The Licensee shall for each Disclosure Period publish the information referred to in paragraphs 1 and 2 by:
 - (a) including it on or with each bill or statement it sends to its Customers at any time following two months after the Disclosure Date; and
 - (b) no later than two months following the Disclosure Date, including it in all Promotional Materials issued by or on behalf of the Licensee until the date two months following the next Disclosure Date.
- 4 The information referred to:
 - (a) in paragraph 1(c) shall be that which has been calculated, verified and provided to the Licensee by the Authority (or a body appointed by the Authority) in accordance with the Fuel Mix Methodology notified to the Licensee;

- (b) in paragraph 1(d) shall be that which is provided to the Licensee by the Authority (or a body appointed by the Authority).

5 The Licensee shall comply with its obligations under the Fuel Mix Methodology.

6 In this Condition –

Disclosure Date

means, in relation to a Disclosure Period, the date that the information referred to in paragraphs 1 and 2 is provided to the Licensee by the Authority (or a body appointed by the Authority);

Disclosure Period

means each period of 1 January to 31 December and shall include the period ending 31 December immediately prior to the date this Condition takes effect;

Energy Source

means one of the following categories of fuel used for the generation of electricity:–

- (a) Coal;
- (b) Natural Gas;
- (c) Nuclear;
- (d) Renewables;
- (e) Peat;
- (f) Oil; and
- (g) Other; and

Fuel Mix Methodology

means the methodology determined by the Authority, and amended from time to time, which, among other things, sets out (i) the principles for calculating and verifying the information to be published by the Licensee, (ii) the obligations of the Licensee to provide information (of the type

and to the extent and in the form specified) to enable such calculation and verification to be undertaken, and (iii) the manner and format in which the information shall be provided by, or to, the Licensee.

[New] Condition 42: Wholesale Contracts and Electricity Derivatives

- 1 Subject to paragraph 2, the Licensee shall, for every Contract or Electricity Derivative entered into by the Licensee with a Wholesale Customer or a Transmission Licence Holder (the **relevant agreement**) and every transaction undertaken under or in accordance with the provisions of a relevant agreement (the **relevant transaction**), retain for a period of at least five years after the end date of the relevant agreement or the date of the relevant transaction (as the case may be) the information set out in paragraph 4.
- 2 Paragraph 1 shall not apply to an Electricity Derivative entered into by the Licensee with a Wholesale Customer or a Transmission Licence Holder or to any transaction undertaken, under or in accordance with the provisions of an Electricity Derivative entered into with a Wholesale Customer or a Transmission Licence Holder, prior to the date of the Guidelines referred to in Article 40(4) of the Directive (the **Guidelines**).
- 3 The Licensee shall retain the relevant information in accordance with such methods and arrangements for record keeping and in such form as may be set out in the Guidelines.
- 4 The information to be retained shall:
 - (a) provide particulars of:
 - (i) the characteristics of the relevant agreement or the relevant transaction, including characteristics relating to duration and delivery and settlement rules;
 - (ii) the amount of electricity specified in the relevant agreement or relevant transaction;
 - (iii) the time and date the relevant agreement or relevant transaction was executed and the prices pertaining to that agreement or transaction;
 - (iv) the means of identifying the Wholesale Customer to whom the relevant agreement or relevant transaction relates; and
 - (b) include such information as is specified in a direction given to the Licensee by the Authority about relevant agreements under which any transactions continue to be unsettled.
- 5 The Licensee shall provide to the Authority, in such manner and at such times as the Authority may specify, such information as the Authority may require which is retained by the Licensee in accordance with this Condition.
- 6 In this Condition:

Electricity Derivative	means a financial instrument specified in points 5, 6, or 7 of Section C of Annex I to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, which relates to electricity;
Transmission Licence Holder	means any person holding a licence granted under Article 10(1)(b) of the Order; and
Wholesale Customer	means a Customer who is purchasing electricity for the purposes of reselling it to another person and not for his own use.

[New] Condition 43: Facilitating Supplier Transfers

- 1 The Licensee shall ensure that its practices, procedures and systems facilitate Supplier Transfers to take place within the Relevant Period.
- 2 The Licensee shall inform the Authority as soon as it becomes aware that its practices, procedures and systems may not, as a result of the number of notifications it is receiving from the Market Registration Service, be able to facilitate compliance with paragraph 1.
- 3 The Authority may issue directions requiring the Licensee to take steps to review and improve its practices, procedures and systems to facilitate a Supplier Transfer in such manner as may be specified in the directions and the Licensee shall comply with any such directions from the date specified.

- 4 In this Condition –

Market Registration Service has the meaning given in Condition 27.

Objection Period means any period within which the Licensee or the Registered Supplier (as the case may be) may in accordance with the industry rules and procedures raise and/or withdraw (as the case may be) an objection to the Supplier Transfer.

Relevant Date has the meaning given in Condition 27.

Relevant Period means:

- (i) where the Licensee is the Registered Supplier for the premises, the 15 working day period (excluding the Objection Period) following notification to it by the Market Registration Service that another Electricity Supplier has applied to be the Registered Supplier for the relevant premises;
- (ii) where the Licensee has entered into a Contract with a Customer, the 15 working day period (excluding the Objection Period) following the Relevant Date.

Registered Supplier has the meaning given in Condition 27.

Supplier Transfer has the meaning given in Condition 27.

[New] Condition 44: Provision of Information to Electricity Suppliers

- 1 Where paragraph 2 applies, the Licensee shall within five days of receiving a Customer Information Request from an Electricity Supplier, provide to that Electricity Supplier the information specified in the Customer Information Request.
- 2 This paragraph applies where the Licensee is supplying electricity, or has at any time in the 12 months prior to the date of the Customer Information Request supplied electricity, to the premises identified in the request and where the Customer identified in the request is, or (as the case may be) was, the Licensee's Customer.
- 3 The Licensee shall not submit a Customer Information Request to another Electricity Supplier unless it has, and retains evidence of, the consent of the Customer for it to obtain the information which is specified in the request to the other Electricity Supplier.
- 4 The Licensee shall not charge the Customer for any services provided to the Customer or to another Electricity Supplier pursuant to this Condition.
- 5 In this Condition:

**Customer Information
Request**

means a request, made in such form and in such manner as may be determined from time to time by the Authority, for information relating to the consumption of electricity by the Customer at the premises identified, and for the period specified, in the request.

[New] Condition 45: Business Separation

- 1 This Condition applies where any affiliate or related undertaking of the Licensee is:
 - (a) carrying on the activities of an Associated Business; and
 - (b) that Associated Business is subject to Separation Conditions.
- 2 Where this Condition applies the Licensee shall not:
 - (a) act in a manner which is inconsistent with the relevant affiliate or related undertaking's obligations under the Separation Condition; or
 - (b) take any action that may impede or frustrate the relevant affiliate or related undertaking from fulfilling its obligations under the Separation Condition.
- 3 In this Condition:

Associated Business	means any business which is carrying on any activity that requires authorisation in accordance with either Article 8(1)(b) or (bb) of the Order or section 4(1)(b) or (bb) of the Electricity Act 1989; and
Separation Conditions	<p>means any conditions:</p> <ol style="list-style-type: none">(a) which are included in a licence held by the affiliate or related undertaking of the Licensee, as granted under either Article 10(1)(b) or (bb) of the Order or section 6(1)(b) or (c) of the Electricity Act 1989;(b) which are at any given time applicable and in force in relation to the licence holder; and(c) which in combination impose an obligation on the Associated Business to ensure the legal, managerial and operational separation of the Associated Business <u>and</u> to produce a compliance plan setting out how it will meet the obligation.

ANNEX 2

GAS TRANSMISSION PROPOSED LICENCE MODIFICATIONS FOR IME3 IMPLEMENTATION

This Annex includes the modifications proposed to the existing gas transmission licences. It is acknowledged that in light of the modifications proposed below some minor consequential changes may be required in other existing licence conditions. Further amendments will be necessary once licensees have applied to be certified under a particular unbundling model.

PREMIER TRANSMISSION LIMITED'S LICENCE

[New] Condition 2.8 Cross-Border Capacity

2.8.1 Interconnected Networks

This Condition applies where any part of the Licensee's Network is connected to a transmission pipe-line that is not wholly or mainly located in the United Kingdom (the **Other Network**).

2.8.2 Integration and Capacity Demand

Where this Condition applies, the Licensee shall, in developing, operating and maintaining the Licensee's Network, ensure that it has sufficient capacity to:

- (a) optimise integration between the Licensee's Network and the Other Network; and
- (b) accommodate all economically reasonable and technically feasible demands for cross-border capacity,

taking into account (in each case) security of gas supply.

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[New] Condition 2.11: Effective Competition

2.11.1 Duty to Promote and Facilitate Effective Competition

In so far as is consistent with its compliance with, and the efficient discharge of, its obligations under the Licence, the Licensee shall:

- (a) undertake the activities authorised by the Licence in a manner that is best calculated to promote effective competition between persons engaged in Northern Ireland in, or in commercial activities connected with, the conveyance, storage, and supply of gas;
- (b) make public such information as may be held by it which will facilitate:
 - (i) effective competition between persons engaged in Northern Ireland in, or in commercial activities connected with, the conveyance, storage, and supply of gas; and
 - (ii) the effective functioning of the gas industry in Northern Ireland.

2.11.2 Prohibition

In carrying on the Licensed Business and in complying with its obligations under the Order, the Energy Order, the [Gas Regulation] and the Licence, the Licensee shall not restrict, distort or prevent competition in the conveyance, storage, and supply of gas.

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BELFAST GAS TRANSMISSION LIMITED'S LICENCE

[New] Condition 2.8: Cross-Border Capacity

2.8.3 Interconnected Networks

This Condition applies where any part of the Licensee's Network is connected to a transmission pipe-line that is not wholly or mainly located in the United Kingdom (the **Other Network**).

2.8.4 Integration and Capacity Demand

Where this Condition applies, the Licensee shall, in developing, operating and maintaining the Licensee's Network, ensure that it has sufficient capacity to:

- (a) optimise integration between the Licensee's Network and the Other Network; and
- (b) accommodate all economically reasonable and technically feasible demands for cross-border capacity,

taking into account (in each case) security of gas supply

[New] Condition 2.11: Effective Competition

2.11.2 Duty to Promote and Facilitate Effective Competition

In so far as is consistent with its compliance with, and the efficient discharge of, its obligations under the Licence, the Licensee shall:

- (a) undertake the activities authorised by the Licence in a manner that is best calculated to promote effective competition between persons engaged in Northern Ireland in, or in commercial activities connected with, the conveyance, storage, and supply of gas;
- (b) make public such information as may be held by it which will facilitate:
 - (i) effective competition between persons engaged in Northern Ireland in, or in commercial activities connected with, the conveyance, storage, and supply of gas; and
 - (ii) the effective functioning of the gas industry in Northern Ireland.

2.11.2 Prohibition

In carrying on the Licensed Business and in complying with its obligations under the Order, the Energy Order, the [Gas Regulation] and the Licence, the Licensee shall not restrict, distort or prevent competition in the conveyance, storage, and supply of gas.

BGE (UK) LIMITED'S LICENCE

[New] Condition 2.18: Duty to Promote Effective Competition

- 1 In so far as is consistent with its compliance with, and the efficient discharge of, its obligations under the Licence, the Licensee shall:
 - (a) undertake the activities authorised by the Licence in a manner that is best calculated to promote effective competition between persons engaged in Northern Ireland in, or in commercial activities connected with, the conveyance, storage, or supply of gas;
 - (b) make public such information as may be held by it which will facilitate:
 - (i) effective competition between persons engaged in Northern Ireland in, or in commercial activities connected with, the conveyance, storage, or supply of gas; and
 - (ii) the effective functioning of the gas industry in Northern Ireland.
- 2 In carrying on the Licensed Business and in complying with its obligations under the Order, the Energy Order, the [Gas Regulation] and this Licence, the Licensee shall not restrict, distort or prevent competition in the conveyance, storage, or supply of gas.

[New] Condition 2.21: Cross Border Capacity

- 1 This Condition applies where any part of the Licensee's Network is connected to a transmission pipe-line that is not wholly or mainly located in the United Kingdom (the **Other Network**).
- 2 Where this Condition applies, the Licensee shall, in developing, operating and maintaining the Licensee's Network, ensure that it has sufficient capacity to:
 - (a) optimise integration between the Licensee's Network and the Other Network; and
 - (b) accommodate all economically reasonable and technically feasible demands for cross-border capacity,

taking into account (in each case) security of gas supply.

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ANNEX 3

GAS DISTRIBUTION PROPOSED LICENCES MODIFICATIONS FOR IME3 IMPLEMENTATION

Some specific proposed conditions will also apply to Electricity Licences. These conditions are highlighted as appropriate.

[New for PNG & Firmus] Condition A: Systems to Facilitate Change of Supplier

[NB: A similar condition will be included in electricity licences.]

- 1 The Licensee shall ensure that its practices, procedures and systems facilitate Supplier Transfers taking place within 15 working days of the Licensee receiving a Registration Request from a gas supplier.
- 2 The Licensee shall no later than fourteen days after the end of each quarter year ending on 30 June, 30 September, 31 December and 31 March, give to the Authority a report which sets out –
 - (a) the number of Registration Requests received by it in each month of that quarter,
 - (b) the number of actual Supplier Transfers completed in each month of that quarter, and
 - (c) of the number of Supplier Transfers completed in each month of that quarter, the number which took:
 - (i) 1-2 working days;
 - (ii) 3-5 working days;
 - (iii) 6-10 working days;
 - (iv) 11-15 working days;
 - (v) 16-20 working days;
 - (vi) 21-30 working days; and
 - (vii) more than 30 working days,to complete from the date of the Registration Request being received by the Licensee.
- 3 For the purposes of paragraphs 1 and 2:
 - (a) the time period within which an objection to a proposed Supplier Transfer may be given to the Licensee by the Old Supplier; and
 - (b) where an objection to a proposed Supplier Transfer is given, the time period within which any such objection may be withdrawn by the Old Supplier,shall not be included in calculating the period of working days.

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- 4 The Licensee shall inform the Authority as soon as it becomes aware that its practices, procedures and systems may, as a result of the number of Registration Requests likely to be received by it, cease to be adequate to ensure the Licensee's compliance with paragraph 1.
- 5 The Authority may direct the Licensee to take such steps as may be specified in a written direction, and in such manner as may be so specified, to review and improve the practices, procedures and systems it has established to comply with this Condition.
- 6 The Licensee shall comply with any direction issued under paragraph 5 from the date specified in the direction.
- 7 In this Condition –

“Old Supplier”	means the gas supplier registered as the supplier responsible for supplying gas to the [premises/supply meter point] at the time the Registration Request is received by the Licensee;
“Registration Request”	means an application from a gas supplier for it to be registered as the supplier responsible for supplying gas to the [premises/supply meter point] specified in the application; and
“Supplier Transfer”	means the transfer of responsibility for the supply of gas to a [premises/supply meter point] connected to the Licensee's Network, from one gas supplier to another gas supplier.

[New for PNG & Firmus] Condition B: Distribution Marketing Code

- 1 The Licensee shall, by no later than [date] (or such later date as the Authority may direct) and together with all other [licensed gas distributors], prepare, submit to and have approved by the Authority a code of practice to be known as the Distribution Marketing Code.
- 2 The Distribution Marketing Code shall:
 - (a) be designed to facilitate achievement of the relevant objectives set out in paragraph 3; and
 - (b) make provision relating to the relevant matters set out in paragraph 4.
- 3 The relevant objectives are that:
 - (a) the marketing activities of licensed gas distributors in respect of the conveyance of gas through distribution pipelines:
 - (i) are conducted in a fair, transparent, appropriate and professional manner;
 - (ii) avoid any preference or discrimination being shown to or against any gas supplier;
 - (iii) do not restrict, distort or prevent competition in the supply of gas;
 - (iv) do not lead to consumer confusion about the relationship between and activities of gas distribution and gas supply; and
 - (b) any information provided by the Licensee (whether in writing, by electronic display or verbally) to consumers about the Licensee's business, including in particular about connections between consumers' premises and the Licensee's Network:
 - (i) is complete and accurate;
 - (ii) is capable of being easily understood by consumers;
 - (iii) does not name or otherwise show preference to or discrimination against any gas supplier;
 - (iv) does not mislead consumers to whom it is directed and is otherwise fair and accurate both in terms of its content and its presentation.
- 4 The relevant matters are:

- (a) the establishment and implementation of procedures for the selection of staff or other representatives who are employed or engaged in roles which involve or are likely to involve communication with consumers for the purpose of the Licensee's marketing activities;
 - (b) the provision or procurement of appropriate training for staff or other representatives who will or are likely to communicate with consumers for the purpose of the Licensee's marketing activities, which training shall at least include training about the role, position and obligations of the Licensee as a gas distributor in respect of the Northern Ireland gas sector and about the Licensee's obligations under this Condition; and
 - (c) the establishment and implementation of procedures for the written approval, by a senior officer of the Licensee, that such information as is referred to in paragraph 4(b) is compliant with the relevant objectives set out in paragraph 4(b).
- 5 The Licensee shall, before submitting the Distribution Marketing Code to the Authority for its approval, consult with, and consider any representations made by, the General Consumer Council.
- 6 The Licensee shall, whenever requested to do so by the Authority and together with all other licensed gas distributors, review the Distribution Marketing Code and the manner in which it has been operated, with a view to determining whether any revisions should be made to it.
- 7 In carrying out any such review the Licensee shall consult with, and consider any representations made by, the General Consumer Council.
- 8 The Authority, following consultation with the Licensee, other licensed gas distributors, the General Consumer Council and any other person who in the opinion of the Authority is likely to be interested or affected, may direct the Licensee to make such modifications to the Distribution Marketing Code as the Authority considers are necessary or expedient to meet the relevant objectives, and where the Authority gives such a direction to the Licensee it will at the same time give the same direction to all other licensed gas distributors.
- 9 Where the Licensee revises the Distribution Marketing Code following a review undertaken in accordance with paragraph 6 or following a direction from the Authority given under paragraph 8 it shall submit the revised Code to, and have it approved by, the Authority.
- 10 The Licensee shall:
 - (a) as soon as practicable following the Authority's approval of the Distribution Marketing Code (including following a revision):

- (i) send a copy of it to the Authority and the General Consumer Council; and
 - (ii) publish it on, and make it readily accessible from, its web-site; and
 - (b) give or send free of charge a copy of the Distribution Marketing Code to any person who requests it.
- 11 Subject to paragraph 13, the Licensee shall comply with the Distribution Marketing Code as approved by the Authority.
- 12 The Licensee shall provide the Authority with all assistance reasonably necessary to enable the Authority to monitor the implementation and operation of the Distribution Marketing Code and this assistance shall include permitting the Authority access to relevant documentation held by the Licensee.
- 13 The Authority may (following consultation with the Licensee and licensed gas distributors) issue directions relieving the Licensee of any of its obligations under this Condition to such extent as may be specified in those directions and subject to such terms and conditions as the Authority thinks fit.

[New for PNG & Firmus] Condition C: Complaints Handling Procedure

- 1 The Licensee shall, no later than [two months] after this Condition takes effect or such later date as the Authority directs, prepare, submit to and have approved by the Authority a code of practice for the handling of consumer complaints (the **Code**).
- 2 The Code shall include arrangements by which the Licensee will establish and operate an accessible, equitable and transparent, simple and inexpensive complaints procedure which shall enable any person who is connected to or requests a connection to the Licensee's Network to bring and have promptly dealt with any complaint he may have in respect of the Licensee's activities in providing such a connection.
- 3 The complaints procedure established and operated by the Licensee in accordance with the Code shall as a minimum:
 - (a) specify the period, which may differ for different types of complaint but which shall not be longer than three months, within which it is intended that complaints will be processed and resolved;
 - (b) be made available to any person without charge; and
 - (c) facilitate the fair and prompt settlement of complaints and disputes.
- 4 The Licensee shall, before submitting the Code to the Authority for its approval, consult with, and consider any representations made by, the General Consumer Council.
- 5 The Licensee shall, whenever requested to do so by the Authority, review the Code and the manner in which it has been operated, with a view to determining whether any revisions should be made to it.
- 6 In carrying out any such review the Licensee shall consult with, and consider any representations made by, the General Consumer Council.
- 7 The Authority, following consultation with the Licensee, the General Consumer Council and any other person who in the opinion of the Authority is likely to be interested or affected, may direct the Licensee to make such modifications to the Code as the Authority considers are necessary or expedient for the purposes of meeting the requirements of paragraph 2.
- 8 Where the Licensee revises the Code following a review undertaken in accordance with paragraph 5 or following a direction from the Authority given under paragraph 7, it shall submit the revised Code to, and have it approved by, the Authority.
- 9 The Licensee shall:

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- (a) as soon as practicable following the Authority's approval of the Code (including following a revision):
 - (i) send a copy of it to the Authority and the General Consumer Council; and
 - (ii) publish it on, and make it readily accessible from, its web-site; and
 - (b) give or send free of charge a copy of the Code to any person who requests it.
- 10 Subject to paragraph 12, the Licensee shall comply with the Code as approved by the Authority.
- 11 The Licensee shall provide the Authority with all assistance reasonably necessary to enable the Authority to monitor the implementation and operation of the Code and this assistance shall include permitting the Authority access to relevant documentation held by the Licensee.
- 12 The Authority may (following consultation with the Licensee) issue directions relieving the Licensee of any of its obligations under this Condition to such extent as may be specified in those directions and subject to such terms and conditions as the Authority thinks fit.

[New for PNG & Firmus] Condition D: Consumer Information Code

- 1 The Licensee shall, by no later than [date] (or such later date as the Authority may direct) and together with all other [licensed gas distributors], prepare, submit to and have approved by the Authority a code of practice to be known as the Consumer Information Code.
- 2 The Consumer Information Code shall:
 - (a) be designed to facilitate achievement of the relevant objectives set out in paragraph 3; and
 - (b) make provision relating to the relevant matters set out in paragraph 4.
- 3 The relevant objectives are that:
 - (a) consumers are on a regular basis provided with and have regular access to information about:
 - (i) the Licensee's business and the services that consumers can receive or expect to receive from the Licensee; and
 - (ii) the Licensee's performance, including performance against any applicable mandatory or voluntary standards, in relation to the provision of such services; and
 - (b) any information provided by the Licensee (whether in writing, by electronic display or orally) to consumers about the Licensee's business, including in particular about connections between consumers' premises and the Licensee's Network is complete, accurate, transparent and capable of being easily understood by consumers.
- 4 The relevant matters are the provision of information to consumers in relation to:
 - (a) the processes and procedures which consumers need to follow in order to obtain a connection between their premises and the Licensee's network;
 - (b) the standard terms and conditions governing such connections;
 - (c) the handling of consumer complaints; and
 - (d) the provision of contact details or other special services in the event of an emergency.
- 5 The Licensee shall, before submitting the Consumer Information Code to the Authority for its approval, consult with, and consider any representations made by, the General Consumer Council.

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- 6 The Licensee shall, whenever requested to do so by the Authority and together with all other licensed gas distributors, review the Consumer Information Code and the manner in which it has been operated, with a view to determining whether any revisions should be made to it.
- 7 In carrying out any such review the Licensee shall consult with, and consider any representations made by, the General Consumer Council.
- 8 The Authority, following consultation with the Licensee, other licensed gas distributors, the General Consumer Council and any other person who in the opinion of the Authority is likely to be interested or affected, may direct the Licensee to make such modifications to the Consumer Information Code as the Authority considers are necessary or expedient to meet the relevant objectives, and where the Authority gives such a direction to the Licensee it will at the same time give the same direction to all other licensed gas distributors.
- 9 Where the Licensee revises the Consumer Information Code following a review undertaken in accordance with paragraph 6 or following a direction from the Authority given under paragraph 8 it shall submit the revised Code to, and have it approved by, the Authority.
- 10 The Licensee shall:
 - (a) as soon as practicable following the Authority's approval of the Consumer Information Code (including following a revision):
 - (i) send a copy of it to the Authority and the General Consumer Council; and
 - (ii) publish it on, and make it readily accessible from, its web-site; and
 - (b) give or send free of charge a copy of the Consumer Information Code to any person who requests it.
- 11 Subject to paragraph 13, the Licensee shall comply with the Consumer Information Code as approved by the Authority.
- 12 The Licensee shall provide the Authority with all assistance reasonably necessary to enable the Authority to monitor the implementation and operation of the Consumer Information Code and this assistance shall include permitting the Authority access to relevant documentation held by the Licensee.
- 13 The Authority may (following consultation with the Licensee and licensed gas distributors) issue directions relieving the Licensee of any of its obligations under this Condition to such extent as may be specified in those directions and subject to such terms and conditions as the Authority thinks fit.

[New for PNG & Firmus] Condition E: Prohibition of Discrimination in provision of services

1 The Licensee shall in:

- (a) meeting its obligations under this Licence;
- (b) providing services consisting of, or connected with:
 - (i) the conveyance of gas; and
 - (ii) connections to its Network; and
- (c) providing services under or pursuant to the Network Code,

not show any undue preference towards or undue discrimination against any gas supplier or case or classes of cases of gas supplier, including in particular undue preference towards any affiliate or related undertaking of it which is a gas supplier.

[New for PNG and Firmus] Condition F: Provision of Information to Gas Suppliers

NB: An equivalent condition will be included in electricity distribution licences.

- 1 The Licensee shall ensure that its process, practices and systems facilitate the provision of information to, and between, Gas Suppliers which:
 - (a) by virtue of or in accordance with the Network Code or other industry code, agreement or practice, is available to or held by the Licensee; and
 - (b) relates to or ascertains the consumption of gas by a Customer at premises connected to the Licensee's Network.
- 2 The Licensee shall within five days of receiving a Customer Information Request from a gas supplier, provide to that gas supplier the information specified in the Customer Information Request.
- 3 In this Condition:

Customer Information Request

means a request, made in such form and in such manner as may be determined from time to time by the Authority, for information relating to the consumption of gas by the Customer at the premises identified, and for the period specified, in the request.

[PNG Amended] Condition 1.6: Restriction on Use of Certain Information

(NB: Corresponding condition in Firmus' Licence- Condition 1.5 – already includes the modifications made to this condition 1.6 in PNG's Licence)

1.6.1 Use of protected information

Where the Licensee or any affiliate or related undertaking of the Licensee receives protected information, the Licensee shall (and shall procure that such affiliate or related undertaking shall) procure:

- (a) that the Licensee shall not obtain any unfair commercial advantage from its possession of protected information with respect to any Separate Business;
- (b) that protected information is not used by any other person for the purpose of obtaining for that person:
 - (i) any unfair commercial advantage from its possession of protected information;
 - (ii) any licence;
 - (iii) any exemption;
 - (iv) control of any body corporate which, directly or indirectly, has the benefit of any such licence or exemption; and
- (c) that protected information is not disclosed except with the prior consent in writing of the relevant person to whose affairs the protected information relates;

provided that the obligation on the Licensee:

- (d) to procure the above in relation to an affiliate or related undertaking which has control of the Licensee (control being defined by Section 416 of the Income and Corporation Taxes Act 1988), shall be to do so by using reasonable endeavours and obtaining an appropriate contractual undertaking from that affiliate or related undertaking in respect of such protected information; and
- (e) not to obtain any unfair commercial advantage from its possession of protected information under Condition 1.6.1(a) shall be construed to exclude protected information received by any Separate Business not engaged in the conveyance of gas independently of the Separate Business engaged in the conveyance of gas.

1.6.2 Compliance with directions

The Licensee shall implement such measures and procedures and take all such other steps as shall be specified in directions issued by the Department from time to time under Article 45 of the Order or otherwise for the purposes of this Condition as reasonably appear to the Department to be requisite or expedient for the purpose of securing compliance by the Licensee with its obligations under Condition 1.6.1 in the conduct of its business to convey gas.

1.6.3 Limitation of non disclosure obligations

Condition 1.6.1(c) shall not apply to any disclosure of information:

- (a) authorised by Article 63(3) or (4) of the Energy Order;
- (b) made in compliance with the duties of the Licensee or any affiliate or related undertaking of the Licensee under the Order or the Energy Order or with any other requirement of a competent authority;
- (c) made in compliance with the Conditions of this Licence Document or any document referred to in this Licence Document with which the Licensee or any affiliate or related undertaking of the Licensee is required by virtue of the Order or the Energy Order or this Licence Document to comply;
- (d) necessary in order to enable the person to whom such information is disclosed to enter into arrangements with the Licensee for the conveyance of gas, or in order to give effect to such arrangements; or
- (e) necessary in order to enable any agent appointed by the Licensee to fulfil the Licensee's balancing obligations under the Licence.

1.6.4 Additional definition In this Condition:

**"protected
information"**

means any commercially confidential information which relates to the affairs of a person who is not an affiliate or related undertaking of the Licensee holding a licence or exemption to convey, store or supply gas (or any affiliate or related undertaking of that person) and which has been furnished to or otherwise acquired by the Licensee under or pursuant to or in the course of any dealings with that person or any affiliate or related undertaking of his, other than information which is in, or comes into, the public domain other than as a result of a breach by the Licensee of this Condition or of any Conditions of this Licence Document.

[Firmus Amended] Condition 2.6: Conduct of Transportation Business

2.6.1 Conduct of business activities

The Licensee shall conduct its business activities relating to the conveyance of gas (including any activities related to making of arrangements with other network operators for the conveyance of gas through their networks for the purposes of Condition 2.12) in the manner best calculated to:

- (a) facilitate effective competition in the gas supply market in Northern Ireland; and
- (b) secure that neither:
 - (i) the Licensee or any affiliate or related undertaking of it or any company of which the Licensee is an affiliate or related undertaking; nor
 - (ii) any other licence holder or exemption holder;obtains any unfair commercial advantage in any business in the storage, supply or conveyance of gas including, in particular, any such advantage from a preferential or discriminatory arrangement.

2.6.2 Disclosure of information

Without prejudice to Condition 1.5, the Licensee shall:

- (a) use its best endeavours to secure that no information relating to or derived from its business activities relating to the conveyance of gas (including any activities related to making of arrangements with other network operators for the conveyance of gas through their networks for the purposes of Condition 2.12) is disclosed for the benefit, or used for the purposes, of a trading business of the Licensee or any affiliate or (so far as the Licensee can require it) related undertaking of the Licensee or a company of which the Licensee is an affiliate or related undertaking; and
- (b) subject to paragraph (a) above, not show any undue discrimination against, or undue preference towards, any person or class of person, in disclosing any information relating to its Licensed Business which may be commercially advantageous to any other person.

2.6.3 Exempt information

Without prejudice to Condition 1.5, Condition 2.6.2(a) shall not extend to:

- (a) information specified in any consent to non-compliance with that Condition given by the Authority to the Licensee;

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- (b) information relating to a particular licence or exemption holder which that party has consented in writing to being used or disclosed in accordance with the terms of that consent;
- (c) information which it is necessary for the trading business to use or disclose in order to enter into and comply with arrangements for the conveyance of gas;
- (d) information which is in the public domain (other than as a result of contravention by the Licensee of any Condition of the Licence); or
- (e) information which is required to be disclosed pursuant to a Condition of the Licence.

2.6.4 Market Statements

The Licensee shall not, without the prior consent of the Authority, publish any statement or otherwise give any information in writing to consumers which is about or refers to:

- (a) the arrangements for, or the level of, competition in the gas supply market in Northern Ireland;
or
- (b) the activities, position or status of any person competing or proposing to compete in the gas supply market in Northern Ireland.

2.6.5 Additional definition

In this Condition "**trading business**" means activities connected with the acquisition and disposal of gas in Northern Ireland other than for the efficient operation of the Network operated by the Licensee or for replacing gas lost from the Network.

[PNG Amended] Condition 2.7: Conduct of Transportation Business

2.7.1 Conduct of business activities

The Licensee shall conduct its business activities relating to the conveyance of gas (including any activities related to making of arrangements with other network operators for the conveyance of gas through their networks for the purposes of Condition 2.13) in the manner best calculated to:

- (a) facilitate effective competition in the gas supply market in Northern Ireland; and
- (b) secure that neither:
 - (i) the Licensee or any affiliate or related undertaking of it or any company of which the Licensee is an affiliate or related undertaking; nor
 - (ii) any other licence holder or exemption holder;

obtains any unfair commercial advantage in any business in the storage, supply or conveyance of gas including, in particular, any such advantage from a preferential or discriminatory arrangement.

2.7.2 Disclosure of information

The Licensee shall:

- (a) use its best endeavours to secure that any information relating to or derived from its business activities relating to the conveyance of gas (including any activities related to the making of arrangements with Other Network Operators for the conveyance of gas through their networks for the purposes of Condition 2.13) is not disclosed for the benefit or used for the purposes of:
 - (i) any trading business, affiliate or (so far as the Licensee can require it) related undertaking of the Licensee;
 - (ii) any company of which the Licensee is an affiliate or related undertaking; and
- (b) subject to paragraph (a) above, not show any undue discrimination against, or undue preference towards, any person or class of person, in disclosing any information relating to its Licensed Business which may be commercially advantageous to any other person.

2.7.3 Exempt information

Condition 2.7.2(a) shall not extend to:

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- (a) information received by the Licensee which is relevant to any trading business of the Licensee;
- (b) information specified in any consent to non-compliance with that Condition given by the Authority to the Licensee;
- (c) information relating to a particular licence holder or holder of an exemption which that party has consented in writing to being used or disclosed in accordance with the terms of that consent;
- (d) information which it is necessary for the trading business to use or disclose in order to enter into and comply with arrangements for the conveyance of gas;
- (e) information which is in the public domain (other than as a result of contravention by the Licensee of any Condition of any licence granted under this Licence Document); or
- (f) information which is required to be disclosed pursuant to a Condition of the licence granted under this Licence Document.

2.7.4 Market Statements

The Licensee shall not, without the prior consent of the Authority, publish any statement or otherwise give any information in writing to consumers which is about or refers to:

- (a) the arrangements for, or the level of, competition in the gas supply market in Northern Ireland; or
- (b) the activities, position or status of any person competing or proposing to compete in the gas supply market in Northern Ireland.

2.7.5 Additional definition

In this Condition "**trading business**" means activities connected with the acquisition and disposal of gas in Northern Ireland other than for the efficient operation of a pipe-line system operated by the Licensee or for replacing gas lost from the Network.

[PNG Amended] Condition 1.16: Independence of the Licensed Business

1.16.1 Application

This Condition shall apply where the Licensee (or any affiliate or related undertaking of the Licensee) is at any time carrying on the activities of an Associated Business.

1.16.2 Managerial and Operational Independence

Where this Condition applies the Licensee shall:

- (a) unless it has already done so prior to this Condition coming into force, establish; and
- (b) at all times thereafter maintain,

the full managerial and operational independence of the Authorised Business from any Associated Business.

1.16.3 Branding of the Licensed Business

Where this Condition applies the Licensee shall use its best endeavours to ensure that:

- (a) any Brand used by the Licensed Business; and
- (b) any communication (including advertising) that:
 - (i) includes or refers to a Brand used by the Licensed Business; and
 - (ii) is issued, published or sent to any person by or on behalf of the Licensed Business,

does not create confusion as to the separate identities of:

- (c) the Licensed Business; and
- (d) any Associated Gas Supply Business.

1.16.4 Conduct of the Authorised Business

Where this Condition applies the Licensee shall ensure that the Authorised Business is conducted in the manner best calculated to secure that it does not unduly discriminate as between any persons or any classes of person, or unduly prefer itself (or any affiliate or related undertaking) over any other persons or any classes of person.

1.16.5 Means of achieving Managerial and Operational Independence

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In order to facilitate its compliance with Condition 1.16.2, the Licensee shall use all reasonable endeavours to ensure that:

- (a) the Authorised Business is provided with such premises, systems, equipment, facilities, property, personnel, data and management resources as are necessary for its efficient and effective managerial and operational independence;
- (b) it does not hold or acquire shares in any Associated Gas Supply Business or in any Holding Company of any such Associated Gas Supply Business;
- (c) subject to any financial supervisory rights of a Holding Company of the Licensee as provided for in the Licensee's financial plan, commercial and operational decisions relating to the operation, maintenance and development of the Licensee's Network are taken only by those persons who are employed by, and are engaged in the operation and management of, the Authorised Business;
- (d) any Associated Business may not use or have access to:
 - (i) premises or parts of premises occupied by persons engaged in the management or operation of the Authorised Business;
 - (ii) systems for the recording, processing or storage of data to which persons engaged in the management or operation of the Authorised Business also have access;
 - (iii) commercially sensitive or confidential information relating to, or derived from, the Authorised Business;
 - (iv) equipment, facilities or property employed for the management or operation of the Authorised Business;
 - (v) the services of persons who are (whether or not as their principal occupation) engaged in the management or operation of the Authorised Business; and
- (e) it can and does, insofar as is legally possible:
 - (i) ensure that any director of the Licensee is not at the same time also a director of a company which carries on an Associated Gas Supply Business; and
 - (ii) prevent any person who has ceased to be engaged in the management or operation of the Authorised Business from being employed by, or engaged in the activities of, any Associated Business until the expiry of an appropriate time from the date on which he ceased to be engaged by the Authorised Business.

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1.16.6 Provision and Use of Information

In order to facilitate its compliance with condition 1.16.4 the Licensee shall ensure that:

- (a) it does not, without the prior written consent of the Authority, publish any statement or otherwise give any information in writing to consumers which is about or refers to:
 - (i) the arrangements for, or the level of, competition in the gas supply market in Northern Ireland; or
 - (ii) the activities, position or status of any person competing or proposing to compete in the gas supply market in Northern Ireland;
- (b) any communications made by the Licensee, or on its behalf, in the course of the Licensee's Marketing Activities:
 - (i) do not mislead consumers;
 - (ii) do not enable the Associated Gas Supply Business to obtain any unfair commercial advantage; and
 - (iii) are fair, and do not show any undue preference towards or undue discrimination against any gas supplier, including the Associated Gas Supply Business, both in terms of their content and presentation; and
- (c) commercially sensitive or confidential information relating to a licence holder and furnished to or otherwise acquired by the Authorised Business is not disclosed or accessible to any Associated Business without the prior written consent of the relevant licence holder.

1.16.7 Additional Definitions

In this Condition:

“Act”	means the Gas Act 1986, as amended from time to time;
“Associated Business”	means any business, other than the Authorised Business, of the Licensee (or of any affiliate or related undertaking of the Licensee) which is carrying out any activity, that requires authorisation in accordance with either Article 6(1) of the Order or section 5(1) of the Act or which is involved in the production or purchase of gas;
“Associated Gas Supply Business”	means any Gas Supply Business not forming part of the Authorised Business;

“Authorised Business”

means the Licensed Business, taken together with any other business of the Licensee (or of any affiliate or related undertaking of the Licensee) which is carrying on activities requiring authorisation in accordance with Article 6(1)(a) of the Order or section 5(1)(a) of the Act and which:

- (a) relate to the conveyance of gas through distribution pipelines; and
- (b) where the Licensee has so notified the Department and the Authority, relate to the conveyance of gas through transmission pipelines;

“Brand”

means any name, trade name, term, sign, symbol or design or any combination of them that identifies the Licensed Business;

“Gas Supply Business”

means any business carrying out activities that require authorisation in accordance with Article 6(1)(c) of the Order or section 5(1)(b) of the Act;

“Holding Company”

has the meaning given to it in Article 4 of The Companies (Northern Ireland) Order 1986; and

“Marketing Activities”

means any activities of the Licensee that are directed at, or incidental to identifying and communicating with, consumers for the purpose of promoting the activities of the Licensed Business to them.

[PNG Existing] Condition 1.17: Business Separation Compliance Plan

1.17.1 Application

This Condition shall apply where Condition 1.16 applies to the Licensee.

1.17.2 Submittal of plan

The Licensee shall, no later than 28 days after Condition 1.16 first applies to the Licensee, prepare and submit to the Authority (for its approval) a compliance plan (the “**Compliance Plan**”) setting out the practices, procedures, systems and rules of conduct which the Licensee has adopted, or intends to adopt, together with the timescales for adoption, to ensure its compliance with Condition 1.16.

1.17.3 Complying with Compliance Plan

The Licensee shall use its best endeavours to comply with the Compliance Plan as approved by the Authority and revised from time to time in accordance with this Condition 1.17.

1.17.4 Authority's role

The Authority may:

- (a) within 30 days of the Licensee submitting an initial or revised Compliance Plan; or
- (b) following any review of the Compliance Plan that the Authority may conduct from time to time,

serve notice on the Licensee:

- (c) informing the Licensee that, in the Authority's opinion, the Compliance Plan is not, or is no longer, sufficient for the purposes of the Licensee's compliance with Condition 1.16; and
- (d) directing the Licensee to make such revisions to the Compliance Plan as, in the Authority's opinion, are necessary or expedient in order for the Compliance Plan to be sufficient for the purposes of ensuring the Licensee's compliance or continued compliance with Condition 1.16.

1.17.5 Brand Separation

Without prejudice to the generality of Condition 1.17.4, the Authority may, where it is satisfied that a Brand being used by the Licensed Business, or the manner in which that Brand is being used, causes confusion as to the separate identities of the Licensed Business and any Associated Gas Supply Business, give notice directing the Licensee to make such revisions to the Compliance Plan as will provide for the Licensee to ensure that the Licensed Business does not:

- (a) use any Brand that is the same as a Brand used by the Associated Supply Business; or

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- (b) use any Brand that has characteristics which are the same as or similar to those of a Brand used by the Associated Supply Business.

1.17.6 Revision of Compliance Plan

Where the Licensee receives a notice in accordance with Condition 1.17.4 or Condition 1.17.5, it shall within 30 days or by such later date, if any, as may be specified in the direction, revise the Compliance Plan, in such manner and to such extent as will reflect the Authority's direction and ensure that it is sufficient for the purposes of ensuring the Licensee's compliance with Condition 1.16.

1.17.7 Review of Compliance Plan

The Licensee shall, on at least an annual basis during the period in which Condition 1.16 is in force, review its Compliance Plan so as to ensure:

- (a) its continued compliance with its obligations under Condition 1.16; and
- (b) that the information set out therein shall continue to be accurate in all material respects.

1.17.8 Authority approval

Where the Licensee revises its Compliance Plan, either in accordance with Condition 1.17.6 or following a review conducted by it in accordance with Condition 1.17.7, it shall submit the revised Compliance Plan to the Authority for its approval.

1.17.9 Facilitating compliance with the Compliance Plan

The Licensee shall ensure that persons engaged in the management and operation of the Licensed Business:

- (a) are made aware of the practices, procedures, systems and rules of conduct set out in the Compliance Plan;
- (b) have the necessary information and facilities to comply with their respective obligations as provided for in the Compliance Plan; and
- (c) are aware of the disciplinary procedures that may be activated should they fail to comply with their obligations under the Compliance Plan.

1.17.10 Compliance Manager

The Licensee shall, following consultation with the Authority, appoint an independent person (the "**Compliance Manager**") for the purpose of facilitating compliance with its obligations under Condition 1.16 and with its Compliance Plan.

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1.17.11 Assisting the Compliance Manager

The Licensee shall ensure that the Compliance Manager has access to such staff, premises, systems, information, documentation, equipment, facilities and other resources as he might reasonably expect to require to fulfil the duties and tasks assigned to him.

1.17.12 Duties of the Compliance Manager

The duties and tasks assigned to the Compliance Manager shall include:

- (a) providing relevant advice and information to the Licensee for the purpose of ensuring its compliance with Condition 1.16 and with the Compliance Plan;
- (b) monitoring the effectiveness of, and the Licensee's compliance with, the Compliance Plan;
- (c) investigating any complaint or representation received by the Licensee from any person in respect of any matter arising under or by virtue of Condition 1.16 or in relation to the Compliance Plan;
- (d) recommending and advising upon the remedial action which any such investigation has demonstrated to be necessary or desirable, including where necessary revising the Compliance Plan to reflect such recommendation and advice; and
- (e) reporting, at such frequency as is determined in writing by the Authority, to the directors of the Licensee on his activities during the period covered by the report, the investigations he has conducted and on progress implementation of the Compliance Plan.

1.17.13 Report of Compliance Manager

The Licensee shall, at such frequency as is determined in writing by the Authority, but no less than twice every twelve months, submit a report to the Authority:

- (a) detailing the activities of the Compliance Manager during the period covered by the report;
- (b) providing a progress update on the Licensee's implementation of the Compliance Plan;
- (c) setting out the details of any investigations conducted by the Compliance Manager, including:
 - (i) the number, type and source of the complaints or representations on which such investigations were based;
 - (ii) the outcome of such investigations; and
 - (iii) any remedial action taken by the Licensee following such investigations.

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1.17.14 Additional Definitions

In this Condition the terms Associated Gas Supply Business, Brand, and Gas Supply Business have the meaning given to them in Condition 1.16.

[Firmus New] Condition 1.16: Independence of the Licensed Business

1.16.1 Application

This Condition shall apply:

- (a) where any affiliate or related undertaking of the Licensee is carrying on the activities of an Associated Business; and
- (b) where either:
 - (i) the Licensee has at least 100,000 premises connected to the Network; or
 - (ii) the Licensee has fewer premises connected to the Network but the Authority has specified in a direction that this Condition is to apply.

Where this Condition has begun to take effect by virtue of both paragraph (a) and (b) being satisfied, it shall have effect at all times following that date.

1.16.2 Managerial and Operational Independence

Where this Condition applies the Licensee shall:

- (a) unless it has already done so prior to this Condition coming into force, establish; and
- (b) at all times thereafter maintain,

the full managerial and operational independence of the Authorised Business from any Associated Business.

1.16.3 Branding of the Licensed Business

Where this Condition applies the Licensee shall use its best endeavours to ensure that:

- (a) any Brand used by the Licensed Business; and
- (b) any communication (including advertising) that:
 - (i) includes or refers to a Brand used by the Licensed Business; and
 - (ii) is issued, published or sent to any person by or on behalf of the Licensed Business,

does not create confusion as to the separate identities of:

- (c) the Licensed Business; and
- (d) any Associated Gas Supply Business.

1.16.4 Conduct of the Authorised Business

Where this Condition applies the Licensee shall ensure that the Authorised Business is conducted in the manner best calculated to secure that it does not unduly discriminate as between any persons or any classes of person, or unduly prefer itself (or any affiliate or related undertaking) over any other persons or any classes of person.

1.16.5 Means of achieving Managerial and Operational Independence

In order to facilitate its compliance with Condition 1.16.2, the Licensee shall use all reasonable endeavours to ensure that:

- (a) the Authorised Business is provided with such premises, systems, equipment, facilities, property, personnel, data and management resources as are necessary for its efficient and effective managerial and operational independence;
- (b) it does not hold or acquire shares in any Associated Gas Supply Business or in any Holding Company of any such Associated Gas Supply Business;
- (c) subject to any financial supervisory rights of a Holding Company of the Licensee as provided for in the Licensee's financial plan, commercial and operational decisions relating to the operation, maintenance and development of the Licensee's Network are taken only by those persons who are employed by, and are engaged in the operation and management of, the Authorised Business;
- (d) any Associated Business may not use or have access to:
 - (i) premises or parts of premises occupied by persons engaged in the management or operation of the Authorised Business;
 - (ii) systems for the recording, processing or storage of data to which persons engaged in the management or operation of the Authorised Business also have access;
 - (iii) commercially sensitive or confidential information relating to, or derived from, the Authorised Business;
 - (iv) equipment, facilities or property employed for the management or operation of the Authorised Business;
 - (v) the services of persons who are (whether or not as their principal occupation) engaged in the management or operation of the Authorised Business; and
- (e) it can and does, insofar as is legally possible:

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- (i) ensure that any director of the Licensee is not at the same time also a director of a company which carries on an Associated Gas Supply Business; and
- (ii) prevent any person who has ceased to be engaged in the management or operation of the Authorised Business from being employed by, or engaged in the activities of, any Associated Business until the expiry of an appropriate time from the date on which he ceased to be engaged by the Authorised Business.

1.16.6 Provision and Use of Information

In order to facilitate its compliance with condition 1.16.4 the Licensee shall ensure that:

- (a) it does not, without the prior written consent of the Authority, publish any statement or otherwise give any information in writing to consumers which is about or refers to:
 - (i) the arrangements for, or the level of, competition in the gas supply market in Northern Ireland; or
 - (ii) the activities, position or status of any person competing or proposing to compete in the gas supply market in Northern Ireland;
- (b) any communications made by the Licensee, or on its behalf, in the course of the Licensee's Marketing Activities:
 - (i) do not mislead consumers;
 - (ii) do not enable the Associated Gas Supply Business to obtain any unfair commercial advantage; and
 - (iii) are fair, and do not show any undue preference towards or undue discrimination against any gas supplier, including the Associated Gas Supply Business, both in terms of their content and presentation; and
- (c) commercially sensitive or confidential information relating to a licence holder and furnished to or otherwise acquired by the Authorised Business is not disclosed or accessible to any Associated Business without the prior written consent of the relevant licence holder.

1.16.7 Additional Definitions

In this Condition:

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| “Act” | means the Gas Act 1986, as amended from time to time; |
| “Associated Business” | means any business, other than the Authorised Business, of the Licensee (or of any affiliate or related undertaking of the |

	Licensee) which is carrying out any activity, that requires authorisation in accordance with either Article 6(1) of the Order or section 5(1) of the Act or which is involved in the production or purchase of gas;
“Associated Gas Supply Business”	means any Gas Supply Business not forming part of the Authorised Business.
“Authorised Business”	<p>means the Licensed Business, taken together with any other business of the Licensee (or of any affiliate or related undertaking of the Licensee) which is carrying on activities requiring authorisation in accordance with Article 6(1)(a) of the Order or section 5(1)(a) of the Act and which:</p> <p>(c) relate to the conveyance of gas through distribution pipelines; and</p> <p>(d) where the Licensee has so notified the Department and the Authority, relate to the conveyance of gas through transmission pipelines;</p>
“Brand”	means any name, trade name, term, sign, symbol or design or any combination of them that identifies the Licensed Business;
“Gas Supply Business”	means any business carrying out activities that require authorisation in accordance with Article 6(1)(c) of the Order or section 5(1)(b) of the Act;
“Holding Company”	has the meaning given to it in Article 4 of The Companies (Northern Ireland) Order 1986; and
“Marketing Activities”	means any activities of the Licensee that are directed at, or incidental to identifying and communicating with, consumers for the purpose of promoting the activities of the Licensed Business to them.

[Firmus New] Condition 1.17: Business Separation Compliance Plan

1.17.1 Application

This Condition shall apply where Condition 1.16 applies to the Licensee.

1.17.2 Submittal of plan

The Licensee shall, no later than 28 days after Condition 1.16 first applies to the Licensee, prepare and submit to the Authority (for its approval) a compliance plan (the “**Compliance Plan**”) setting out the practices, procedures, systems and rules of conduct which the Licensee has adopted, or intends to adopt, together with the timescales for adoption, to ensure its compliance with Condition 1.16.

1.17.3 Complying with Compliance Plan

The Licensee shall use its best endeavours to comply with the Compliance Plan as approved by the Authority and revised from time to time in accordance with this Condition 1.17.

1.17.4 Authority's role

The Authority may:

- (a) within 30 days of the Licensee submitting an initial or revised Compliance Plan; or
- (b) following any review of the Compliance Plan that the Authority may conduct from time to time,

serve notice on the Licensee:

- (c) informing the Licensee that, in the Authority's opinion, the Compliance Plan is not, or is no longer, sufficient for the purposes of the Licensee's compliance with Condition 1.16; and
- (d) directing the Licensee to make such revisions to the Compliance Plan as, in the Authority's opinion, are necessary or expedient in order for the Compliance Plan to be sufficient for the purposes of ensuring the Licensee's compliance or continued compliance with Condition 1.16.

1.17.5 Brand Separation

Without prejudice to the generality of Condition 1.17.4, the Authority may, where it is satisfied that a Brand being used by the Licensed Business, or the manner in which that Brand is being used, causes confusion as to the separate identities of the Licensed Business and any Associated Gas Supply Business, give notice directing the Licensee to make such revisions to the Compliance Plan as will provide for the Licensee to ensure that the Licensed Business does not:

- (a) use any Brand that is the same as a Brand used by the Associated Supply Business; or

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- (b) use any Brand that has characteristics which are the same as or similar to those of a Brand used by the Associated Supply Business.

1.17.6 Revision of Compliance Plan

Where the Licensee receives a notice in accordance with Condition 1.17.4 or Condition 1.17.5, it shall within 30 days or by such later date, if any, as may be specified in the direction, revise the Compliance Plan, in such manner and to such extent that will reflect the Authority's direction and ensure that it is sufficient for the purposes of ensuring the Licensee's compliance with Condition 1.16.

1.17.7 Review of Compliance Plan

The Licensee shall, on at least an annual basis during the period in which Condition 1.16 is in force, review its Compliance Plan so as to ensure:

- (a) its continued compliance with its obligations under Condition 1.16; and
- (b) that the information set out therein shall continue to be accurate in all material respects.

1.17.8 Authority approval

Where the Licensee revises its Compliance Plan, either in accordance with Condition 1.17.6 or following a review conducted by it in accordance with Condition 1.17.7, it shall submit the revised Compliance Plan to the Authority for its approval.

1.17.9 Facilitating compliance with the Compliance Plan

The Licensee shall ensure that persons engaged in the management and operation of the Licensed Business:

- (a) are made aware of the practices, procedures, systems and rules of conduct set out in the Compliance Plan;
- (b) have the necessary information and facilities to comply with their respective obligations as provided for in the Compliance Plan; and
- (c) are aware of the disciplinary procedures that may be activated should they fail to comply with their obligations under the Compliance Plan.

1.17.10 Compliance Manager

The Licensee shall, following consultation with the Authority, appoint an independent person (the "**Compliance Manager**") for the purpose of facilitating compliance with its obligations under Condition 1.16 and with its Compliance Plan.

1.17.11 Assisting the Compliance Manager

The Licensee shall ensure that the Compliance Manager has access to such staff, premises, systems, information, documentation, equipment, facilities and other resources as he might reasonably expect to require to fulfil the duties and tasks assigned to him.

1.17.12 Duties of the Compliance Manager

The duties and tasks assigned to the Compliance Manager shall include:

- (a) providing relevant advice and information to the Licensee for the purpose of ensuring its compliance with Condition 1.16 and with the Compliance Plan;
- (b) monitoring the effectiveness of, and the Licensee's compliance with, the Compliance Plan;
- (c) investigating any complaint or representation received by the Licensee from any person in respect of any matter arising under or by virtue of Condition 1.16 or in relation to the Compliance Plan;
- (d) recommending and advising upon the remedial action which any such investigation has demonstrated to be necessary or desirable, including where necessary revising the Compliance Plan to reflect such recommendation and advice; and
- (e) reporting, at such frequency as is determined in writing by the Authority, to the directors of the Licensee on his activities during the period covered by the report, the investigations he has conducted and on progress implementation of the Compliance Plan.

1.17.13 Report of Compliance Manager

The Licensee shall, at such frequency as is determined in writing by the Authority, but no less than twice every twelve months, submit a report to the Authority:

- (a) detailing the activities of the Compliance Manager during the period covered by the report;
- (b) providing a progress update on the Licensee's implementation of the Compliance Plan;
- (c) setting out the details of any investigations conducted by the Compliance Manager, including:
 - (i) the number, type and source of the complaints or representations on which such investigations were based;
 - (ii) the outcome of such investigations; and
 - (iii) any remedial action taken by the Licensee following such investigations.

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1.17.14 Additional Definitions

In this Condition the terms Associated Gas Supply Business, Brand, and Gas Supply Business have the meaning given to them in Condition 1.16.