

Mr Bryan Hennessy
VAYU Ltd.
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4th August 2010

Dear Bryan

Direction pursuant to condition 2.21 Marketing of Gas to Household Consumers

The Authority directs that condition 2.21 in the VAYU Ltd. gas supply licence, as set out below, relating to the marketing of gas to household consumers, shall apply to VAYU Ltd. from the date of this letter namely 4th August 2010. The sub conditions within condition 2.21 are outlined for your information in appendix 1 to this letter.

Condition 2.21: Marketing of Gas to Household Consumers

2.21.1 Application of Condition

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 gas to Household Consumers.



Brian McHugh

For and on behalf of the NI Authority for Utility Regulation

Appendix 1

Condition 2.21: Marketing of Gas to Household Consumers

2.21.1 Application of Condition

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 gas to Household Consumers.

2.21.2 Pre-contract requirements

The Licensee shall (and shall procure that its agents or sub-contractors shall):

- (a) establish appropriate procedures for the selection of persons employed or engaged in roles the principal duties of which involve oral communications with Household Consumers for the purpose of selling to such consumers the Licensee's services in respect of the supply of gas;
- (b) take all reasonable steps to ensure that the each such person is sufficiently trained so as to have a sufficient understanding of:
 - (i) the gas supply market in Northern Ireland;
 - (ii) the terms and condition of the Licensee's gas supply contracts available for Household Consumers; and
 - (iii) matters relating to the efficient use of gas (in order to provide energy efficiency advice to consumers including details of other organisations that may be able to assist the consumer on such matters),

so that any advice given to Household Consumers by such persons is not misleading;

- (c) take all reasonable steps to ensure that a Household Consumer 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 gas to the consumer's premises;
 - (ii) where the consumer is to receive a supply of gas 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 gas; and
- (d) take all reasonable steps to ensure that any unsolicited contact made on behalf of the Licensee with any Household Consumer takes place at a reasonable time of the day.

2.21.3 Post-contract requirements

Where the Licensee enters into a contract with a Household Consumer in the course of:

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

the Licensee shall use its reasonable endeavours to contact the consumer between 1 to 14 days after the contract has been entered into to confirm the consumer is aware that he has entered into the contract and confirm that the supply of gas will not commence until the supply start date notified, or to be notified, to him.

2.21.4 Cooling-off period

If in the course of, or in response to, the Licensee’s contact in accordance with Condition 2.21.3, the Household Consumer 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 gas to the consumer’s premises.

2.21.5 Additional definitions

In this Condition 2.21:

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| “marketing activities” | means any activities of the Licensee that are directed at or incidental to identifying and communicating with Household Consumers for the purposes of promoting the Licensee’s gas supply contracts, and includes entering into such contracts with such consumers; and |
| “representative” | means any person directly or indirectly authorised to represent the Licensee in its dealings with Household Consumers. |