

**March 2002**

**Gas and electricity licence  
applications**

**Guidance document**

## Executive summary

This document is the first stage of a review of Ofgem's licensing process. It explains the regulatory and legal framework within which Ofgem currently considers applications for all types of licence or for extensions or restrictions of licences.

The document then explains the procedures that Ofgem follows when assessing applications for all types of gas and electricity licences. In particular it sets out Ofgem's objective and non-discriminatory criteria for deciding whether to grant a licence. A considerable amount of information is currently required from applicants. Ofgem thinks it could require less information in future to decide whether to grant a licence. The criteria specified in the guidance document reflect Ofgem's current working practices; criteria have not been set for all of the information required by the current Application Regulations.

The document also sets out the procedures Ofgem will follow when it proposes to refuse an application for a licence.

This document is also a response to views expressed by the DTI and Ofgem's Consolidation Working Group which considered that the licensing process was over-burdensome and took longer than necessary. Ofgem gave a commitment to review the current licensing procedures to establish what financial and business requirements are appropriate.

The next stage of the review process will be to initiate a full review of the Application Regulations. As part of the review Ofgem will consider in particular whether the quantity of information that applicants have to submit should be reduced. In its review Ofgem will take into account comments made as part of the consultation process in 2001 on the current Application Regulations and any comments made on this document. A consultation document will then be issued on Ofgem's views.

# Table of contents

<b>1. Introduction.....</b>	<b>1</b>
Purpose of this document.....	1
Context.....	1
Rationale.....	4
Structure of this document.....	5
<b>2. Regulatory and legal framework .....</b>	<b>7</b>
Regulatory framework.....	7
Legal Framework .....	8
<b>3. Assessing licence applications.....</b>	<b>12</b>
Provision of information.....	12
Objective and non-discriminatory criteria applicable to all licence application types .....	13
Objective and non-discriminatory criteria specific to different licensed activities .....	16
Extension and restriction of existing licences.....	16
<b>4. Gas supplier licences .....</b>	<b>18</b>
Statement of business proposals.....	18
Proposed arrangements for compliance with Standard Licence Conditions .....	18
Restriction of a gas supplier licences.....	20
Extension of a gas supplier licence .....	20
<b>5. Gas shipper licences .....</b>	<b>22</b>
Statement of business proposals.....	22
Proposed arrangements for compliance with Standard Licence Conditions .....	22
Restriction of a gas shipper licence .....	23
Extension of a gas shipper licence .....	23
<b>6. Gas transporter licences .....</b>	<b>24</b>
Statement of business proposals.....	24

Safe operation of the transportation system.....	24
Proposed arrangements for compliance with Standard Licence Conditions .....	24
Restriction of a gas transporter licence.....	25
Extension of a gas transporter licence.....	26
<b>7. Electricity supplier licences.....</b>	<b>27</b>
Statement of business proposals.....	27
Proposed arrangements for compliance with Standard Licence Conditions .....	27
Restriction of an electricity supplier licence.....	28
Extension of an electricity supplier licence .....	29
<b>8. Electricity distribution licences .....</b>	<b>30</b>
Statement of business proposals.....	30
Safe operation of the distribution system.....	30
Proposed arrangements for compliance with Standard Licence Conditions .....	30
Restriction of an electricity distribution licence .....	32
Extension of an electricity distribution licence .....	33
<b>9. Electricity generation and transmission licences .....</b>	<b>34</b>
Generation licences.....	34
Transmission licences .....	34
<b>10. The refusal and appeals procedure.....</b>	<b>35</b>
Proposal to refuse an application .....	35
Notification .....	35
Final decision to refuse an application .....	35
Notification to the European Commission .....	36
<b>Appendix 1 The Application Regulations.....</b>	<b>37</b>
<b>Appendix 2 The licensing system .....</b>	<b>38</b>
Gas licences.....	38
Electricity licences.....	39

Licence restrictions.....	40
Licence extensions.....	41
<b>Appendix 3 Published guidance .....</b>	<b>42</b>
Gas and Electricity Codes of practice. Guidance for domestic suppliers October 2001 61/01. ....	42
Distribution and transportation codes of practice. Guidance notes. October 2001 60/01. ....	43
Code of practice on the efficient use of electricity and gas. Non-domestic suppliers. Guidance note. November 2001.....	43

# 1. Introduction

## *Purpose of this document*

- 1.1 This document initiates a review of the licensing process and explains the subsequent stages of that review. It explains the procedures that Ofgem currently follows when assessing applications for all types of gas and electricity licences. In particular it sets out Ofgem's objective and non-discriminatory criteria for deciding whether to grant a licence. It also explains the process that follows a proposal not to grant a licence.
- 1.2 This document should be read in conjunction with the current gas and electricity Application Regulations<sup>1</sup> ("the Application Regulations"). Copies of the Application Regulations are included in Appendix 1.

## *Context*

### **The Application Regulations**

- 1.3 The Application Regulations were made in October 2001 as part of the implementation of the Utilities Act 2000, following a public consultation process. They set out the manner and form in which applications for licences (or extensions or restrictions of licences) should be made and the fee payable for each type of licence. In addition the Application Regulations specify the minimum information that applicants must provide in order for Ofgem to consider an application.

### **EC Directive 98/30/EC "Concerning Common Rules for the Internal Market in Natural Gas"**

- 1.4 This Directive places certain obligations on licensing authorities such as Ofgem. The obligations include a requirement to publish objective and non-discriminatory criteria and procedures for assessing gas licence applications. This document fulfils that requirement. In addition, in line with Ofgem's policy

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<sup>1</sup> The Gas (Applications for Licences and Extensions and Restrictions of Licences) Regulations 2001 SI 3353 and The Electricity (Applications for Licences and Extensions and Restrictions of Licences) Regulations 2001 SI 3354

to align the gas and electricity markets wherever possible, it extends the principle of such criteria to the electricity licensing process.

### **The Consolidation Working Group**

- 1.5 In August 2001 Ofgem reported to the Department of Trade and Industry (DTI) on the initial impact of the New Electricity Trading Arrangements (NETA) on smaller generators<sup>2</sup>. One of the findings of the review was that consolidation services<sup>3</sup> did not appear to have developed as far as was feasible. In response, the DTI and Ofgem set up the Consolidation Working Group (CWG) to consider the issues raised by consolidators' and smaller generators' experiences of operating under NETA and to identify further measures necessary to facilitate the development of consolidation services.
- 1.6 The CWG identified that the current process for obtaining a licence is over-burdensome and takes longer than necessary<sup>4</sup>. Ofgem therefore gave a commitment to review the current licensing procedures to establish what financial and business requirements are appropriate. This document explains the initial outcome of that review process. Ofgem believes that the new procedures it has introduced will assist applicants. However Ofgem considers that a more far-reaching review of the licence application process should now take place (see paragraph 1.7 – 1.11).

### **Ofgem initiatives**

- 1.7 Ofgem currently has a number of initiatives that will make it easier for potential applicants to understand the licensing regime. These include joint presentations (with MRASCo and Elexon) to potential entrants to the electricity market and the development of Application Handbooks to guide applicants through the licensing process.

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<sup>2</sup> "Report to the DTI on the review of the initial impact of NETA on smaller generators." Ofgem 52/01

<sup>3</sup> Consolidation services are those provided to allow smaller generators to take advantage of NETA trading opportunities without having to become a BSC Party, by operating through someone who is a Party.

<sup>4</sup> "Report to the DTI of the Consolidation Working Group." Ofgem 09/02

## Review of the licensing process

- 1.8 This document represents the first stage of Ofgem's review of the licensing process. A considerable amount of information is currently required from applicants. The criteria specified in this document reflect Ofgem's current working practices; criteria have not been set for all of the information required by the current Application Regulations. However until completion of the review and the making of new Application Regulations, applicants must continue to submit all of the information required by the current Application Regulations.
- 1.9 The remaining information is currently used as background information about the applicant's proposed business. In this context it often forms the basis of informal guidance to applicants by Ofgem to ensure that if a licence is granted, the duties imposed by it can be met at the outset.
- 1.10 The next stage of the review process will be to consider how the Application Regulations should be revised. Ofgem will consider in particular how the quantity of information that applicants have to submit could be reduced. In its review Ofgem will take into account comments made as part of the consultation process in 2001 on the current Application Regulations and any comments made on this document.
- 1.11 There are a number of other issues that Ofgem will also consider during the next stage of the review. These include, but are not limited to, the following:
- ◆ Ofgem does not consider that any check it could perform on a potential licensee at the time of application will provide continuing comfort about financial viability once the licensee commences operations. In addition, Ofgem has powers to appoint a Supplier of Last Resort (SoLR) to take over a failed supplier's customers and it is likely that new arrangements will be introduced to deal with the bad debt of a failed supplier<sup>5</sup>. This may lead to a view that little or no financial information should be requested from applicants in the future;

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<sup>5</sup> Ofgem has recently consulted on this issue – "Arrangements for gas and electricity supply and gas shipping credit cover. Consultation document" Ofgem 24/02



- ◆ in addition to the requirement for a licence, entry procedures exist that test a licensee's ability to operate within industry codes and agreements. This may lead to a view that it is not necessary for Ofgem to seek to duplicate these processes by requiring information from potential licensees about compliance with these licence conditions; and
- ◆ many licence conditions are behavioural in nature. Ofgem will need to consider how *ex ante* provision of information can ensure future compliance with the licence conditions<sup>6</sup>.

1.12 A consultation document will be issued on Ofgem's views.

### ***Rationale***

1.13 The licensing system provides access to:

- ◆ the gas and electricity supply markets;
- ◆ the gas shipping market;
- ◆ the electricity generation market; and
- ◆ the gas transportation, electricity transmission and electricity distribution markets.

1.14 The criteria in this document are the minimum criteria that have to be met by an applicant for a licence to operate in these markets. These take into account:

- ◆ Ofgem's duty to protect customers, wherever possible by promoting competition;
- ◆ the fact that various industry codes and agreements set out in detail industry processes to which a licensee must adhere. In many cases the licensee has to undergo some testing before it is allowed to operate. In addition the licensee is often obliged by its licence to adhere to the codes and agreements; and

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<sup>6</sup> The provision of information in advance of the granting of a licence can be referred to as 'ex ante' provision.

- ◆ Ofgem's aim of minimising regulatory burden and maximising the opportunity for new firms to enter the market.

1.15 Ofgem recognises the need to encourage innovation and the fact that the structure of applicants' businesses will differ. The criteria therefore do not set out prescriptive standards which must be met, but indicate to applicants the nature of information that they are expected to supply and the manner in which this information will be assessed.

### ***Structure of this document***

1.16 The rest of this document is structured in the following way:

- ◆ Chapter 2 explains the regulatory and legal framework relevant to the licensing process;
- ◆ Chapter 3 explains the general procedures that Ofgem uses to assess all licence applications;
- ◆ Chapter 4 describes the objective and non-discriminatory criteria against which Ofgem will assess an application for a gas supplier licence;
- ◆ Chapter 5 describes the objective and non-discriminatory criteria against which Ofgem will assess an application for a gas shipper licence;
- ◆ Chapter 6 describes the objective and non-discriminatory criteria against which Ofgem will assess an application for a gas transporter licence;
- ◆ Chapter 7 describes the objective and non-discriminatory criteria against which Ofgem will assess an application for an electricity supplier licence;
- ◆ Chapter 8 describes the objective and non-discriminatory criteria against which Ofgem will assess an application for an electricity distribution licence;
- ◆ Chapter 9 describes the objective and non-discriminatory criteria against which Ofgem will assess applications for electricity generation and transmission licences;

- ◆ Chapter 10 describes the procedure Ofgem will follow if it proposes to refuse an application for a licence or for an extension or restriction of a licence;
- ◆ Appendix 1 contains copies of the Application Regulations;
- ◆ Appendix 2 explains the main activities for which Ofgem can grant a licence; and
- ◆ Appendix 3 lists previous guidance published by Ofgem for gas and electricity Codes of Practice.

1.17 The next stage of Ofgem's review may lead to a reduction in the information requested from applicants. It should not therefore be assumed that the criteria in this document will remain the same. This guidance will be reviewed periodically and reissued to take account of any changes to the licensing process.

1.18 This document is not a formal consultation document although we welcome views on any aspects of it. Ofgem will consider any comments made and, where necessary, revise this guidance. Comments will also contribute to the next stage of the review process. Comments should be sent by 17 May 2002 to:

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London SW1P 3GE

Or by e-mail to [michael.fews@ofgem.gov.uk](mailto:michael.fews@ofgem.gov.uk)

1.19 Where paper copies of a response are sent, it would be helpful if responses could also be sent electronically. It is open to respondents to mark all or part of their responses as confidential. However, we would prefer it if, as far as possible, responses were provided in a form that can be placed in the Ofgem library and on our website.

1.20 If you have any queries about this consultation then Michael Fews (tel 020 7901 7085) will be pleased to help.

## 2. Regulatory and legal framework

2.1 This chapter explains the regulatory and legal framework relevant to the licensing process.

### *Regulatory framework*

#### **The Gas and Electricity Markets Authority**

2.2 The principal objective of the Gas and Electricity Markets Authority (“the Authority”) in carrying out its functions is to protect the interests of consumers, wherever appropriate by promoting effective competition<sup>7</sup>. The Authority must carry out its functions in the manner it considers is best calculated to further that principal objective having regard to, amongst other things:

- ◆ the need to secure that:
  - so far as it is economical to meet them, all reasonable demands for gas are met; and
  - all reasonable demands for electricity are met;
- ◆ the need to secure that licensees can finance their activities which are the subject of obligations under the Utilities Act or, as the case may be, the Gas Act 1986 or the Electricity Act 1989;
- ◆ the interests of particular customer groups such as the disabled or chronically sick; and
- ◆ the promotion of efficiency and economy by licensees.

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<sup>7</sup> Gas Act 1986 s4 and Electricity Act 1989 s3 (as amended by the Utilities Act 2000)

## ***Legal Framework***

### *The Gas Act 1986*

2.3 The Gas Act makes it an offence to carry out certain activities unless licensed or exempt from the requirement for a licence<sup>8</sup>. Ofgem can grant licences<sup>9</sup> for the following activities:

- ◆ gas transportation;
- ◆ gas shipping; and
- ◆ gas supply.

Further details of these activities are set out in Appendix 2.

2.4 The Gas Act makes it an offence for any person, in giving any information or making an application, to make any statement which is false in a material particular, or to recklessly make any statement which is false in a material particular<sup>10</sup>.

2.5 Ofgem must, where it proposes to grant a gas transporter's licence, publish a notice stating the reasons that it proposes to grant the licence and giving the time within which any representations may be made<sup>11</sup>.

2.6 If Ofgem proposes to refuse an application it must give the applicant a Notice:

- ◆ stating that it proposes to refuse the application;
- ◆ stating the reasons why it proposes to refuse the application; and
- ◆ specifying the time within which representations about the proposed refusal can be made.

Ofgem must consider any representations that are made and not withdrawn<sup>12</sup>.

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<sup>8</sup> Gas Act 1986 s5 (as amended by the Utilities Act 2000)

<sup>9</sup> Gas Act 1986 s7& s7A ( as amended by the Utilities Act 2000)

<sup>10</sup> Gas Act 1986 s43 (as amended by the Utilities Act 2000)

<sup>11</sup> Gas Act 1986 s7(5) as amended by the Utilities Act 2000

<sup>12</sup> Gas Act 1986 s7(B)(2A) ( as amended by the Utilities Act 2000)

*The Electricity Act 1989*

2.7 The Electricity Act makes it an offence to carry out certain activities unless licensed or exempt from the requirement for a licence<sup>13</sup>. The Authority can grant<sup>14</sup> licences for the following activities:

- ◆ electricity generation;
- ◆ electricity transmission;
- ◆ electricity distribution; and
- ◆ electricity supply.

Further details of these activities are set out in Appendix 2.

2.8 The Electricity Act makes it an offence for any person, in giving any information or making an application, to make any statement which is false in a material particular, or to recklessly make any statement which is false in a material particular<sup>15</sup>.

2.9 Ofgem must, if it proposes to grant an electricity transmission licence, publish a notice stating the reasons that it proposes to grant the licence and giving the time within which any representations may be made<sup>16</sup>.

2.10 If Ofgem proposes to refuse an application it must give the applicant a Notice:

- ◆ stating that it proposes to refuse the application;
- ◆ stating the reasons why it proposes to refuse the application; and
- ◆ specifying the time within which representations about the proposed refusal can be made.

Ofgem must consider any representations that are made and not withdrawn<sup>17</sup>.

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<sup>13</sup> Electricity Act 1989 s4 (as amended by the Utilities Act 2000)

<sup>14</sup> Electricity Act 1989 s6 (as amended by the Utilities Act 2000)

<sup>15</sup> Electricity Act 1986 s59 (as amended by the Utilities Act 2000)

<sup>16</sup> Electricity Act 1989 s6B(3) as amended by the Utilities Act 2000

<sup>17</sup> Electricity Act 1989 s6A(4) (as amended by the Utilities Act 2000)

### *Licence transfers*

- 2.11 In considering whether to give consent to a proposed licence transfer Ofgem must apply the same criteria that it would apply if it were considering whether to grant a corresponding licence to the transferee<sup>18</sup>.

### *Health and Safety Executive*

- 2.12 Ofgem will consult the Health and Safety Executive (HSE) about safety issues contained in information submitted by applicants for gas transportation and electricity distribution licences. It will also consult the HSE about any other safety matters<sup>19</sup>.

### *The Gas and Electricity Application Regulations*

- 2.13 The Application Regulations state the manner and form in which applications for gas and electricity licences must be made and the information they must contain. The Application Regulations apply to applications for a licence, applications for an extension of a licence and applications for a restriction of a licence. Extensions and restrictions of licences are explained in more detail in Appendix 2.
- 2.14 In addition to specific information that is required for the different types of licence, all applicants must provide the following information:
- ◆ “General Particulars” such as name and address of the applicant;
  - ◆ “Details of Application” where an applicant can explain any modifications to Standard Licence Conditions that they require;
  - ◆ “Financial information” including company accounts;
  - ◆ “Proposed business” information including an outline statement of the business proposals; and
  - ◆ information about the expertise of the applicant.

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<sup>18</sup> Gas Act 1986 s8AA(6) (as amended by the Utilities Act 2000) and Electricity Act 1989 s7A(6) (as amended by the Utilities Act 2000)

<sup>19</sup> Gas Act 1986 s4A(1) (as amended by the Utilities Act 2000) and Electricity Act 1989 s3C(1) (as amended by the Utilities Act 2000)

*Directive 98/30/EC "Concerning Common Rules for the Internal Market in Natural Gas"*

2.15 Directive 98/30/EC ("the Directive") seeks to establish internal markets in natural gas throughout Member States. The Directive requires that Member States:

- ◆ lay down objective and non-discriminatory criteria to be met by an undertaking applying for a licence;
- ◆ make public the non-discriminatory criteria and procedures for the granting of licences;
- ◆ ensure that the reasons for any refusal to grant a licence are objective and non-discriminatory and are given to the applicant;
- ◆ forward to the Commission the reasons for a refusal to grant a licence; and
- ◆ establish a procedure enabling the applicant to appeal against a refusal to grant a licence.



### 3. Assessing licence applications

3.1 This chapter describes the general procedures that Ofgem uses to assess all licence applications. It explains:

- ◆ how Ofgem checks applications to ensure that all the information required by the Application Regulations has been provided; and
- ◆ the general objective and non-discriminatory criteria that apply to all types of licence application.

The objective and non-discriminatory criteria that are specific to each type of licence are explained in separate chapters later in this document.

3.2 Applicants should bear in mind that, in considering whether to give consent to a proposed licence transfer, Ofgem must apply the same criteria that it would apply if it were considering whether to grant a corresponding licence to the transferee.

#### *Provision of information*

3.3 The Application Regulations set out the information required to make a licence application and the manner and form in which it must be provided. In addition, Ofgem's Licensing staff provide advice and guidance on the type of information required and licence application fees. Applicants can also submit "informal" applications so that Ofgem can check that all the required information has been provided. However Ofgem will not comment on the content of the information and the process in no way commits Ofgem to granting a licence if a formal application is made.

3.4 In reviewing its licence application process Ofgem has identified that, despite this, some applicants do not provide all the information required at the time their application is made. In these cases Ofgem is unable to assess an application and has to contact the applicant and request the missing information. This increases the workload for Ofgem, leads to a delay in assessing the application and inevitably causes frustration for the applicant. In cases where

there is a long delay some information provided at the outset may become out of date, leading to further delays.

- 3.5 In order to assess applications more efficiently, other than in exceptional circumstances (such as an urgent request for a temporary licence), Ofgem will not start to assess an application unless all the information required by the Application Regulations has been provided. In cases where insufficient information has been provided Ofgem will explain what more is required.
- 3.6 Ofgem has also identified that in some cases where it requests clarification of information, applicants may take a considerable time to respond. This can also lead to delays in processing applications and cause frustration for the applicant. Ofgem therefore intends to agree timescales with individual applicants for the provision of further information (where this is required). Failure to meet these agreed timescales may lead to a refusal to grant a licence (although the applicant would be able to appeal against such a decision – see Chapter 10).

***Objective and non-discriminatory criteria applicable to all licence application types***

- 3.7 This section explains the objective and non-discriminatory criteria that Ofgem will use to assess applications for all licence types. In addition, there are specific criteria that apply to individual types of licence; these are explained in later chapters. Applicants must satisfy both the general and licence-specific criteria in order to be granted a licence.
- 3.8 Ofgem does not consider that it is necessary to have criteria against which to assess all the information required by the current Application Regulations. The criteria have therefore been developed taking into account the need to ensure that customers are protected, wherever possible by promoting competition. However even where no specific criteria are specified, applicants must still provide all the information required by the Application Regulations. The next stage of the review process will be to initiate a full review of the Application Regulations. Ofgem will consider in particular whether the quantity of information that applicants have to submit should be reduced.

- 3.9 Applicants should in any event ensure that they have systems and procedures in place that will enable them to comply with all the conditions of the licence if it is granted. Failure to comply with a condition of a licence may result in formal enforcement action by Ofgem.

### **Company Directors**

- 3.10 Ofgem will check to establish:
- ◆ whether the applicant has previously held a licence that has been revoked; and
  - ◆ whether a previous licence application from the applicant has been refused.

In each case the reason for the revocation or refusal will be considered to see if it is relevant to the decision to grant a licence.

### **Ability of licence holders to finance their activities**

- 3.11 In carrying out its functions Ofgem must have regard to the need to secure that licensees are able to finance their activities. Ofgem has therefore set criteria for the assessment of financial information provided by the applicant. However Ofgem does not consider that any check it could perform on a potential licensee at the time of application will provide continuing comfort about financial viability once the licensee commences operations.
- 3.12 The Application Regulations require copies of company accounts where available. Ofgem recognises that some applicants may not be able to provide detailed accounts and considers that it is important that the licensing process does not discriminate against any class of licence applicant. It is also important that new companies applying for licences do not face unnecessary barriers to entry.

### *Statement of business proposals*

- 3.13 For all applicants Ofgem will therefore rely on the assessment of the business proposal required by the Application Regulations.

3.14 The business proposal should be sufficiently detailed to allow Ofgem to assess whether an applicant has given adequate consideration to all of the factors that may affect its proposed activities and that these factors have been appropriately accounted for.

3.15 During the assessment of the business proposal Ofgem will, amongst other things, consider whether:

- ◆ the relevant costs to be incurred by the business have been identified and are reasonable;
- ◆ the cash flows, sales and revenues in the business proposal are reasonable; and
- ◆ the applicant has put in place appropriate funding arrangements that secure that it can finance the activities described in the business proposal.

3.16 Additional information is required for different types of licences. Guidance on the criteria that Ofgem will use to assess that information is contained in the relevant chapters.

3.17 Applicants for gas transporter, electricity generation, electricity distribution and electricity transmission licences should be aware that because of the scale of investment required and the implications for customers of a company failure, these applicants must be capable of demonstrating higher levels of financial viability than those for gas or electricity supply licences and gas shipper licences.

#### *Company accounts*

3.18 The assessment of the business proposals will be supplemented by the additional financial information required by the Application Regulations (where this is available).

3.19 Ofgem would expect that this information:

- ◆ identifies the past financial performance, profits or losses, cash flows and state of affairs of the applicant;

- ◆ describes the state of affairs of the applicant at the date of the latest available accounts; and
- ◆ confirms that it is not aware of any other factor which would mean that it is not able securely to finance the activities described in the business proposal.

***Objective and non-discriminatory criteria specific to different licensed activities***

3.20 In addition to demonstrating compliance with the general criteria, applicants will also need to demonstrate compliance with criteria that are specific to the different licensable activities. These are set out in the following chapters:

- ◆ gas supplier licence – Chapter 4;
- ◆ gas shipper licence – Chapter 5;
- ◆ gas transporter licence – Chapter 6;
- ◆ electricity supplier licence – Chapter 7;
- ◆ electricity distribution licence – Chapter 8
- ◆ electricity generation and transmission licences – Chapter 9.

***Extension and restriction of existing licences***

3.21 Applications for extensions or restrictions of licences must satisfy the requirements for information set out in the Application Regulations with the following exceptions:

- ◆ financial information need not be submitted where the information does not, in any material respect, significantly differ from or add to the most recent information or documents provided;
- ◆ information about the expertise of the applicant need not be submitted where the information does not, in any material respect, significantly

differ from or add to the most recent information or documents provided;  
and

- ◆ information about the applicant's codes of practices, statements or deemed contract scheme need not be submitted where the information does not, in any material respect, significantly differ from or add to the most recent information or documents provided.

3.22 Ofgem will use the criteria applicable to all application types and the relevant licence-specific criteria to assess applications for extensions and restrictions of licences. In determining an application for an extension or restriction Ofgem will, where necessary, request any information which has not been submitted.

## 4. Gas supplier licences

- 4.1 This chapter describes the objective and non-discriminatory criteria against which Ofgem will assess an application for a gas supplier licence. Where an applicant is applying for a licence to supply gas to domestic and non-domestic premises the applicant should demonstrate that the criteria for both types of premises have been met.
- 4.2 In addition to meeting the criteria described in this chapter, all applicants must meet the general criteria described in Chapter 3.

### *Statement of business proposals*

- 4.3 In addition to satisfying the general criteria for a statement of business proposals explained in Chapter 3, Ofgem will assess whether:
- ◆ the projections for the maximum quantities of gas which the applicant proposes to supply to domestic and/or non-domestic premises are reasonable, considering the number and type of premises to be supplied; and
  - ◆ the financial and operational arrangements that have been made to purchase gas particularly in times of high demand are reasonable, considering the quantities of gas, the number and type of premises to be supplied and the price that may need to be paid.

### *Proposed arrangements for compliance with Standard Licence*

#### *Conditions*

- 4.4 An applicant for a gas supplier licence must provide information about how it will comply with the applicable requirements of a number of Standard Licence Conditions (SLCs).

## **Domestic gas supplier licence**

4.5 Ofgem has previously published guidance<sup>20</sup> on the objective and non-discriminatory criteria by which it will assess the information provided by applicants about compliance with the following SLCs:

- ◆ SLC 24 Arrangements in Respect of Powers of Entry;
- ◆ SLC 24A Authorisation of Officers;
- ◆ SLC 24B Exercise of Powers of Entry;
- ◆ SLC 25 Efficient Use of Gas;
- ◆ SLC 35 Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty;
- ◆ SLC 36 Code of Practice on the Use of Prepayment Meters;
- ◆ SLC 37 Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick;
- ◆ SLC 37A Pensioners Not to Have Supply of Gas Cut Off In Winter;
- ◆ SLC 38 Provision of Services for Persons who are Blind or Deaf;
- ◆ SLC 39 Complaint Handling Procedure; and
- ◆ SLC 43 Contractual Terms – Methods of Payment.

## **Non-domestic gas supplier licences**

4.6 Ofgem will apply the same criteria to the information provided in an application for a non-domestic gas supplier licence as those used to assess domestic applications for the following SLCs:

- ◆ SLC 24 Arrangements in Respect of Powers of Entry;
- ◆ SLC 24A Authorisation of Officers; and

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<sup>20</sup> "Gas and electricity codes of practice. Guidance for domestic suppliers." October 2001 61/01.



- ◆ SLC 24B Exercise of Powers of Entry.

4.7 Ofgem has previously published guidance<sup>21</sup> for non-domestic suppliers on the efficient use of gas (SLC 25). Ofgem will use the criteria in that guidance to assess information submitted by applicants for non-domestic gas supplier licences about compliance with SLC 25.

### ***Restriction of a gas supplier licences***

4.8 Ofgem will, subject to the exceptions explained in paragraph 3.21, apply the same criteria when assessing an application for a restriction of a licence as those used to assess an application for a gas supplier licence. In addition, because it is important that any restriction does not leave consumers without a supply, Ofgem will check that proposals for ensuring continuity of supply are sufficient.

4.9 Ofgem will therefore, when assessing an applicant's proposals to ensure continuity of supply, check the proposed arrangements are sufficient to:

- ◆ notify existing and affected consumers of the effects of any restriction;
- ◆ secure alternative supply for affected consumers; and
- ◆ ensure that any prospective supplier is licensed.

### ***Extension of a gas supplier licence***

4.10 Ofgem will, subject to the exceptions explained in paragraph 3.21, apply the same criteria when assessing an application for an extension of a licence as those used to assess an application for a gas supplier licence. In addition Ofgem believes that it is important that consideration has been given to the impact that an extension would have on the applicant's business.

4.11 During the assessment of the applicant's business proposal, Ofgem will therefore consider whether:

- ◆ the relevant costs to be incurred by the business have been identified and are reasonable;

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<sup>21</sup> "Code of practice on the efficient use of electricity and gas. Non domestic suppliers." November 2001

- ◆ the cash flows, sales and revenues in the business proposal are reasonable; and
- ◆ the applicant has put in place appropriate funding arrangements that secure that it can finance the activities described in the business proposal.

## 5. Gas shipper licences

- 5.1 This chapter describes the objective and non-discriminatory criteria against which Ofgem will assess any application for a gas shipper licence. In addition to meeting the criteria described in this chapter, all applicants must meet the general criteria described in chapter 3.

### *Statement of business proposals*

- 5.2 In addition to satisfying the general criteria for a statement of business proposals explained in Chapter 3, Ofgem will assess whether the projections for the maximum quantities of gas which the applicant proposes to ship to domestic and/or non-domestic premises are reasonable when considering the number and type of premises to be supplied.

### *Proposed arrangements for compliance with Standard Licence*

#### *Conditions*

- 5.3 An applicant for a gas shipper licence must provide information about how it will comply with the applicable requirements of a number of Standard Licence Conditions (SLCs).
- 5.4 Ofgem will use objective and non-discriminatory criteria to assess the information provided by an applicant about compliance with the following SLCs:
- ◆ SLC 16 Arrangements in Respect of Powers of Entry;
  - ◆ SLC 16A Authorisation of Officers; and
  - ◆ SLC 16B Exercise of Powers of Entry.
- 5.5 The criteria used will be the same as those for applicable to SLC24, SLC24A and SLC24B for applicants for a domestic gas supplier licence (see paragraph 4.5).

### ***Restriction of a gas shipper licence***

- 5.6 Ofgem will, subject to the exceptions explained in paragraph 3.21, apply the same criteria when assessing an application for a restriction of a gas shipper licence as those used to assess an application for a licence.
- 5.7 Although not required under the current Applications Regulations, as part of its review Ofgem will consider whether applicants who request a restriction of their gas shipper licence should have to submit information about their arrangements for continuity of supply.

### ***Extension of a gas shipper licence***

- 5.8 Ofgem will, subject to the exceptions explained in paragraph 3.21, apply the same criteria when assessing an application for an extension of a gas shipper licence as those used to assess an application for a licence. In addition Ofgem believes that it is important that consideration has been given to the impact an extension would have on the applicant's business.
- 5.9 Ofgem will therefore, during the assessment of a business proposal for an extension, consider whether:
- ◆ the relevant costs to be incurred by the business have been identified and are reasonable;
  - ◆ the cash flows, sales and revenues in the business proposal are reasonable; and
  - ◆ the applicant has put in place appropriate funding arrangements that secure that it can finance the activities described in the business proposal.

## 6. Gas transporter licences

- 6.1 This chapter describes the objective and non-discriminatory criteria against which Ofgem will assess an application for a gas transporter licence. In addition to meeting the criteria described in this chapter, all applicants must meet the general criteria described in Chapter 3.

### ***Statement of business proposals***

- 6.2 In addition to satisfying the general criteria for a statement of business proposals explained in Chapter 3, Ofgem will check that the projections made for the maximum quantities of gas which the applicant proposes to transport to domestic and/or non-domestic premises are reasonable when considering the number and type of premises to be supplied.

### ***Safe operation of the transportation system***

- 6.3 An applicant for a transportation licence must submit information about the safe operation of its proposed system. Ofgem will take into account any comments made by the HSE (see paragraph 2.12) about whether it considers the system can be operated safely.

### ***Proposed arrangements for compliance with Standard Licence***

#### ***Conditions***

- 6.4 An applicant for a gas transporter licence must provide information about how it will comply with the applicable requirements of a number of Standard Licence Conditions (SLCs).
- 6.5 Ofgem has previously published guidance<sup>22</sup> for gas transporters on the objective and non-discriminatory criteria by which it will assess the information provided by applicants about compliance with the following SLCs:
- ◆ SLC 18 Provision of Services for Persons who are Blind or Deaf;
  - ◆ SLC 19 Arrangements in Respect of Powers of Entry;

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<sup>22</sup> "Distribution and transportation codes of practice." Guidance notes. October 2001 60/01.

- ◆ SLC 19A Authorisation of Officers;
- ◆ SLC 19B Exercise of Powers of Entry; and
- ◆ SLC 21 Complaint Handling Procedure.

6.6 In addition Ofgem wishes to ensure that applicants have made suitable arrangements for compliance with SLC 8 (Provision and Return of Meters). Ofgem will therefore check that applicants have provided evidence of contracts with meter manufacturers or retailers for sufficient types and quantities of meters in order to demonstrate the ability to meet demand by relevant shippers.

6.7 Where Ofgem receives representations about a proposal to grant a transporter's licence (see paragraph 2.5) it will consider whether they are relevant to the criteria used to assess the application; if necessary the application may be re-assessed.

***Restriction of a gas transporter licence***

6.8 Ofgem will, subject to the exceptions explained in paragraph 3.21, apply the same criteria when assessing an application for a restriction of a licence as those used to assess an application for a gas transporter licence.

6.9 In addition because it is important that any restriction does not leave consumers without a connection Ofgem will check that the applicant's proposals for ensuring consumers remain connected are sufficient.

6.10 Ofgem will therefore, when assessing an applicants proposals to ensure consumers have a connection, check the proposed arrangements are sufficient:

- ◆ to notify affected consumers of the effects of any restriction;
- ◆ that arrangements have or will be made to secure alternative connection for affected consumers; and
- ◆ ensure that any prospective transporter is licensed.

### *Extension of a gas transporter licence*

- 6.11 Ofgem will, subject to the exceptions explained in paragraph 3.21, apply the same criteria when assessing an application for an extension of a licence as those used to assess an application for a gas transporter licence. In addition Ofgem believes that it is important that consideration has been given to the impact an extension will have on the applicant's business.
- 6.12 During the assessment of a business proposal for an licence extension, Ofgem will therefore consider whether:
- ◆ the relevant costs to be incurred by the business have been identified and are reasonable;
  - ◆ the cash flows, sales and revenues in the business proposal are reasonable; and
  - ◆ the applicant has put in place appropriate funding arrangements that secure that it can finance the activities described in the business proposal.

## 7. Electricity supplier licences

- 7.1 This section describes the objective and non-discriminatory criteria against which Ofgem will assess an application for an electricity supplier licence. Where a licence application is for supply of electricity to domestic and non-domestic premises the applicant should demonstrate that the criteria set for both domestic and non-domestic premises have been met.
- 7.2 In addition to meeting the criteria described in this chapter, all applicants must meet the general criteria described in Chapter 3.

### *Statement of business proposals*

- 7.3 In addition to satisfying the general criteria for a statement of business proposals explained in Chapter 3, Ofgem will check whether the projections for the maximum quantities of electricity which the applicant proposes to supply to domestic and/or non domestic premises are reasonable when considering the number and type of premises to be supplied.

### *Proposed arrangements for compliance with Standard Licence Conditions*

- 7.4 An applicant for an electricity supplier licence must provide information about how it will comply with the applicable requirements of a number of Standard Licence Conditions (SLCs).

### **Domestic electricity supplier licence**

#### *SLC7 Duty to Offer Terms for Meter Provision*

- 7.5 Applicants need to provide evidence of contracts with accredited meter operators in order to demonstrate their ability to offer terms for the provision of meters.



### *Other Standard Licence Conditions*

7.6 Ofgem has previously published guidance<sup>23</sup> for domestic electricity suppliers on the objective and non-discriminatory criteria by which it will assess the information provided by applicants about compliance with the following SLCs:

- ◆ SLC24 Code of Practice on Procedures with Respect to Site Access;
- ◆ SLC25 Efficient Use of Electricity;
- ◆ SLC 35 Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty;
- ◆ SLC 37 Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick;
- ◆ SLC 38 Provision of Services for Persons who are Blind or Deaf; and
- ◆ SLC 43 Contractual Terms – Methods of Payment.

### **Non-domestic electricity supplier licence**

#### *SLC7 Duty to Offer Terms for Meter Provision*

7.7 Applicants need to provide evidence of contracts with accredited meter operators in order to demonstrate their ability to offer terms for the provision of meters.

### ***Restriction of an electricity supplier licence***

7.8 Ofgem will, subject to the exceptions explained in paragraph 3.21, apply the same criteria when assessing an application for a restriction of a licence as those used to assess an application for an electricity supplier licence. In addition because it is important that any restriction does not leave consumers without a supply, Ofgem will check that proposals for ensuring continuity of supply are sufficient to:

- ◆ notify existing and affected consumers of the effects of any restriction;

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<sup>23</sup> "Gas and electricity codes of practice. Guidance for domestic suppliers." October 2001 60/01.

- ◆ secure alternative supply for affected consumers; and
- ◆ ensure that any prospective supplier is licensed.

***Extension of an electricity supplier licence***

7.9 Ofgem will, subject to the exceptions explained in paragraph 3.21, apply the same criteria when assessing an application for an extension of a licence as those used in the assessment of an application for an electricity supplier licence. In addition Ofgem believes that it is important that consideration has been given to the impact an extension would have on the applicant's business.

7.10 Ofgem will, during the assessment of a business proposal for an extension, consider whether:

- ◆ the relevant costs to be incurred by the business have been identified and are reasonable;
- ◆ the cash flows, sales and revenues in the business proposal are reasonable; and
- ◆ the applicant has put in place appropriate funding arrangements that secure that it can finance the activities described in the business proposal.

## 8. Electricity distribution licences

- 8.1 This chapter describes the objective and non-discriminatory criteria against which Ofgem will assess an application for an electricity distribution licence.

### *Statement of business proposals*

- 8.2 In addition to satisfying the general criteria for a statement of business proposals explained in Chapter 3, Ofgem will assess whether:

- ◆ the projections for the maximum quantities of electricity which the applicant proposes to distribute are reasonable when considering the number and type of premises to be supplied; and
- ◆ the arrangements that have been made to receive and distribute electricity.

### *Safe operation of the distribution system*

- 8.3 An applicant for a distribution licence must submit information about the safe operation of its proposed system. Ofgem will take into account any comments made by the HSE (see paragraph 2.12) about whether it considers the system can be operated safely.

### *Proposed arrangements for compliance with Standard Licence Conditions*

- 8.4 An applicant for an electricity distribution licence must provide information about how it will comply with the applicable requirements of a number of standard licence conditions (SLCs).

#### **SLC 6 Safety and Security of Supplies Enquiry Service**

- 8.5 During the assessment of the applicant's proposals Ofgem will consider whether they demonstrate that:
- ◆ the service adequately discriminates between enquiries relating to security, availability and quality of service of the licensee's distribution system, or concerning danger or requiring urgent attention, and other

enquiries. It is important to ensure that the efficiency of the service will not suffer due to large numbers of other enquiries;

- ◆ if any part of the establishment, operation, and maintenance of the service is to be procured from another organisation, the applicant must demonstrate that the contractual arrangements are adequate and the organisation has the capability to provide a satisfactory service;
- ◆ the service should be available through a wide range of communication media. These must include telephone, correspondence and personal visit. It would also be desirable for them also to include Internet and e-mail facilities. All relevant addresses and telephone numbers must be included in the statement;
- ◆ the service must provide a telephone response service that is able to receive and process reports and enquiries at all times. Where companies operate an automated telephone answering service, simple and swift access to an operator must be available at all times. The service shall include facilities that can be used by all classes of consumer, including the disabled and the elderly, and shall be free at the point of use; and
- ◆ the service should be equally effective in responding to reports and enquiries that are received direct from consumers and those received via supply businesses. The arrangements should not discriminate between reports and enquiries received via different suppliers.

### **SLC 8 Provisions Relating to the Connection of Metering Equipment**

- 8.6 During the assessment of the applicant's proposals for provisions relating to the connection of metering equipment Ofgem will check that they provide evidence of the procedures that would be required to be adopted by parties connecting metering equipment to the applicant's distribution system in order to demonstrate the ability to enter into agreements authorising that activity.

## **SLC 19 Code of Practice on Procedures with Respect to Site Access**

- 8.7 Ofgem has previously published guidance<sup>24</sup> on the objective and non-discriminatory criteria by which it will assess the information provided by applicants about SLC 19.

### **Other licence conditions**

- 8.8 Ofgem has also previously produced guidance<sup>25</sup> by which it will assess the information provided by applicants about compliance with the following SLCs:

- ◆ SLC 17 Provision of Services for Persons who are of Pensionable Age, Disabled or Chronically Sick;
- ◆ SLC 18 Provision of Services for Persons who are Blind or Deaf; and
- ◆ SLC 21 Complaint Handling Procedure.

- 8.9 Although licensees must comply with these SLCs as soon as they are granted a licence, particulars of the applicant's proposed arrangements are not currently required by the Application Regulations. As part of its review of the Application Regulations Ofgem will consider whether this information should be submitted as part of the application process.

### ***Restriction of an electricity distribution licence***

- 8.10 Ofgem will, subject to the exceptions explained in paragraph 3.21, apply the same criteria when assessing an application for a restriction of a licence as those used to assess an application for an electricity distribution licence. In addition, because it is important that any restriction does not leave consumers without a supply, Ofgem will check that proposals for ensuring consumers have a connection are sufficient to:

- ◆ notify existing and affected consumers of the effects of any restriction;

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<sup>24</sup> "Distribution and transportation codes of practice. Guidance notes" Ofgem 60/01.

<sup>25</sup> "Distribution and transportation codes of practice. Guidance notes" Ofgem 60/01.

- ◆ notify existing suppliers of the effects of any restriction;
- ◆ secure alternative connection for affected consumers; and
- ◆ ensure that any prospective distributor is licensed.

***Extension of an electricity distribution licence***

- 8.11 Ofgem will, subject to the exceptions explained in paragraph 3.21, apply the same criteria when assessing an application for an extension of a licence as those used in the assessment of an application for an electricity distribution licence. In addition Ofgem believes that it is important that consideration has been given to the impact an extension would have on the applicant's business.
- 8.12 Ofgem will, during the assessment of a business proposal for an extension, consider whether:
- ◆ the relevant costs to be incurred by the business have been identified and are reasonable;
  - ◆ the cash flows, sales and revenues in the business proposal are reasonable; and
  - ◆ the applicant has put in place appropriate funding arrangements that secure that it can finance the activities described in the business proposal.

## 9. Electricity generation and transmission licences

- 9.1 This section describes the objective and non-discriminatory criteria against which Ofgem will assess applications for an electricity generation and transmission licences.

### *Generation licences*

- 9.2 There are no specific criteria for electricity generation applications other than the general criteria that all applicants must satisfy as set out in Chapter 3.

### *Transmission licences*

- 9.3 There are no specific criteria for electricity transmission applications other than the general criteria that all applicants must satisfy as set out in Chapter 3.
- 9.4 Where Ofgem receives representations about a proposal to grant a transmission licence (see paragraph 2.9) it will consider whether they are relevant to the criteria used to assess the application; if necessary the application may be re-assessed.

## 10. The refusal and appeals procedure

10.1 This section describes the procedure that Ofgem will follow if it proposes to refuse an application for a licence or for an extension or restriction of a licence.

### *Proposal to refuse an application*

10.2 Ofgem may propose to refuse an application because, amongst other things:

- ◆ the information supplied does not satisfy one or more of the objective and non-discriminatory criteria;
- ◆ Ofgem is of the opinion that information supplied is false or misleading; and
- ◆ the applicant has failed to provide, when requested, additional information within the required time.

### *Notification*

10.3 If Ofgem proposes to refuse an application the reasons will be given to the applicant in a Notice which explains what further information, if any, is needed. The Notice will:

- ◆ state that Ofgem proposes to refuse the application;
- ◆ state the reasons why Ofgem proposes to refuse the application; and
- ◆ specify the time within which representations may be made.

10.4 Ofgem will allow the applicant 21 days from the date of the Notice to make representations about why it disagrees with Ofgem's proposal to refuse the application and to provide further information if required. Ofgem must consider any representations which are duly made and not withdrawn.

### *Final decision to refuse an application*

10.5 Should no appeal have been made within 21 days of the Notice or should an appeal against a notification proposing refusal have been unsuccessful the



applicant will be notified in writing of the decision to refuse the licence. The notification will:

- ◆ where no appeal has been made, restate the reasons for the refusal of the application; and
- ◆ where an unsuccessful appeal was made, state the reasons for the refusal of the appeal.

***Notification to the European Commission***

- 10.6 Ofgem will forward to the Commission all refusals to grant gas licences together with the reasons given and details of any unsuccessful appeals.

# Appendix 1 The Application Regulations

1.1 This appendix contain copies of the Application Regulations.

## Appendix 2 The licensing system

2.1 This Appendix explains the main activities for which Ofgem can grant a licence.

### *Gas licences*

2.2 The Gas Act prohibits<sup>26</sup> certain activities unless they are licensed or exempt from the requirement to be licensed. Ofgem can grant licences for:

- ◆ gas transportation;
- ◆ gas shipping; and
- ◆ gas supply.

### **Gas transporter licence**

2.3 A gas transporter's licence allows the licensee to:

- ◆ convey gas through pipes to any premises within an area specified in the licence held by the gas transporter; and
- ◆ convey gas through pipes to any pipeline system operated by another gas transporter, or to any other pipeline system specified in the licence<sup>27</sup>.

### **Gas shipper licence**

2.4 A gas shipper's licence allows the licensee to arrange with any gas transporter for gas to be introduced into, conveyed by means of or taken out of a pipe-line system operated by that transporter, either generally or for purposes connected with the supply of gas to any premises specified in the licence<sup>28</sup>.

### **Gas supplier licence**

2.5 A gas supplier's licence allows the licensee to supply to any premises gas which has been conveyed to those premises through pipes<sup>29</sup>. A supply licence may

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<sup>26</sup> Gas Act 1986 s5 (as amended by the Utilities Act 2000)

<sup>27</sup> Gas Act 1986 s7(2) (as amended by the Utilities Act 2000)

<sup>28</sup> Gas Act 1986 s7A(2) (as amended by the Utilities Act 2000)

<sup>29</sup> Gas Act 1986 s5(1) (as amended by the Utilities Act 2000)

authorise the holder to supply gas to non-domestic premises or to domestic and non-domestic premises.

### ***Electricity licences***

2.6 The Electricity Act prohibits<sup>30</sup> certain activities unless licensed or exempt from the requirement to be licensed. Ofgem can grant licences for:

- ◆ electricity generation;
- ◆ electricity transmission;
- ◆ electricity distribution; and
- ◆ electricity supply.

#### **Electricity generation licence**

2.7 An electricity generator's licence allows the licensee to generate electricity for the purpose of giving a supply to any premises or enabling a supply to be given<sup>31</sup>.

#### **Electricity transmission licence**

2.8 An electricity transmission licence allows the licensee to transmit electricity for the purpose of enabling a supply to be given<sup>32</sup>. Transmit<sup>33</sup> in relation to electricity means to transmit by means of a transmission system. A transmission system consists (wholly or mainly) of high voltage lines and electrical plant and is used for conveying electricity from a generating station to a substation, from one generating station to another or from one substation to another.

#### **Electricity distribution licence**

2.9 An electricity distribution licence allows the licensee to distribute electricity for the purpose of enabling a supply to be given<sup>34</sup>. Distribute<sup>35</sup> means distribute by

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<sup>30</sup> Electricity Act 1989 s4 (as amended by the Utilities Act 2000)

<sup>31</sup> Electricity Act 1989 s6(1)(a) (as amended by the Utilities Act 2000)

<sup>32</sup> Electricity Act 1986 s6(1)(b) (as amended by the Utilities Act 2000)

<sup>33</sup> Electricity Act 1989 s4(4) (as amended by the Utilities Act 2000)

<sup>34</sup> Electricity Act 1989 s6(1)(c) (as amended by the Utilities Act 2000)

<sup>35</sup> Electricity Act 1989 s4(4) (as amended by the Utilities Act 2000)

means of a distribution system. A distribution system consists (wholly or mainly) of low voltage lines and electrical plant and is used for conveying electricity to any premises or to any other distribution system.

### **Electricity supplier licence**

2.10 An electricity supplier's licence allows the licensee to supply electricity to premises<sup>36</sup>. Supply in relation to electricity means supply<sup>37</sup> of electricity conveyed by a distribution system to premises other than premises occupied by a licence holder for the purpose of carrying on the activities which he is authorised by his licence to carry on.

2.11 A supplier's licence may authorise the holder to supply electricity:

- ◆ to any premises;
- ◆ only to premises specified in the licence, or to premises of a description so specified; or
- ◆ only to any premises situated in a specified area, or to premises of a specified description which are so situated.

### ***Licence restrictions***

2.12 A licensee may apply for a restriction of its licence. A restriction has the effect of removing from the licence, areas or premises to which the licence applies. Restrictions cannot be granted which would have the effect of denying gas or electricity to premises likely to be owned or occupied by persons who are chronically sick, disabled, of pensionable age or who are likely to default in the payment of charges. Where a restriction would affect an existing or potential consumer the licence holder must satisfy Ofgem that arrangements have been made:

- ◆ to secure continuity of supply; and

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<sup>36</sup>Electricity Act 1989 s6(1)(d) (as amended by the Utilities Act 2000)

<sup>37</sup>Electricity Act 1989 s4(4) (as amended by the Utilities Act 2000)

- ◆ where a contract exists between the consumer and licence holder to secure such continuity for the consumer on the same or as near as is possible to the same terms as the existing contract.

### ***Licence extensions***

2.13 A licensee may apply for an extension of its licence. An extension increases the area, number or type of premises to which the licence applies. An extension cannot be granted if it seeks to or would have the effect of denying gas or electricity to premises likely to be owned or occupied by persons who are chronically sick, disabled, of pensionable age or who are likely to default in the payment of charges.

## Appendix 3 Published guidance

- 3.1 This Appendix lists previous guidance published by Ofgem for gas and electricity Codes of Practice. The guidance contains the criteria against which relevant information in licence applications will be assessed.

***Gas and Electricity Codes of practice. Guidance for domestic suppliers October 2001 61/01.***

- 3.2 This document is available on request from Ofgem and is on the Ofgem website <http://www.ofgem.gov.uk/public/pub2001.htm>. It contains guidance on the following standard licence conditions (SLCs):

- ◆ SLC 24 (gas) Arrangements in Respect of Powers of Entry;
- ◆ SLC 24A Authorisation of Officers;
- ◆ SLC 24B Exercise of Powers of Entry;
- ◆ SLC 24(electricity) Code of Practice on Procedures with Respect to Site Access
- ◆ SLC 25 Efficient Use of Gas;
- ◆ SLC 35 Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty;
- ◆ SLC 36 Code of Practice on the Use of Prepayment Meters;
- ◆ SLC 37 Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick;
- ◆ SLC 37A Pensioners Not to Have Supply of Gas Cut Off In Winter;
- ◆ SLC 38 Provision of Services for Persons who are Blind or Deaf;
- ◆ SLC 39 Complaint Handling Procedure; and
- ◆ SLC 43 Contractual Terms – Methods of Payment.

***Distribution and transportation codes of practice. Guidance notes.  
October 2001 60/01.***

3.3 This document is available on request from Ofgem and is on the Ofgem website <http://www.ofgem.gov.uk/public/pub2001.htm>. It contains guidance on the following standard licence conditions (SLCs):

- ◆ SLC17 (electricity) Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick
- ◆ SLC 18 Provision of Services for Persons who are Blind or Deaf;
- ◆ SLC 19 (gas) Arrangements in Respect of Powers of Entry;
- ◆ SLC 19 (electricity) Code of Practice on Procedures with Respect to Site Access; and
- ◆ SLC 21 Complaint Handling Procedure.

***Code of practice on the efficient use of electricity and gas. Non-domestic suppliers. Guidance note. November 2001.***

3.4 This document is available on request from Ofgem and is on the Ofgem website <http://www.ofgem.gov.uk/public/pub2001.htm>. It contains guidance on the following standard licence conditions (SLCs):

- ◆ SLC25 Efficient Use of Gas and Electricity.