

## **Direction issued under the Energy Market Investigation (Gas Tariff Codes) Undertakings 2016**

1. On 26 June 2014, the Gas and Electricity Markets Authority (GEMA), in exercise of its powers under sections 131 and 133 of the Enterprise Act 2002 (the Act) (as provided for by section 36A of the Gas Act 1986 and section 43 of the Electricity Act 1989), made an ordinary reference to the Competition and Markets Authority (CMA) for investigation and report.
2. The CMA investigated the matters referred to it pursuant to sections 131 and 133 of the Act and concluded (a) in accordance with section 134(1) of the Act that there are features of the markets for the supply and acquisition of energy in Great Britain which, either alone or in combination, prevent, restrict or distort competition; and (b) in accordance with section 134(2) of the Act, that there are adverse effects on competition (AECs). The CMA published its findings in a report entitled [Energy market investigation: Final report](#) (the Report) on 24 June 2016.
3. On 20 December 2016, pursuant to sections 138 and 159 of the Enterprise Act 2002 (the Act), the Competition and Markets Authority (CMA) accepted [undertakings](#) (collectively, the Undertakings) given by the following six energy suppliers on their behalf and on behalf of any Affiliate Licensees (as defined in their Gas Supply Licence<sup>1</sup>):
  - British Gas Trading Limited (for Centrica plc)
  - EDF Energy Customers plc (for EDF Energy plc)
  - E.ON Energy Solutions Limited (for E.ON UK plc)
  - Npower Group plc (for RWE npower plc)
  - Southern Electric Gas Limited (for Scottish and Southern Energy plc)
  - Scottish Power Energy Retail Limited (for Scottish Power Ltd.).

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<sup>1</sup> A gas supply licence granted or treated as granted under section 7A(1) of the Gas Act 1986.

4. The Undertakings were accepted for the purpose of remedying, mitigating or preventing an AEC identified in the Report relating to the supply of energy to customers using prepayment meters, and for the purpose of remedying, mitigating or preventing detrimental effects on customers in so far as they resulted from this AEC. In accordance with section 159(3) of the Act, these Undertakings came into force when they were accepted by the CMA, except Articles 3 and 4 which came into force on 1 April 2017.
5. Article 9.3 of the Undertakings provided that each of the six energy suppliers (and Affiliated Licensees) would be released from the Undertakings given in Articles 3 to 7 if the CMA, after consultation with GEMA, confirmed by way of a direction that a modification to the SPAA (as defined in the Undertakings) which achieved the aim of the provisions set out in these Undertakings had been implemented.

### **Direction under Article 9.3 of the Undertakings and release from Articles 3 to 7 of the Undertakings**

6. The CMA hereby confirms, having consulted GEMA, that a modification to the SPAA that achieves the aim of the provisions set out in the Undertakings has been implemented, and therefore the CMA publishes this direction to release the six energy companies listed in paragraph 3 above, and their Affiliated Licensees, from Articles 3 to 7 of the Undertakings.
7. For the avoidance of doubt, as the condition set out in Article 9.4 of the Undertakings has not yet been satisfied, all other provisions of the Undertakings remain in force.

**Susannah Meeke**

**Director**

**Signed by authority of the CMA Board**

**25 April 2018**