

**HEAT NETWORK AUTHORISATION CONDITIONS**CONSULTATION APPENDIX DRAFT

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**Heat Network Authorisation Conditions**

We are seeking views on whether the draft authorisation conditions reflect the policy intent of our policy proposals. As these are initial drafts it is likely we will need to further develop the conditions and engage further on the structure of the authorisation conditions.

The draft authorisation conditions in this document do not reflect all the obligations that will form part of the regulatory framework. We intend to consult on further authorisation conditions following responses to this consultation, including draft authorisation conditions in respect to our step-in proposals.

Each condition in this appendix contains a short summary above the relevant terms, detailing the intended objectives of each condition. The table below provides the list of draft conditions. The draft condition numbers are only for reference in this document, the order and numbering of the conditions will be finalised as they are further developed.

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**Condition Title: Interpretation****Condition Number: [01]****Introduction to condition**

This condition sets out the interpretation provisions that apply to the heat network authorisation and authorisation conditions.

**Proposed text of condition****General rules of interpretation**

- 1.1 Unless the context otherwise requires, any word or expression defined in the Energy Act 2023 or the Regulations has the same meaning when used in the heat network authorisation or the authorisation conditions.
- 1.2 Unless the context otherwise requires, references in the heat network authorisation or authorisation conditions to a provision of any enactment where after the date of the heat network authorisation:
  - 1.2.1. the enactment has been replaced or supplemented by another enactment; and
  - 1.2.2. such enactment incorporates a corresponding provision in relation to fundamentally the same subject matter,
  - 1.2.3. shall be construed as including a reference to the corresponding provision of that other enactment.
- 1.3 Unless the context otherwise requires, any reference in the heat network authorisation or authorisation conditions to an industry code, an agreement or a statement is a reference to that code, agreement or statement as modified, supplemented, transferred, novated or replaced from time to time and any reference to a statute or subordinate legislation is a reference to that statute or subordinate legislation as amended or re-enacted from time to time.
- 1.4 The heading or title of any section, authorisation condition, schedule, paragraph or sub-paragraph in the heat network authorisation or authorisation conditions is for convenience only and does not affect the interpretation of the text to which it relates.
- 1.5 Unless the context otherwise requires:

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- 1.5.1. any reference in a heat network authorisation to a section, authorisation condition, schedule, paragraph or sub-paragraph is a reference to it in that heat network authorisation;
  - 1.5.2. any reference in an authorisation condition of a heat network authorisation to a paragraph or sub-paragraph is a reference to it in that authorisation condition; and
  - 1.5.3. any reference in a heat network authorisation to any natural or legal person includes that person's successors.
- 1.6 Any reference in the authorisation conditions of the heat network authorisation to any other provision of the authorisation conditions is to be read, if the authorisation conditions are subsequently modified, as a reference (so far as the context permits) to the corresponding provision of the authorisation conditions as modified.
- 1.7 The words "include", "including", and "in particular" where they occur in any provision of the heat network authorisation are to be read without limitation to the generality of the preceding words.
- 1.8 Unless the context or an authorisation condition otherwise requires,
- 1.8.1. words and expressions referencing the masculine gender include the feminine;
  - 1.8.2. words and expressions referencing the feminine gender include the masculine;
  - 1.8.3. words and expressions in the singular include the plural and words and expressions in the plural include the singular.
- 1.9 Unless the context otherwise requires, any reference in a heat network authorisation to the supply of heating, cooling or hot water is to be read, as regards each relevant heat network which is the subject of that heat network authorisation, as being applicable to whichever of them (heating, cooling and/or hot water, as the case may be) is supplied or (as the context requires) capable of being supplied by means of that relevant heat network.

**Performance of obligations**

- 1.10 Where any obligation in the authorisation conditions is required to be performed by a specified date or time or within a specified period and the authorised person has failed to do so, the obligation will continue to be binding and enforceable after the specified date or time or after the end of the specified period, without prejudice to all rights and remedies available against the authorised person in relation to its failure.

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**Specific application of powers**

1.11 Unless a contrary intention appears, any power of the Authority under any provision of the authorisation conditions:

1.11.1. to give a direction, consent, derogation, approval or designation is a power:

- (a) to give it to such extent, for such period of time and subject to such conditions as the Authority thinks reasonable in all the circumstances of the case; and
- (b) to revoke or amend it (after consulting with the authorised person) or give it again under that power; and

1.11.2. to make a determination or a decision is a power:

- (a) to make it subject to such conditions as the Authority thinks reasonable in all the circumstances of the case; and
- (b) to make it again under that power.

1.12. Any direction, consent, derogation, determination, approval, designation, decision or other instrument given or made by the Authority under the heat network authorisation will be in Writing.

**Date to be specified**

1.13. In each case in which the Authority may specify a date under the authorisation conditions of the heat network authorisation, it may specify:

- 1.13.1. that date; or
- 1.13.2. the means by which that date is to be determined.

**Continuing effect**

1.14. Anything done under or because of an authorisation condition of the heat network authorisation, which is in effect immediately before that authorisation condition is modified, has continuing effect for so long as it is permitted or required by or under the modified authorisation condition.

1.15. Without prejudice to the generality of paragraph [1.14], every direction, consent, determination, designation, approval, decision or other instrument given or made by the Authority in relation to an authorisation condition of the heat network authorisation, which is in effect immediately before that authorisation condition is modified, has continuing effect for so long as it is permitted or required by or under the modified authorisation condition.

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#### **Service of notices**

1.16. The provisions of Schedule 1 of the Regulations (Service of notices, etc. by the Regulator) shall have effect as if set out herein and as if:

1.16.1. for the words 'these Regulations' there were substituted the words 'the heat network authorisation conditions'; and

1.16.2. for the words 'the Regulator' there were substituted the words 'the Authority'.

#### **Application of this general authorisation condition**

1.17. This general authorisation condition applies save to the extent that a given authorisation condition of the heat network authorisation provides otherwise.

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**Condition Title: Supplier Standards of Conduct****Condition Number: [02]**

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**Introduction to condition**

This condition obliges authorised persons who carry on the regulated activity of supplying heating, cooling or hot water by means of a relevant heat network to achieve, and ensure its Representatives achieve, certain standards of conduct when carrying out any activities which involve, or otherwise relate to, dealings with Consumers. These Supplier Standards of Conduct include a general requirement to behave and carry out any action in a Fair manner.

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**Proposed text of condition****Consumer Objective for Suppliers**

- 2.1. The objective of this condition is for the authorised person and any Representative to ensure that each Consumer, including (where applicable) each Domestic Consumer in a Vulnerable Situation, is treated Fairly (“the Consumer Objective for Suppliers”).

**Achieving the Supplier Standards of Conduct**

- 2.2. The authorised person must achieve, and must ensure that its Representatives achieve, the Supplier Standards of Conduct in a manner consistent with the Consumer Objective for Suppliers.
- 2.3. The Supplier Standards of Conduct are that the authorised person and any Representative:
- 2.3.1. behave and carry out any actions in a Fair, honest, transparent, appropriate and professional manner;
  - 2.3.2. provide information (whether in Writing or orally) to each Consumer which:
    - (a) is complete, accurate and not misleading (in terms of the information provided or omitted);
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- (b) is communicated (and, if provided in Writing, drafted) in plain and intelligible language with more important information being given appropriate prominence;
- (c) relates to products or services which are appropriate to the Consumer to whom it is directed;
- (d) in terms of its content and in terms of how it is presented, does not create a material imbalance in the rights, obligations or interests of the authorised person and the Consumer in favour of the authorised person; and
- (e) is sufficient to enable the Consumer to make informed choices about their supply of heating, cooling or hot water by means of a relevant heat network by the authorised person;

## 2.3.3. in relation to customer service arrangements:

- (a) make it easy for a Consumer to contact the authorised person;
- (b) act promptly and courteously to put things right when the authorised person or any Representative makes a mistake; and
- (c) otherwise ensure that customer service arrangements and processes are complete, thorough, fit for purpose and transparent;

## 2.3.4. in relation to Domestic Consumers in Vulnerable Situations (where applicable):

- (a) seek to identify each seek Domestic Consumer in a Vulnerable Situation, in a manner which is effective and appropriate, having regard to the interests of the Domestic Consumer;
- (b) when applying the Supplier Standards of Conduct in paragraphs [2.3.1] to [2.3.3] above, do so in a manner which takes into account any Vulnerable Situation of each Domestic Consumer identified in accordance with [(a)] above or otherwise; and
- (c) provide any additional support required to ensure that they have access to necessary services and information, including (where applicable) the services referred to in general authorisation condition [16] (Priority Services Register).



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- 2.3.5. communicates proactively with Consumers to provide them with regular updates about any maintenance work or other events or changes in service which may cause an outage in respect of or other disruption to the supply of heating, cooling or hot water by means of the Specified Heat Network;
- 2.3.6. actively engages with Consumers to understand their needs and expectations and keep them appropriately informed about matters which may impact on the supply to them of heating, cooling or hot water by means of the Specified Heat Network, including:
- (a) seeking feedback on satisfaction with customer service arrangements;
  - (b) seeking feedback on proposed decision-making that may have a significant impact on Consumers, including decision-making on matters that:
    - i. may have long-term implications for the supply of heating, cooling or hot water by means of a relevant heat network to Consumers; and/or
    - ii. that relate to decarbonisation or retrofitting of the Specified Heat Network and/or its connection to other relevant heat networks; and
  - (c) being transparent about how any change to infrastructure which forms part of the Specified Heat Network and/or any other relevant heat network may impact pricing and/or service delivery;
- 2.3.7. provides such information and co-operation to another authorised person (the "second authorised person") as may reasonably be requested by the second authorised person in order for the second authorised person to comply with obligations imposed on it by or under the Regulations or the authorisation conditions.

**Scope of condition**

- 2.4. Subject to paragraph [2.5], this general authorisation condition [2] applies to all activities of the authorised person and any Representative which involve, or otherwise relate to, dealings with a Consumer.

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- 2.5. [[Apart from any matters relating to Deemed Contracts], this general authorisation condition [2] does not apply in respect of the amount or amounts of any Charges for the supply of heating, cooling or hot water by means of a relevant heat network or any other type of charge or fee, applied or waived.]

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**Condition Title: Operator Standards of Conduct****Condition Number: [03]****Introduction to condition**

This condition obliges authorised persons who carry on the regulated activity of operating a relevant heat network to achieve certain standards of conduct when carrying out any activities which are likely to have an impact, directly or indirectly, on Consumers. These Operator Standards of Conduct include a general requirement to behave and carry out any action in a Fair manner.

**Proposed text of condition****Consumer Objective for Operators**

- 3.1. The objective of this condition is for the authorised person to ensure that each Consumer is treated Fairly (“the Consumer Objective for Operators”).

**Achieving the Operator Standards of Conduct**

- 3.2. The authorised person must ensure it achieves the Operator Standards of Conduct in a manner consistent with the Consumer Objective for Operators.
- 3.3. The Operator Standards of Conduct are that the authorised person:
- 3.3.1. behaves and carries out any actions in a Fair, honest, transparent, appropriate and professional manner; and
  - 3.3.2. provides such information and co-operation to another authorised person (the “second authorised person”) as may reasonably be requested by the second authorised person in order to carry out obligations imposed on the second authorised person by or under the Regulations or the authorisation conditions.

**Scope of condition**

- 3.4. This general authorisation condition [3] applies to [all activities of the authorised person which are likely to have an impact, directly or indirectly, on a Consumer, including (where applicable) activities of the authorised person which are likely to have an impact on the supply by another authorised person of heating, cooling or hot water to Consumers by means of a relevant heat network].

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**Condition Title: Fair Pricing****Condition Number: [04]**

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**Introduction to condition**

This condition imposes an obligation on each authorised person to ensure that the charges it imposes are fair and are not disproportionate.

The condition will be interpreted and enforced in accordance with guidance published by the Authority.

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**Proposed text of condition**

- 4.1. An authorised person must ensure that the charges it imposes are fair and are not disproportionate.
  - 4.2. This authorisation condition shall be interpreted and enforced in accordance with guidance published by the Authority.
  - 4.3. Before this general authorisation condition [4] comes into force, the Authority shall publish the guidance referred to in paragraph [4.2].
  - 4.4. The guidance referred to in paragraph [4.2] shall:
    - 4.4.1. make provision about how the Authority is to determine; and
    - 4.4.2. give examples of some of the methods that may be used by the Authority to determine, whether charges are fair and not disproportionate.
  - 4.5. Before the Authority publishes the guidance referred to in paragraph [4.2] the Authority shall consult:
    - 4.5.1. authorised persons; and
    - 4.5.2. such other persons as the Authority thinks it appropriate to consult.
  - 4.6. The Authority may from time to time revise the guidance referred to in paragraph [4.2] and before issuing any such revised guidance the Authority shall consult such persons as specified in paragraph [4.5] setting out the text of, and the reasons for, the proposed revisions.
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**Condition Title: Ongoing Fit and Proper Requirement****Condition Number: [05]**

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**Introduction to condition**

This condition closely follows the precedent set by the electricity and gas supply Standard Licence Condition<sup>1</sup> (SLC) 4C and sets out the requirement that all individuals with Significant Managerial Responsibility or Influence must be fit and proper using the given criteria.

Work by Ofgem is currently underway to review the requirements under electricity and gas supply SLC 4C to consider whether there are any improvements that should be made and consulted upon. The heat networks team will consider the outcome of any consultation in due course and may then bring forward amendments to this condition to reflect any changes made.

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**Proposed text of condition**

- 5.1. The authorised person must not appoint or have in place a person in a position of Significant Managerial Responsibility or Influence who is not a fit and proper person to occupy that role.
- 5.2. The authorised person must:
  - 5.2.1. have in place and maintain robust processes, systems and governance to ensure that any person holding a position of Significant Managerial Responsibility or Influence at the authorised person is fit and proper to occupy that role; and
  - 5.2.2. carry out regular assessments on such person(s) to ensure that they remain fit and proper to occupy that role.
- 5.3. In complying with paragraphs [5.1] to [5.2], the authorised person must have regard to and take account of all relevant matters including, whether the individual has:
  - 5.3.1. been responsible for, contributed to or facilitated any serious misconduct or mismanagement (whether unlawful or not) in the course of carrying out a regulated activity in any sector (or, providing a service elsewhere which, if provided in Great Britain, would be such a regulated activity);
  - 5.3.2. any relevant unspent criminal convictions in any jurisdiction in particular fraud or money laundering;

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<sup>1</sup> <https://www.ofgem.gov.uk/energy-policy-and-regulation/industry-licensing/licences-and-licence-conditions>

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- 5.3.3. any insolvency history, including undischarged bankruptcy debt judgements and County Court judgements;
  - 5.3.4. been disqualified from acting as a director of a company;
  - 5.3.5. [been a person with Significant Managerial Responsibility or Influence at a current or former authorised person, a Gas Supplier, or an Electricity Supplier in respect of whose Customers' or Consumer's premises the Authority issued a [Last Resort Supply Direction] (including where they were a person with Significant Managerial Responsibility or Influence at that supplier within the 12 months prior to the Last Resort Supply Direction being issued);]<sup>2</sup>
  - 5.3.6. been a person with Significant Managerial Responsibility or Influence at a current or former authorised person or Relevant Energy Licensee in relation to whom a Special Administration Order has been made.<sup>2</sup>
  - 5.3.7. been a relevant person in respect of premises to which an appropriate tribunal has appointed a manager under section 24 or 24ZA of the Landlord and Tenant Act 1987;
  - 5.3.8. been identified on a database of rogue landlords and property agents established under section 28 of the Housing and Planning Act 2016;
  - 5.3.9. owned or managed premises made the subject of a Relevant Order under the Housing Act 2004; or
  - 5.3.10. been refused, had revoked (in whole or in part), restricted or terminated any form of authorisation, or had any disciplinary, compliance, enforcement or regulatory actions taken by any regulatory body in any jurisdiction whether as an individual, or in relation to a business in which that person held Significant Managerial Responsibility or Influence.
- 5.4. The authorised person must give particular regard to circumstances in which the relevant person has a background in the energy sector or the housing sector in Great Britain and the previous actions of that person resulted in or contributed towards significant consumer or market detriment.

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<sup>2</sup> This will be confirmed as part of Step-In policy development.

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**Condition Title: Provision of Information and reasoned comments to the Authority****Condition Number: [06]**

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**Introduction to condition**

This condition sets out the requirement on the authorised person to comply with a request from the Authority for information.

Given the market segmentation in heat networks and the need to remain flexible in approach to information gathering, it is anticipated that the Authority will use this condition to issue enduring requests for information that are tailored according to the relevant authorised person.

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**Proposed text of condition****Provision of Information to Authority**

- 6.1. After receiving a request from the Authority for Information that it considers may be necessary or expedient for the performance of any of its functions, the authorised person must give that Information to the Authority.
- 6.2. The Information provided by the authorised person pursuant to paragraph [6.1] must be in the form requested and provided at such time or such intervals of time as the Authority requests.
- 6.3. The authorised person is not required to comply with paragraph [6.1] if the authorised person could not be compelled to produce or give the Information in evidence in civil proceedings before a court.
- 6.4. The Authority's power to request Information under this condition is additional to its power to call for Information under or pursuant to any other condition of this heat network authorisation.

**Provision of reasoned comments to the Authority**

- 6.5. After receiving a request from the Authority for reasoned comments on the accuracy and text of any Information which the Authority proposes to publish under regulation 12 of the Regulations, the authorised person must give such comments to the Authority when and in the form requested.
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**Condition Title: Principles relating to conduct and being open and cooperative****Condition Number: [07]****Introduction to condition**

This condition reflects the 'open and cooperative' licence condition included in electricity and gas supply licences, but also introduces a new 'conduct' principle which reflects the need for newly regulated persons to take appropriate steps to comply with the new regulations.

**Proposed text of condition****Principle to be open and cooperative**

- 7.1. The authorised person must be open and cooperative with the Authority.
- 7.2. In complying with paragraph [7.1], the authorised person must disclose to the Authority in writing or orally any circumstance relating to the authorised person of which the Authority would reasonably expect notice in order to perform its statutory functions, particularly actions or omissions that give rise to a likelihood of detriment to Consumers. Such disclosure should be made as soon as the circumstance arises or the authorised person becomes aware of an increased likelihood of it arising.
- 7.3. The authorised person is not required to comply with paragraphs [7.1] and [7.2] if the authorised person could not be compelled to produce or give the information in evidence in civil proceedings before a court.

**Conduct principle**

- 7.4. The authorised person must at all times act in a manner that will enable it to comply in all respects with obligations imposed on it by or virtue of the Energy Act 2023, including those imposed by the authorisation conditions, including by:
  - 7.4.1. having appropriate internal resource;
  - 7.4.2. taking all reasonable steps to identify where there may be a risk of the authorised person contravening any relevant condition or requirement and taking such action as is requisite to mitigate such risks and to ensure that the Specified Activities are conducted in such a way as can reasonably be expected to lead to compliance with the authorisation conditions;



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- 7.4.3. establishing and operating appropriate systems and processes and having a designated point of contact for liaising with the Authority; and
- 7.4.4. having regard to any guidance issued by the Authority on any authorisation condition, as such guidance may be revised from time-to-time.

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**Condition Title: Independent Audits****Condition Number: [08]**

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**Introduction to condition**

This condition obliges an authorised person to accede to, and cooperate with, an independent audit. The Authority can appoint the auditor directly or require the authorised person to do so.

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**Proposed text of condition****Commissioning of Independent Audit**

- 8.1. Where the Authority determines that the performance of any functions given or transferred to it by or under any legislation makes it necessary or expedient that the authorised person be audited by an independent auditor it may:
- 8.1.1. require the authorised person to commission an Independent Audit; or
  - 8.1.2. appoint an Independent Auditor to carry out an Independent Audit of the authorised person.
- 8.2. If required to commission an Independent Audit under paragraph [8.1.1] the authorised person must:
- 8.2.1. commission the Independent Audit without delay in accordance with the request, including any terms of reference supplied by the Authority; and
  - 8.2.2. provide to the Authority, in the form requested by the Authority and by the date set by the Authority, a copy of the full audit report.

**Cooperation with Independent Audit and the Authority**

- 8.3. The authorised person must:
- 8.3.1. cooperate fully with any Independent Audit commissioned, or Independent Auditor appointed, under this condition; and
  - 8.3.2. take all reasonable steps to ensure that its Affiliates cooperate fully with that Independent Audit or Independent Auditor, so as to enable and facilitate the carrying out of the Independent Audit.
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- 8.4. This condition does not require the production of any information that the authorised person could not be compelled to produce or give in evidence in civil proceedings before a court.
- 8.5. The authorised person must ensure that:
- 8.5.1. without prejudice to its duty to provide a copy of the report to the Authority by the date set by the Authority, each report prepared in accordance with paragraph [8.2] is considered by appropriate members of its senior management team within four weeks of the report being provided by the Independent Auditor to the authorised person; and
  - 8.5.2. it keeps a documentary record of the decisions made and actions taken by it in response to that report.

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**Condition Title: Heat Supply Contracts****Condition Number: [09]**

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**Introduction to condition**

This condition sets out the obligations on authorised persons to supply heating, cooling or hot water by means of the relevant heat network following a request from a Relevant Consumer. It sets out certain exceptions to that requirement and describes the requirements for heat supply contracts.

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**Proposed text of condition****General**

- 9.1. If the authorised person supplies heating, cooling or hot water by means of the Specified Heat Network to a Relevant Consumer it must do so under a Relevant Supply Contract or a [Deemed Contract].
  - 9.2. For the purpose of this general authorisation condition [09], Relevant Supply Contract includes:
    - 9.2.1. a lease, tenancy agreement, service charge agreement or other agreement between the authorised person and the Relevant Consumer in relation to a premises under which terms and conditions relating to the supply of heating, cooling or hot water by means of the Specified Heat Network are contained; and
    - 9.2.2. contracts for the supply of heating, cooling or hot water by means of the Specified Heat Network combined with any other goods or service.
  - 9.3. Within a reasonable period of time after receiving a request from a Relevant Consumer for a supply of heating, cooling or hot water by means of the Specified Heat Network to that Relevant Consumer, the authorised person must offer to enter into a Relevant Supply Contract with that Relevant Consumer.
  - 9.4. If the Relevant Consumer accepts the terms of the Relevant Supply Contract offered to them under paragraph [9.3], the authorised person must supply the relevant heating, cooling or hot water by means of the Specified Heat Network in accordance with that Relevant Supply Contract and any other requirements of the authorisation conditions.
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- 9.5. Subject to paragraph [9.6], the authorised person must ensure that the terms and conditions of each Relevant Supply Contract comply with the provisions of this general authorisation condition [09].
- 9.6. Where a Relevant Supply Contract provides for both the supply of heating, cooling or hot water by means of the Specified Heat Network to a premises and any other good or service referred to in paragraph [9.2], paragraph [9.5] applies to the terms and conditions relating to the supply of heating, cooling or hot water by means of the Specified Heat Network only.

**Exceptions to authorised person's obligations**

- 9.7. The authorised person is not required to comply with the obligations set out in paragraphs [9.3] or [9.4] in any of the following circumstances:
- 9.7.1. the Relevant Consumer's premises are not connected, whether directly or indirectly, to the Specified Heat Network;
- 9.7.2. supplying the relevant heating, cooling or hot water by means of the Specified Heat Network to the Relevant Consumer's premises would, or might, involve danger to the public and/or property, provided that the authorised person has taken all reasonable steps to prevent such danger from occurring;
- 9.7.3. it is not reasonable in all the circumstances of the case for the authorised person to supply the relevant heating, cooling or hot water by means of the Specified Heat Network to the Relevant Consumer's premises, provided that, if it is already supplying the relevant heating, cooling or hot water by means of the Specified Heat Network to the premises, it has given at least seven Working Days' Notice of its intention to stop doing so; or
- 9.7.4. the authorised person requires the Relevant Consumer to pay a Security Deposit and they do not do so, except if that deposit is in breach of any of the requirements of general authorisation condition [17] (Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills).

**Notification of Supply Contract terms and other information**

- 9.8. Before the authorised person enters into a Relevant Supply Contract, it must bring the following information to the attention of the Relevant Consumer and ensure that the following information is communicated in plain and intelligible language:
- 9.8.1. a statement to the effect that the authorised person is seeking to enter into a legally binding contract with the Relevant Consumer; and

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9.8.2. the Principal Terms of the proposed Relevant Supply Contract.

9.9. A Relevant Supply Contract must:

- 9.9.1. be in Writing;
- 9.9.2. drafted in plain and intelligible language;
- 9.9.3. be set out in a single document and not incorporate any terms or conditions by reference to any other document, website or other resource;
- 9.9.4. include all terms and conditions for the supply of heating, cooling or hot water by means of the Specified Heat Network including:
  - (a) a term separately identifying the Charges for the supply of heating, cooling or hot water by means of the Specified Heat Network and the charge for any other good or service to be provided; and
  - (b) the Principal Terms.

9.10. If the authorised person supplies heating, cooling or hot water by means of a Specified Heat Network to a Relevant Consumer's premises under a Relevant Supply Contract, it must provide that Relevant Consumer with a complete copy of the Relevant Supply Contract in a format that is accessible to the Relevant Consumer:

- 9.10.1. be in Writing;
- 9.10.2. at the outset of the supply; and
- 9.10.3. if at any time a copy is requested by a Relevant Consumer within a reasonable period of time after receiving the request;
- 9.10.4. when any changes to such Relevant Supply Contract are sent to the Relevant Consumer by the authorised person.

**Terms of Supply Contracts**

9.11. A Relevant Supply Contract or a [Deemed Contract] must contain:

- 9.11.1. the Relevant Billing Information;
- 9.11.2. terms and conditions relating to the renewal and termination of the Relevant Supply Contract or [Deemed Contract];
- 9.11.3. the identity and address and contact details of the authorised person. This must include various methods for Consumers to contact the authorised person including email, instant messaging, telephone or letter;

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- 9.11.4. details of the authorised person's Complaints Handling Procedure;
  - 9.11.5. the [Guaranteed Standards of Performance]<sup>3</sup> that will apply to the authorised person and the compensation and refund arrangements which apply in respect of any failure to achieve such standards;
  - 9.11.6. details of services that will be provided by the authorised person directly or by any third parties, including but not limited to operation, maintenance, metering, and billing services;
  - 9.11.7. where the services referred to in paragraph [9.11.6] are to be provided to the Consumer by multiple organisations in relation to a Relevant Supply Contract or [Deemed Contract], details of the breakdown of responsibility and which organisation will be responsible for providing the relevant service;
  - 9.11.8. key performance indicators of the heat network, including network efficiency;
  - 9.11.9. details of the means by which the Consumer can be provided with information on available tariffs and on changes to any Charges for the supply of heating, cooling or hot water by means of a Specified Heat Network, including justifications and notice periods;
  - 9.11.10. information concerning the Consumer's rights as regards the means of dispute settlement available to them in the event of a dispute with the authorised person, including how dispute resolution procedures can be initiated;
  - 9.11.11. where applicable information on the availability of consumer advocacy from the Relevant Consumer Advice Body;
  - 9.11.12. information on the source of thermal energy and the environmental impacts of the operation of the Specified Heat Network;
  - 9.11.13. contact information, including website addresses, for organisations from which information may be obtained on available energy efficiency improvement measures;
  - 9.11.14. details of the process by which a Consumer may request Historic Consumption Data;
  - 9.11.15. terms and conditions which reflect the effect of:
    - (a) any requirement of general authorisation condition [13] (Provision of Billing and Price Transparency Information) which could reasonably be considered as:
      - i. giving a particular Relevant Consumer a right to receive or do something in any circumstances;
      - ii. giving a particular Relevant Consumer a right to avoid being subject to something in any circumstances; and

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<sup>3</sup> 'GSOP' provisions to be proposed in a later consultation

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- iii. providing for a specific form of protection for a particular Relevant Consumer in any circumstances;
- 9.11.16. terms and conditions which reflect the effect of general authorisation condition [15] (Back-billing);
- 9.11.17. Any other terms and conditions or requirements stated as required to be included in any Relevant Supply Contract [or Deemed Contract] in accordance with the general authorisation conditions.
- 9.12. The authorised person must not enforce or take advantage of any term of a Relevant Supply Contract [or a Deemed Contract] if:
  - 9.12.1. the inclusion of that term is incompatible with this general authorisation condition [09]; or
  - 9.12.2. the enforcement or the taking advantage of that term would be so incompatible.

**Termination of Relevant Supply Contracts**

- 9.13. The authorised person must ensure that the notice period for termination of any Relevant Supply Contract with a Relevant Consumer is no longer than [30] days.

**Request for historic heat consumption data**

- 9.14. Where a Relevant Consumer requests the authorised person to pass on its Historic Consumption Data either to the Relevant Consumer or to any other person, the authorised person shall comply with that request free of charge as soon as reasonably practicable. Guidance will be used to add further detail where needed.

**Deemed Contracts**

- 9.15. The authorised person must take all reasonable steps to ensure that the terms of each of its Deemed Contracts are not unduly onerous and are priced in accordance with general authorisation condition [04] (Fair Pricing).
- 9.16. A Deemed Contract must:
  - 9.16.1. Provide that, where a Consumer intends its premises to be supplied with heating, cooling or hot water by means of a Specified Heat Network under a Supply Contract with the authorised person, the Deemed Contract will continue to have effect until the authorised person begins to supply heating, cooling or hot water by means of a Specified Heat Network to the premises under a Supply Contract.
  - 9.16.2. If the Consumer is a Domestic Consumer include a term that provides that the Deemed Contract will end, in relation to the Domestic Premises to which it applies, by no later than:
    - (a) If the Domestic Consumer has notified the authorised person at least [two Working Days] before the date on which it stops owning or occupying the premises, that date; or



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- (b) if the Domestic Consumer has stopped owning or occupying the premises without giving the authorised person such notification, the first to happen of the following:
  - i. the end of the second Working Day after the customer has notified the licensee that he has stopped owning or occupying the premises; or
  - ii. the date on which any other person begins to own or occupy the premises and takes a supply of heating, cooling or hot water by means of a Specified Heat Network at those premises.
- 9.17. If the authorised person supplies heating, cooling or hot water by means of a relevant heat network to a Consumer's premises under a Deemed Contract, the authorised person must not charge the Consumer a termination fee.
- 9.18. A Deemed Contract must not:
  - 9.18.1. provide for any fixed term period;
  - 9.18.2. provide for any termination fee;
  - 9.18.3. Subject to paragraph [9.16.2(b)], require the Consumer to give any form of notice before they are able to enter into a Supply Contract in place of the Deemed Contract.
- 9.19. In relation to any Consumer who is subject to a Deemed Contract, the authorised person must not, and must ensure that its staff and any Representative do not, inform that Consumer that they are:
  - 9.19.1. required to pay a termination fee;
  - 9.19.2. subject to a fixed term period; or
  - 9.19.3. subject to paragraph [9.16.2(b)], required to give any form of notice before they are able to enter into a Supply Contract in place of the Deemed Contract.
- 9.20. If the authorised person supplies heating, cooling or hot water by means of a Specified Heat Network to a Consumer's premises under a Deemed Contract, it must take all reasonable steps to provide that Consumer with:
  - 9.20.1. the Principal Terms of the Deemed Contract; and
  - 9.20.2. notice that Supply Contracts, with terms that may be different from the terms of Deemed Contracts, may be available and of how information about such Supply Contracts may be obtained.
- 9.21. If a person requests a copy of a Deemed Contract that the authorised person has available, the authorised person must provide it to that person within a reasonable period of time after receiving the request.

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- 9.22. The authorised person must ensure that the terms and conditions of each Deemed Contract comply with the provisions of this general authorisation condition [09].
- 9.23. The authorised person must ensure that each Deemed Contract contains terms and conditions which:
- 9.23.1. reflect the effect of the provisions of authorisation conditions in relation to supplier of last resort.<sup>4</sup>

**Guidance**

- 9.24. This authorisation condition shall be interpreted and enforced in accordance with guidance published by the Authority.
- 9.25. Before this authorisation condition comes into force the Authority shall publish the guidance referred to in paragraph [9.24].
- 9.26. Before the Authority publishes the guidance referred to in paragraph [9.24] the Authority shall consult:
- 9.26.1. authorised persons; and
- 9.26.2. such other persons as the Authority thinks it appropriate to consult.
- 9.27. The Authority may from time to time revise the guidance referred to in paragraph [9.24] and before issuing any such revised guidance the Authority shall consult such persons as specified in paragraph [9.26] setting out the text of, and the reasons for, the proposed revisions.

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<sup>4</sup> To be confirmed alongside step-in policy

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**Condition Title: Contract Changes Information (Notifications of Price Information and Disadvantageous Unilateral Variations)**

**Condition Number: [10]**

**Introduction to condition**

This condition obliges authorised persons to provide notices to consumers prior to the event of a unilateral variation or increase to the charges, disadvantaging the consumer. Increases to the charges are permitted only once in any six-month period. The notices must contain the information detailed in this condition to enable consumers to understand what the change is and the consequences for them.

**Proposed text of condition**

10.1. The authorised person must ensure that each Relevant Consumer is provided with a Notice not less than thirty-one (31) days prior to the event of:

- (a) a Disadvantageous Unilateral Variation; or
- (b) an increase in the Charge for supplying heating, cooling or hot water by means of the Specified Heat Network to a Relevant Consumer (including by making any reduction in the amount of a Discount that is applied to a Unit Rate or Standing Charge),

each a '**Relevant Contract Change Notice**'.

10.2. The authorised person must not make any increase to the Charge for Relevant Consumers more frequently than once in any six (6) month period during a Relevant Year.

**Notices**

10.3. Any Relevant Contract Change Notice must:

10.3.1. inform the Relevant Consumer:

- (a) that they may end the relevant Supply Contract; and
- (b) of the consequences of ending the relevant Supply Contract, including without limitation that the Relevant Consumer may be subject to exclusions or other terms in relation to alternative energy supplies on or in relation to the relevant development and/or relevant premises;
- (c) include a statement to the effect that value added tax (at the applicable rate) is included in any Charge for supplying heating, cooling or hot water by means of the Specified Heat Network which are subject to value added tax and that this may be

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- different to the way such Charges are displayed on a Bill or statement of account;
- (d) display the Charge for supplying heating, cooling or hot water by means of the Specified Heat Network inclusive of value added tax at the applicable rate;
  - (e) be provided in a Form and at an appropriate time that is designed to prompt the Relevant Consumer to make an informed choice in light of the proposed Change, leaving reasonable time for the Relevant Consumer to make an informed choice in relation to the Change before it takes effect; and
  - (f) contain information which is sufficient to enable the Relevant Consumer to understand:
    - i. the Change, including the main reason(s) for the Change;
    - ii. any potential implications (including any financial implications) of the Change for the Relevant Consumer if no action is taken;
    - iii. when the Change takes effect; and
    - iv. the Relevant Consumer's rights and available options relevant to the Change.
- 10.4. In complying with paragraphs [10.1] and [10.3] the authorised person must take into account:
- (a) whether the Relevant Consumer is in a Vulnerable Situation; and
  - (b) where appropriate, the Relevant Consumer's preferences for receiving Notices.
- 10.5. A Relevant Contract Change Notice must be provided to the Relevant Consumer separately from any other document (including, but not limited to, a Bill, statement of account, or marketing material).

**Exception to compliance with condition**

- 10.6. The authorised person is not required to comply with this general authorisation condition [10] to such extent and subject to such conditions as the Authority may from time to time direct.

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**Condition Title: Complaints****Condition Number: [11]****Introduction to condition**

This condition sets out how authorised persons are required to receive, handle and record complaints from consumers. This condition also contains requirements on providing information to consumers on third-party support and the annual publication of complaints data by the authorised person.

**Proposed text of condition****General**

- 11.1. For the purposes of this general authorisation condition references to Relevant Consumer shall be read as references to Domestic Consumers, Microbusiness Consumers and Small Business Consumers.
- 11.2. The authorised person supplying heating, cooling or hot water by means of the Specified Heat Network to a Relevant Consumer and a Heat Network Authorised Supplier or Heat Network Operator who supplies heating, cooling or hot water to that authorised person must at all times have in place a Complaints Handling Procedure that complies with the terms of this general authorisation condition [11] and the Supplier Standards of Conduct as set out at paragraph [2.3] of general authorisation condition [02] (Supplier Standards of Conduct).
- 11.3. Each authorised person required to have a Complaints Handling Procedure by paragraph [11.2] of this general authorisation condition must comply with this authorisation condition and have regards to such guidance as the Authority may from time to time publish in relation to this general authorisation condition.
- 11.4. For the purposes of this general authorisation condition, a Complaint is an expression of dissatisfaction about the standard of service, action or inactions of the authorised person, or those acting on its behalf, where:
- (a) the dissatisfaction arises in direct response to the carrying out of a regulated activity by the authorised person, or those acting on its behalf;
  - (b) one or more Relevant Consumers are affected; and
  - (c) a response is explicitly or implicitly required or expected to be provided thereafter.

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- 11.5. The authorised person must when receiving and handling Complaints take into consideration each Relevant Consumer's situation, including, without limitation, if they are a Vulnerable Consumer or a Relevant Consumer identified pursuant to paragraph [11.1] of this general authorisation condition.

**Complaints handling procedure**

- 11.6. The authorised person identified pursuant to paragraph 11.2 must comply with its Complaints Handling Procedure in relation to each Complaint it receives.

- 11.7. Where:

- (a) the authorised person is a different person or entity to the Heat Network Authorised Supplier and/or Heat Network Operator (as the case may be) who is at fault; and
- (b) the authorised person (acting reasonably) believes that a Complaint arises from or is attributable to the standards of service, actions or inactions of the Specified Heat Network by the Heat Network Authorised Supplier and/or Heat Network Operator (as the case may be),

the authorised person must provide to the Heat Network Authorised Supplier and/or Heat Network Operator (as the case may be) sufficient information and data regarding the relevant Complaint to allow the Heat Network Authorised Supplier and/or Heat Network Operator (as the case may be) to fully investigate and seek to resolve any issues.

- 11.8. The information and data to be provided under paragraph [11.7] must be provided as soon as reasonably practicable after receipt of the relevant Complaint, or any subsequent communication with the Relevant Consumer which provides additional information or data in relation to such Complaint.

- 11.9. Where the authorised person provides information and data regarding a Complaint to the Heat Network Authorised Supplier and/or Heat Network Operator (as the case may be) for investigation and resolution by the Heat Network Authorised Supplier and/or Heat Network Operator (as the case may be) pursuant to paragraph [11.7] of this general authorisation condition, the authorised person shall also:

- (a) provide to the Heat Network Authorised Supplier and/or Heat Network Operator (as the case may be) a copy of its Complaints Handling Procedure;
- (b) use reasonable endeavours to procure that the Heat Network Authorised Supplier and/or Heat Network Operator (as the case may be) provides a complete response to the information and

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data regarding the relevant Complaint provided to the Heat Network Authorised Supplier and/or Heat Network Operator (as the case may be) by the authorised person, having due regard to the Complaints Handling Procedure provided to the Heat Network Authorised Supplier and/or Heat Network Operator (as the case may be) pursuant to paragraph [11.11(a)] of this authorisation condition; and

- (c) at all times remain the single point of contact for the Relevant Consumer in relation to the relevant Complaint.

11.10. The authorised person's Complaints Handling Procedure must be provided to all Relevant Consumers not less than annually and must:

- (a) be in plain and intelligible language;
- (b) allow for Complaints to be made by any reasonable means, including but not limited to:
  - i. orally (by telephone or in person at the authorised person's business premises);
  - ii. in Writing; or
  - iii. digitally;
- (c) allow for Complaints to be progressed through each stage of the Complaints Handling Procedure orally (by telephone or in person at the authorised person's business premises), in Writing or digitally;
- (d) describe the steps which the authorised person will take with a view to investigating and resolving a Complaint and the likely timescales for each of those steps;
- (e) provide for an internal review of an existing Complaint where a complainant indicates that they would like such a review to occur because they are dissatisfied with the handling of that Complaint;
- (f) inform Relevant Consumers of the names and contact details of the main sources of independent help, advice and information that are available to them. For these purposes a source of help, advice and information shall be independent if it is independent of authorised persons, a qualifying redress scheme and the Authority;
- (g) describe the Relevant Consumer's right to refer a Complaint to the Relevant Dispute Resolution Body;

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- i. on and from the point at which the authorised person notifies the Relevant Consumer in Writing that it is unable to resolve the Complaint to the Relevant Consumer's satisfaction; or
  - ii. after the expiry of the specified time period for resolving the Complaint;
- (h) set out the different remedies that may be available to a Relevant Consumer under the Complaints Handling Procedure in respect of a Complaint, which remedies must include:
  - i. an apology;
  - ii. an explanation;
  - iii. the taking of appropriate remedial action by the authorised person; and
  - iv. the award of compensation in appropriate circumstances.

**Group Complaints**

11.11. The authorised person must provide to Relevant Consumers details of its membership of a qualifying redress scheme and information about the operation of that qualifying redress scheme including, but not limited to:

- (a) that their Complaint may be handled as a group Complaint in accordance with the terms of the relevant qualifying redress scheme; and
- (b) how group Complaints are handled pursuant to the terms of that qualifying redress scheme.

**Information to be provided to Relevant Consumers**

11.12. Where the authorised person has a Website, the authorised person must ensure that its Complaints Handling Procedure appears at a clear and prominent location on its Website and is provided in Writing to each Relevant Consumer before they enter into a Supply Contract. The authorised person must provide a copy of its Complaints Handling Procedure, free of charge, to any Relevant Consumer who requests a copy.

11.13. If a Relevant Consumer reasonably requests that the information to be provided pursuant to paragraph [11.14] of this authorisation condition is delivered to them



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in a specific format, the authorised person must comply with this request free of charge as soon as is reasonably practicable, having due regard to the Equality Act 2010 and each Relevant Consumer's Personal Characteristics.

11.14. Where a Complaint has not become a resolved Complaint by the end of the first Working Day after the day the Complaint was first received by the authorised person, the authorised person must as soon as reasonably practicable (unless it has already done so in respect of the relevant Complaint):

- (a) direct the complainant to the Complaints Handling Procedure on its or other suitable alternative; and
- (b) offer to provide a copy of the Complaints Handling Procedure to the complainant free of charge.

11.15. The authorised person to whom this authorisation condition applies must, at least once in every twelve-month period, inform all Relevant Consumers (or arrange for all of its Relevant Consumers to be informed) of the existence of its Complaints Handling Procedure and how a Relevant Consumer may obtain a copy of it.

**Investigating, assessing and resolving Complaints***Recording Complaints upon receipt*

11.16. Upon receipt of a Complaint the authorised person must record in a written, electronic format the following details:

- (a) the date that the Complaint was received;
- (b) whether the Complaint was made orally, in Writing or digitally;
- (c) the identity and contact details of the Relevant Consumer making the Complaint or on whose behalf the Complaint is made;
- (d) the account details of the Relevant Consumer making the Complaint or on whose behalf the Complaint is made;
- (e) a summary of the Complaint;
- (f) a summary of any advice given or action taken or agreed in relation to the Complaint;
- (g) whether the Complaint has become a resolved Complaint and, if so, the basis upon which the authorised person considers that the Complaint is a resolved Complaint; and

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- (h) the method for future communication (if any) that has been agreed with the complainant.

11.17. Where any subsequent contact is made with the authorised person in relation to an existing Complaint that authorised person must, upon receipt of that subsequent contact, record:

- (a) the date of that contact;
- (b) whether the subsequent contact was made orally, in Writing or digitally;
- (c) whether the complainant making the subsequent contact is the same complainant as, or different to, the complainant who made the original contact regarding an existing Complaint and, where different, the identity and contact details of the complainant making the subsequent contact;
- (d) a summary of that contact;
- (e) a summary of any advice given or action taken or agreed in response to any points raised in that contact;
- (f) whether the Complaint has become a resolved Complaint and, if so, the basis upon which the authorised person considers that the Complaint is a resolved Complaint; and
- (g) the method for future communication (if any) that has been agreed with the complainant.

11.18. All details recorded in accordance with paragraph [11.17] must be clearly linked to an existing Complaint.

11.19. For the purposes of paragraphs [11.17] and [11.18], a Complaint or any subsequent contact shall be treated as having been received by the authorised person:

- (a) where the Complaint or subsequent contact is made orally (by telephone or in person at the authorised person's business premises), at the time at which it is received by that authorised person;
- (b) where the Complaint or subsequent contact is made in Writing (including by email) or digitally and it is received before 1700 hours on a Working Day, on the Working Day that it is received by that authorised person; or

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- (c) where the Complaint or subsequent contact is made in Writing (including by email) or digitally and it is received by the authorised person after 1700 hours on a Working Day or at any time on a day that is not a Working Day, on the first Working Day immediately following the day upon which it is received by that authorised person.

11.20. Where a complainant claims to have made a Complaint in respect of a matter but it is not possible to identify a relevant existing Complaint, the authorised person must record the fact that it is unable to trace the existing Complaint.

11.21. Where the authorised person has recorded that a Complaint is a resolved Complaint but subsequent contact from a complainant in relation to that Complaint indicates that it is not a resolved Complaint, the authorised person:

- (a) must record details of this change in the Complaint's status in its recording system;
- (b) must as soon as reasonably practicable after becoming aware of the fact that the Complaint is not a resolved Complaint:
  - i. direct the complainant to the Complaints Handling Procedure on its Website; and
  - ii. offer to provide a copy of the Complaints Handling Procedure to the complainant free of charge;
- (c) must take account of that Complaint in any report which it is obliged to prepare and publish in accordance with paragraph [11.35] of this general authorisation condition; and
- (d) shall not otherwise be entitled to treat that Complaint as a resolved Complaint for the purposes of this general authorisation condition until that Complaint is demonstrably a resolved Complaint.

**Complaints from Vulnerable Consumers**

11.22. The authorised person must put in place appropriate arrangements to deal effectively with Complaints from Relevant Consumers where it is not reasonable to expect them to pursue the Complaint on their own behalf.

11.23. If a third party, including without limitation a Relevant Consumer Advice Body, refers a Consumer who is:

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- (a) Consumer identified pursuant to paragraph [11.22] of this general authorisation condition;
- (b) a Vulnerable Consumer; or
- (c) a complainant on behalf of a Vulnerable Consumer,

to the authorised person, that authorised person must take such additional steps as it considers necessary or appropriate with a view to, as appropriate, assisting that Vulnerable Consumer and resolving the relevant Complaint in an appropriate and prompt manner.

**Referral of Consumer Complaints**

11.24. The authorised person must put in place appropriate arrangements to deal effectively with referrals from a third party, including without limitation a Relevant Consumer Advice Body, of Complaints and, if appropriate, complainants.

11.25. The arrangements required by paragraph [11.24] must set out a process by which consumer advice bodies may make such referrals to the authorised person.

**Signposting to third party support**

11.26. If a Complaint does not become a resolved Complaint, the authorised person must inform the Relevant Consumer of their right to escalate their Complaint to the Relevant Dispute Resolution Body and how this can be done.

11.27. The authorised person must send a Relevant Consumer a Notice informing that Relevant Consumer of the matters addressed at paragraph [11.28] in the circumstances described at paragraph [1.26].

11.28. A Notice sent in accordance with paragraph [11.27] must notify the Relevant Consumer:

- (a) of their right to refer the Complaint to a qualifying redress scheme;
- (b) that the qualifying redress scheme process is independent of the authorised person;
- (c) that the qualifying redress scheme process is free of charge to the Relevant Consumer and to any other category of complainant;
- (d) of the types of redress that may be available under a qualifying redress scheme; and

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- (e) that any outcome of the qualifying redress scheme process is binding upon the authorised person but not upon the Relevant Consumer or any other category of complainant.

11.29. The authorised person must send a Notice to a Relevant Consumer in accordance with paragraph [11.27] on the earlier of:

- (a) the first Working Day after the day (if any) upon which that authorised person becomes aware that it is not able to resolve a Complaint to that Relevant Consumer's satisfaction; and
- (b) the date which is eight (8) weeks after the relevant Complaint was first made, if unresolved, unless that date falls on a day that is not a Working Day, in which case the first Working Day thereafter.

**Allocation and maintenance of adequate resources for handling Complaints**

11.30. The authorised person must:

- (a) receive, handle and process Complaints in an efficient and timely manner; and
- (b) allocate and maintain such level of resources as may reasonably be required to enable that authorised person to receive, handle and process Complaints in an efficient and timely manner and in accordance with this general authorisation condition.

11.31. The authorised person must provide sufficient and suitably qualified staff to manage Complaints in accordance with their Complaints Handling Procedure. Complaints handling staff must:

- (a) have access to staff at all levels of the authorised person to facilitate prompt resolution of Complaints;
- (b) have the authority and autonomy to resolve Complaints promptly and fairly; and
- (c) be able to explain in plain and intelligible language to Relevant Consumers what the Complaints Handling Procedure entails.

**Recording and publication of Complaints data**

11.32. In addition to recording information in accordance with paragraph [11.16] of this general authorisation condition, each authorised person must keep a written,

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electronic record of the matters specified in paragraph [11.33] below for each Complaint which it receives where that Complaint has not become a resolved Complaint by the end of the Working Day after the day on which the Complaint was first received by that authorised person.

11.33. The matters which must be recorded in accordance with paragraph [11.34] are:

- (a) the steps the authorised person has taken in response to each such Complaint, including any steps it has taken to resolve that Complaint;
- (b) the date (if any) upon which any such Complaint became a resolved Complaint;
- (c) the date (if any) upon which the specified time period for resolving the Complaint expired; and
- (d) the date (if any) upon which the Relevant Consumer who made the Complaint, or on whose behalf the Complaint was made, was informed of their right to refer the Complaint to a qualifying redress scheme in accordance with paragraph [11.26].

11.34. All information recorded pursuant to this authorisation condition must:

- (a) be categorised in a clear and precise way such that the Authority may review and audit the recorded information in an efficient manner; and
- (b) retained for at least [5] years from the date of recording such information.

11.35. The authorised person must:

- (a) publish not less than annually a Complaints report at a prominent location on their Website;
- (b) inform Relevant Consumers when the report is published; and
- (c) provide a copy of their Complaints report, free of charge and in any format reasonably requested, to any person who requests a copy.

11.36. A Complaints report is a report in relation to the twelve-month period ending with the month immediately preceding the month in which the report is published which contains the following information:

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- (a) the number of Complaints which the authorised person received from Relevant Consumers during that period which had not become resolved Complaints by the end of the first Working Day after the day the Complaint was first received by the authorised person;
- (b) that the authorised person has a Complaints Handling Procedure;
- (c) how a copy of that procedure may be obtained;
- (d) the number of existing Complaints that the authorised person has been unable to identify, in accordance with paragraph [11.20] of this general authorisation condition;
- (e) the existence of these general authorisation conditions; and
- (f) how and from where a copy (including a hard copy) of these general authorisation conditions may be obtained.

**Exception to compliance with condition**

11.37. The authorised person is not required to comply with this general authorisation condition [11] to such extent and subject to such conditions as the Authority may from time to time direct.

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**Condition Title: Assistance and advice information****Condition Number: [12]****Introduction to condition**

This condition sets out the requirements for authorised persons to supply consumers with information to advise them of their rights in relation to dispute resolution. The authorised persons must also provide advice information on energy guidance and emergency contacts.

**Proposed text of condition**

- 12.1. For the purposes of this general authorisation condition references to Relevant Consumer shall be read as references to Domestic Consumers, Microbusiness Consumers and Small Business Consumers.
- 12.2. The authorised person must ensure that each Relevant Consumer is provided with information in a Form and at a frequency that is sufficient to enable each Relevant Consumer to quickly and easily understand how to:
- (a) identify and contact each Relevant Party about a problem, question or any other request for assistance. This includes queries, complaints, disputes and emergencies; and
  - (b) seek impartial advice from a Relevant Consumer Advice Body.
- 12.3. The authorised person must ensure that each Relevant Consumer is provided, as appropriate in the circumstances, with information in a Form and at a frequency that is sufficient to enable each Relevant Consumer to quickly and easily understand:
- (a) what their rights are as regards to the means of dispute settlement available in the event of a dispute, including how to identify and contact the Relevant Dispute Resolution Body; and
  - (b) how to access appropriate assistance and advice. This includes information about:
    - i. debt prevention and management;
    - ii. improving [energy] efficiency, including management of heating, cooling or hot water usage and associated costs; and



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iii. social, financial and energy efficiency programmes.

12.4. In complying with paragraphs [12.2] and [12.3] the authorised person must take into account:

- (a) each Domestic Consumer's Personal Characteristics and current Supply Contract's features; and
- (b) where appropriate, each Relevant Consumer's preferences for receiving communications.

12.5. The authorised person must provide, or procure the provision of, an enquiry service that enables Relevant Consumers to contact the authorised person. As a minimum the enquiry service must:

- (a) offer a range of contact methods that meet the needs of the authorised person's Relevant Consumers, including those of its Domestic Consumers in Vulnerable Situations;
- (b) be available to receive enquiries and offer assistance, guidance, or advice at times that meet the needs of Relevant Consumers, including those of Domestic Consumers in Vulnerable Situations; and
- (c) be available twenty-four (24) hours every day to receive enquiries from, and offer assistance, guidance, or advice to, Relevant Consumers who are experiencing an interruption in the supply of heating, cooling or hot water by means of the Specified Heat Network caused by a meter fault.

12.6. When providing the enquiry service, the authorised person must implement appropriate processes to prioritise enquiries from:

- (a) Domestic Consumers in Vulnerable Situations who, due to their circumstances or Personal Characteristics, may require immediate assistance, guidance or advice; or
- (b) any representative acting on behalf and in the interest of a Domestic Consumer in a Vulnerable Situation who, due to their circumstances or Personal Characteristics, may require immediate assistance, guidance or advice.

12.7. When providing the enquiry service the authorised person must implement appropriate processes to provide the enquiry service free of charge to all Relevant Consumers who are having or will have difficulty paying all or part of the Charges

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for supplying heating, cooling or hot water by means of the Specified Heat Network.

- 12.8. The authorised person must publish, as soon as possible after it becomes available, at a prominent location, in a format that is readily accessible and that meets the needs of Relevant Consumers, including those of Domestic Consumers in Vulnerable Situations, the authorised person's latest overall customer service performance rating and its scores for each customer service category equivalent to the Citizens Advice star rating, where available, and any publications by the Authority and/or the Relevant Consumer Advice Bodies relating to the authorised person's services.

**Consumer Guidance**

- 12.9. The authorised person must publish the latest version of any relevant guidance and/or advisory publications relating to heat networks, on its Website within twenty-eight (28) days of the date on which that version is published by the Authority and/or the Relevant Consumer Advice Bodies.
- 12.10. The authorised person must inform each of its Relevant Consumers how relevant guidance and/or advisory publications relating to heat networks can be accessed by:
- (a) providing each new Relevant Consumer whose premises it is supplying heating, cooling or hot water by means of the Specified Heat Network under a Supply Contract [or a Deemed Contract] with this information when the authorised person first begins supplying heating, cooling or hot water by means of the Specified Heat Network to the Relevant Consumer's premises [or, in the case of a Deemed Contract, becomes aware that it is doing so]; and
  - (b) providing this information to a Relevant Consumer as soon as reasonably practicable after they request it.
- 12.11. The authorised person must provide a copy of any relevant guidance and/or advisory publications relating to heat networks to each of its Relevant Consumers annually free of charge and in an accessible format where requested by the Relevant Consumer.

**Emergency and enquiry services**

- 12.12. The authorised person must keep each of its Relevant Consumers informed:
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- (a) that an emergency or a suspected emergency should be reported immediately; and
- (b) of a telephone number which should be used for that purpose.

**Dispute settlement**

12.13. The authorised person must provide to each of its Relevant Consumers information concerning that Relevant Consumer's rights as regards the means of dispute settlement available in accordance with authorisation condition [11] (Complaints).

**Other information to be sent at least annually**

12.14. The authorised person must inform each of its Relevant Consumers of their Meter Point Reference Number annually if the authorised person has not sent a Bill or statement of account to them.

12.15. The authorised person must inform each of its Relevant Consumers:

- (a) of the relevant consumer advice service that can assist in providing information and advice to Consumers; and
- (b) how to contact the Relevant Consumer Advice Bodies;

by providing that information annually if the authorised person has not sent a Bill or statement of account to them.

**Exception to compliance with condition**

12.16. The authorised person is not required to comply with general authorisation condition [12] to such extent and subject to such conditions as the Authority may from time to time direct.

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**Condition Title: Provision of Billing and Price Transparency of Information****Condition Number: [13]****Introduction to condition**

This condition sets out the requirements for issuing bills and billing information to both metered and unmetered consumers.

**Proposed text of condition****General**

13.1 For the purposes of this general authorisation condition, references to Relevant Consumer shall be read as references to Domestic Consumers, Microbusiness Consumers and Small Business Consumers.

**Provision of Billing to metered Consumers**

13.2 Subject to paragraph [13.3], where Supply Meters are installed, the authorised person must ensure that all Bills and Billing Information for the consumption of heating, cooling or hot water as supplied by means of the Specified Heat Network by a Relevant Consumer are:

- (a) accurate;
- (b) based on actual consumption; and
- (c) compliant with the requirements of paragraphs [13.7] to [13.14] of this general authorisation condition [13].

13.3 Where Bills or Billing Information are based:

- (a) on meter readings from a Supply Meter, to be provided by a Relevant Consumer but that Relevant Consumer has not provided a meter reading; or
- (b) on meter readings from a Supply Meter with automated meter reading functionality, but the authorised person, despite taking all reasonable steps, is unable to obtain a meter reading,
- (c) a Bill may be based on an estimate of consumption.

13.4 The authorised person must not make a specific charge to a Relevant Consumer for the provision of a Bill or Billing Information other than in respect of the supply of additional copies of that Bill or that Billing Information.

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- 13.5 Where Bills and Billing Information relate to the consumption of heating, cooling or hot water as supplied by means of the Specified Heat Network by Relevant Consumers in a building occupied by more than one Relevant Consumer:
- (a) the authorised person's costs of providing such Bills and Billing Information may be passed on to those Relevant Consumers provided that no profit is made from such charges; or
  - (b) where the authorised person has assigned the task of providing Bills or Billing Information to a third party the reasonable costs of providing them may be passed on to those Relevant Consumers.
- 13.6. The authorised person must:
- (a) supply a Relevant Consumer's Billing Information to an Energy Services Provider at the request of that Relevant Consumer;
  - (b) provide electronic Billing and Billing Information at the request of the Relevant Consumer;
  - (c) provide a clear explanation of the information contained in a Bill, including how the Bill was calculated and specifying fixed and variable charges; and
  - (d) ensure that information and estimates of energy costs are provided to a Relevant Consumer promptly where requested, and in a format which enables Relevant Consumers to compare their Charges over time and across the seasons.

**Minimum requirements for Billing and Billing Information**

- 13.7. At least once a year a Bill must be issued to each Relevant Consumer using a Supply Meter on the basis of actual rather than estimated consumption provided that:
- (a) the Relevant Consumer has provided a meter reading that the authorised person considers reasonably accurate; or
  - (b) the authorised person or a third party instructed by the authorised person has taken a meter reading.
- 13.8. Where the authorised person considers that a meter reading provided by a Relevant Consumer is not reasonably accurate, the authorised person must take all reasonable steps to contact that Relevant Consumer to obtain a new meter reading.

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- 13.9. Where the Relevant Consumer has opted to receive electronic Billing or where the Relevant Consumer so requests, Billing Information must be issued by the authorised person at least quarterly.
- 13.10. The authorised person must provide a choice of payment methods to Relevant Consumers and not unreasonably refuse or delay switching Relevant Consumers to another payment method requested by that Relevant Consumer.
- 13.11. Where Billing Information is not issued by the authorised person at least quarterly in accordance with paragraph [13.7], Billing Information must be issued by the authorised person at least twice a year and with every Bill issued.
- 13.12. Billing Information means the following information:
- (a) current Charges charged to the Relevant Consumer by the authorised person;
  - (b) information about the Relevant Consumer's consumption of heating, cooling or hot water as supplied by means of the Specified Heat Network from the authorised person;
  - (c) where available, comparisons of the Relevant Consumer's current consumption of heating, cooling or hot water as supplied by means of the Specified Heat Network from the authorised person with consumption for the same period in the previous year, if possible displayed in a graph, and estimates of the charges the Relevant Consumer is likely to pay in future;
  - (d) clear and accurate information for Relevant Consumers on the terms for the supply of heating, cooling or hot water by means of the Specified Heat Network;
  - (e) information on the fuel type and source of energy in use on the Specified Heat Network and the environmental impacts of energy generation supplying the heating, cooling or hot water to Relevant Consumers by means of the Specified Heat Network;
  - (f) information on how heat networks contribute to net-zero targets, with an explanation of how heat networks operate;
  - (g) a notice of monopoly supply together with an explanation of what this means for Relevant Consumers;
  - (h) information on energy saving for Relevant Consumers;
  - (i) information on the availability of, and contact information for, the Relevant Consumer Advice Body;

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- (j) information on support mechanisms offered by the authorised person and fuel poverty charities; and
- (k) where possible, the carbon emissions of the Specified Heat Network and its energy efficiency rating.

13.13. The authorised person need not comply with paragraph [13.2] of this general authorisation condition unless it is technically possible and economically justified to do so. It will be considered technically possible and economically justified to issue Bills and Billing Information to Relevant Consumers in accordance with paragraph [13.2] of this general authorisation condition where the estimated reasonable costs of issuing Bills and Billing Information to Relevant Consumers does not exceed £[●]<sup>5</sup> per Relevant Consumer per calendar year unless the Relevant Consumer occupies:

- (a) supported housing, almshouse accommodation or purpose-built student accommodation; or
- (b) any private dwelling or non-domestic premises that is subject to a leasehold interest where the lease:
  - i. began before 27<sup>th</sup> November 2020; and
  - ii. contains a provision which would prevent Billing based on actual consumption unless the lease is varied, renewed, or comes to an end.

13.14. The matters to be taken into account in estimating the cost of issuing Bills and Billing Information are the costs of:

- (a) collecting, storing and processing meter readings;
- (b) preparation and issuing of the Bill and Billing Information;
- (c) processing of payments; and
- (d) issuing of demands for payment if a Bill is not paid.

**Billing frequency and method**

13.15. Without prejudice to paragraph [13.7] of this general authorisation condition, each Bill issued to a Relevant Consumer by the authorised person shall cover an agreed period.

13.16. Where a Relevant Consumer has a Supply Meter installed which provides automated meter reading functionality, the authorised person supplying heating,

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<sup>5</sup> Further consideration of the appropriate financial threshold is required.

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cooling or hot water by means of the Specified Heat Network must take all reasonable steps to obtain a meter reading each month for the purposes of Billing.

13.17. Bills must be provided to each Relevant Consumer promptly following the end of each agreed period. The authorised person must provide Relevant Consumers with not less than thirty-one (31) days' prior Notice of any changes to planned Billing dates.

13.18. The authorised person must provide Relevant Consumers with information about all available options for receiving Bills, having due regard to:

- (a) the Relevant Consumer's requirements, vulnerabilities or constraints as notified by the Relevant Consumer to the authorised person; and
- (b) the Equality Act 2010.

13.19. All Bills where practicable must list the Charges for the supply of heating, cooling or hot water by means of the Specified Heat Network separately from any other charges, including rent, maintenance charges or service charges.

13.20. Any Bills or statements of account must either:

- (a) be provided in a Form that allows the Relevant Consumer to easily retain a copy; or
- (b) be made easily available to the Relevant Consumer for reference.

**Consumers using Prepayment Meters**

13.21. The authorised person must provide, at a minimum, to Relevant Consumers using Prepayment Meters an annual account statement.

13.22. The annual account statement issued pursuant to paragraph [13.21] must:

- (a) state the consumption of the heating, cooling or hot water as supplied by means of the Specified Heat Network by the Relevant Consumer from the twelve (12) months immediately preceding the issuing of the annual account statement;
- (b) provide a projection of the Charges to the Relevant Consumer of supplying heating, cooling or hot water by means of the Specified Heat Network over the next twelve (12) month period if consumption remains consistent; and



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- (c) provide the information required pursuant to paragraphs [13.12(a)] to [13.12(k)] of this general authorisation condition.

**Provision of Billing for unmetered Consumers**

13.23. The authorised person supplying heating, cooling or hot water by means of the Specified Heat Network to Relevant Consumers who do not have Supply Meters installed should, where not unreasonable to do so, employ the same Billing and Billing Information requirements as for metered Billing.

13.24. Where it is unreasonable to comply with paragraph [13.23], the authorised person must have due regard to the associated guidance for this general authorisation condition and as a minimum provide unmetered Relevant Consumers with the following information:

- (a) the Charges for the relevant period;
- (b) a clear and understandable explanation of how their Bill has been calculated;
- (c) the final due date for payment of the Charges and the acceptable methods of payment; and
- (d) the information listed at paragraphs [13.12(a)] to [13.12(k)] of this general authorisation condition.

**Exception to compliance with general authorisation condition**

13.25. The authorised person is not required to comply with this general authorisation condition [13] to such extent and subject to such conditions as the Authority may from time to time direct.

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**Condition Title: Back-billing****Condition Number: [14]**

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**Introduction to condition**

This condition sets out how authorised persons are permitted to back-bill in respect of heat network charges.

Two positions are set out in the 'Exceptions to prohibition section' which represent proposed approaches to back-billing, one which applies to a scenario where heat charges are unbundled from service charges under the Landlord and Tenant Act 1985, and one which applies to a scenario where heat charges remain bundled with service charges. In respect of the unbundled position, the Authority will confirm the length of the transition period in accordance with the Heat Network Technical Assurance Scheme requirements on installation of supply meters.

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**Proposed text of condition****Prohibition**

14.1. Subject to paragraph [14.2], where the authorised person or any Representative issues a Bill to a Relevant Consumer or otherwise seeks to recover (including via a Prepayment Meter or via increased direct debits) Charges for supplying heating, cooling or hot water by means of the Specified Heat Network from that Relevant Consumer (hereafter a "**charge recovery action**"), they must only do so in respect of:

- (a) units of heating, cooling or hot water supplied by means of the Specified Heat Network which could reasonably be considered to have been consumed within the 12 months preceding the date the charge recovery action was taken; and
- (b) where applicable, other Charges incurred by the authorised person if accrued within the 12 months preceding the date the charge recovery action was taken.

**Exceptions to prohibition**

14.2. Paragraph [14.1] does not apply in the following circumstances:

- (a) where any charge recovery action was taken prior to the date this general authorisation condition took effect;
  - (b) the authorised person or any Representative, has taken a charge recovery action following the date this general
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authorisation condition took effect in a manner which complied with paragraph [15.1] and, due to non-payment by the Relevant Consumer are continuing to take steps to obtain payment for the same units of heating, cooling or hot water supplied by means of the Specified Heat Network and, where applicable, the same amounts in respect of a Standing Charge or other type of Charge;

- (c) the authorised person has been unable to take a charge recovery action for the correct amount of the units of heating, cooling or hot water supplied by means of the Specified Heat Network consumed due to the obstructive or manifestly unreasonable behaviour of the Relevant Consumer;
- (d) *in respect of any Charges forming part of Service Charges and/or Relevant Costs as defined within [section 18 of the Landlord and Tenant Act 1985] and recoverable from the Relevant Consumer under a lease or tenancy to which the Landlord and Tenant Act 1985 applies; or*

*[the above wording [15.3(d)] is the position if heat charges are **not** unbundled from the service charge.]*

**OR**

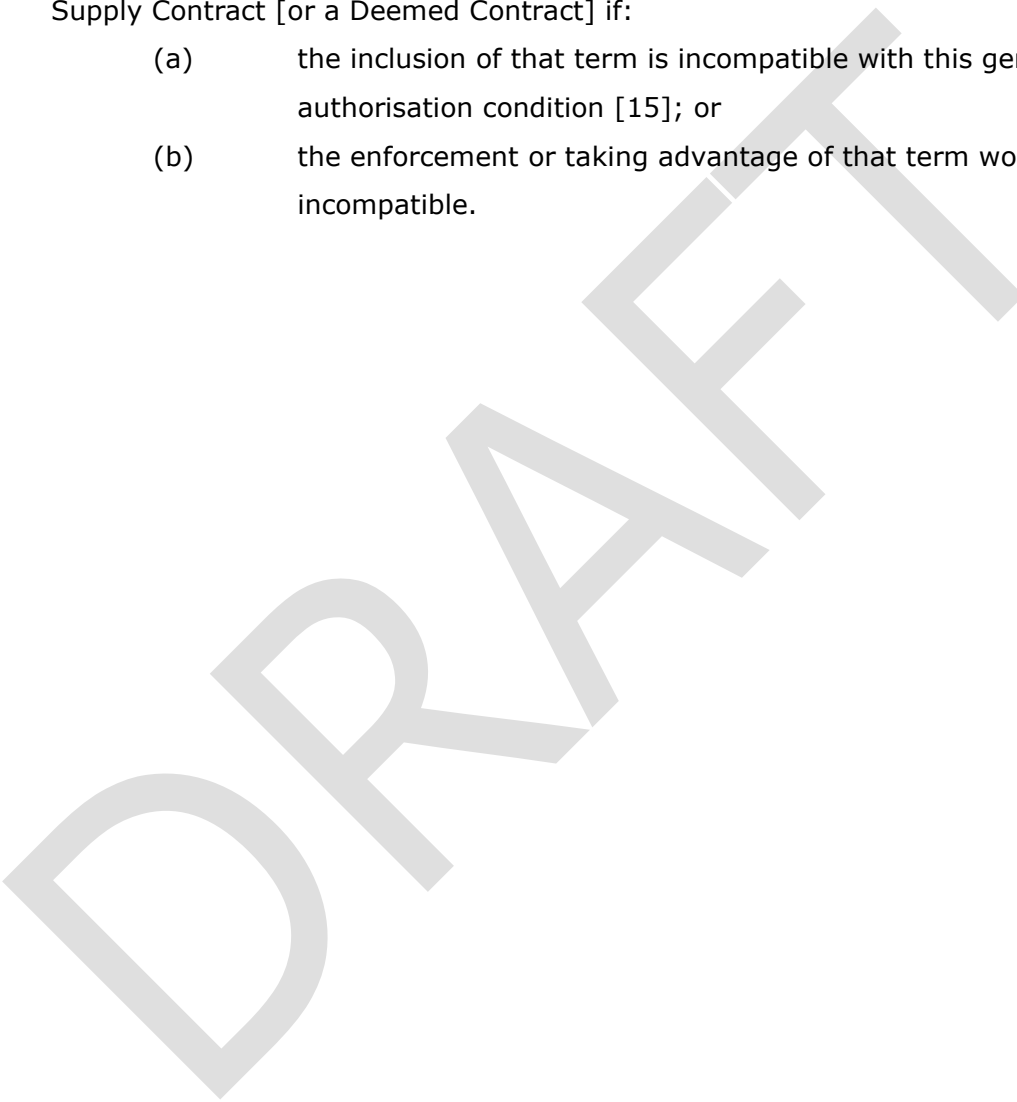
*[the below wording [15.3(e)] is the position where heat charges are unbundled from the service charge.]*

- (e) *where any authorised person who at the date of becoming an authorised person supplies heating, cooling or hot water to heat network consumers by means of the Specified Heat Network to a Relevant Consumer under a lease or tenancy to which the Landlord and Tenant Act 1985 applies, such authorised person may continue to issue demands for payment of the Service Charge (including without limitation any Charges incurred within 18 months prior to the service of the demand for payment) until [the date on which the transition period ends]; or*
- (f) any other circumstances, which following consultation, the Authority may specify by publishing a statement in Writing.

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**Terms of contracts**

- 14.3. The authorised person must ensure that the terms and conditions of each Supply Contract [or Deemed Contract] comply with the provisions of this general authorisation condition [14] and general authorisation condition [09] (Heat Supply Contracts).
- 14.4. The authorised person must not enforce or take advantage of any term of a Supply Contract [or a Deemed Contract] if:
- (a) the inclusion of that term is incompatible with this general authorisation condition [15]; or
  - (b) the enforcement or taking advantage of that term would be so incompatible.
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**Condition Title: Priority Services Register****Condition Number: [15]****Introduction to condition**

This condition obliges authorised persons who carry on the regulated activity of supplying heating, cooling or hot water by means of a relevant heat network to maintain a register of its Domestic Consumers who may require certain "Priority Services" on account of their personal characteristics or vulnerable situation. This condition also obliges these authorised persons to offer (and, if accepted), provide these Priority Services to relevant Domestic Consumers free of charge.

**Proposed text of condition****Duty to establish a Priority Services Register**

15.1. The authorised person must:

- 15.1.1. establish and maintain a register (the "Priority Services Register") of its Domestic Consumers, who, due to their Personal Characteristics or otherwise being in a Vulnerable Situation, may require Priority Services;
- 15.1.2. take all reasonable steps to promote the existence of the Priority Services Register and the Priority Services which may be available from the authorised person; and
- 15.1.3. take all reasonable steps (which are appropriate in the circumstances, having regard to the interests of the relevant Domestic Consumer) to:
  - (a) identify such Domestic Consumers in the course of interactions between the authorised person and Domestic Consumers; and
  - (b) offer to add any or all of the Minimum Details to the Priority Services Register during interactions.

15.2. In so far as permitted by any laws relating to data protection and/or privacy, the authorised person must add the Minimum Details to the Priority Services Register.

**Duty to share information**

15.3. In so far as permitted by any laws relating to data protection and/or privacy, the authorised person must share the Minimum Details using the Relevant Industry Mechanisms.

**Duty to offer services**

15.4. The authorised person must offer (and, if accepted, provide), free of charge, to any of its Domestic Consumers which have been added to the Priority Services Register, such of the Priority Services as the Domestic Consumer may reasonably require on account of their Personal Characteristics or Vulnerable Situation.

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15.5. The Priority Services are appropriate mechanisms and arrangements to enable the following:

- 15.5.1. the Domestic Consumer receiving additional support to assist them to identify any person acting on behalf of the authorised person;
- 15.5.2. a person nominated by, or otherwise legally entitled to act on behalf of, the Domestic Consumer being able to receive communications relating to their account;
- 15.5.3. the reading (and provision of that reading to the Domestic Consumer) of the Domestic Consumer's Supply Meter at appropriate intervals, if the Domestic Consumer is unable to do so and there is no other person the Domestic Consumer could reasonably nominate to do so on their behalf;
- 15.5.4. functionality of the Domestic Consumer's Prepayment Meter which is Safe and Reasonably Practicable in all the Circumstances of the Case,
- 15.5.5. communications with the Domestic Consumer in an accessible format that is, so far as is reasonably practicable, appropriate to the Domestic Consumer's needs on the basis of their Personal Characteristics and/or Vulnerable Situation, and
- 15.5.6. such further or additional services (of a similar non-financial nature as subparagraphs [15.5.1] to [15.5.5]) as the authorised person identifies are appropriate to the needs of its Domestic Consumers and reasonably practicable for the authorised person to provide.

**Compliance with data protection and/or privacy laws**

15.6. For the purposes of its obligations under this [general authorisation condition [15]] (including in respect of obtaining, recording, using and sharing information), the authorised person must comply with any laws relating to data protection and/or privacy.

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**Condition Title: Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills****Condition Number: [16]****Introduction to condition**

This condition obliges authorised persons who carry on the regulated activity of supplying heating, cooling or hot water by means of a relevant heat network to comply with certain requirements relating to various payment related matters in respect of Domestic Consumers. This includes requirements around the following: payment of a "Security Deposit" by the Domestic Consumer; offering certain services to Domestic Consumers in payment difficulty; placing restrictions in certain circumstances on the disconnection of Domestic Consumers due to non-payment of charges; and provision of a final bill within a certain period after the authorised person has ceased supplying a Domestic Consumer.

**Proposed text of condition****Security Deposits**

- 16.1. An authorised person must not require a Domestic Consumer to pay a Security Deposit in relation to the supply of heating, cooling or hot water by means of the Specified Heat Network to their premises:
- 16.1.1. if that Consumer agrees that the premises may be supplied through a Prepayment Meter and it is Safe and Reasonably Practicable in all the Circumstances of the Case for the premises to be so supplied; or
  - 16.1.2. if it is unreasonable in all the circumstances of the case to require that Consumer to pay a Security Deposit.
- 16.2. A Security Deposit must not exceed a reasonable amount.

**Consumers in payment difficulty**

- 16.3. Subject to [16.4], the authorised person must offer each of the services set out in paragraph [16.6] when it becomes aware or has reason to believe that a Domestic Consumer is having or will have difficulty paying all or part of the Charges for the supply of heating, cooling or hot water by means of the Specified Heat Network.
- 16.4. Without prejudice to any other right or obligation under this heat network authorisation, the authorised person must not charge the Domestic Consumer for providing the facilities or information set out in paragraph [16.6].
- 16.5. In complying with [16.3] the authorised person must make proactive contact, as described in paragraph [16.9.2], with Domestic Consumers at the earliest opportunity to identify whether a Consumer is in payment difficulty, by contacting the Domestic Consumer no later than after:
- 16.5.1. two consecutively missed monthly scheduled payments; or

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- 16.5.2. one missed quarterly scheduled payment; or
- 16.5.3. a Domestic Consumer has informed the authorised person that they are unable to make the next scheduled payment.
- 16.6. The services referred to in paragraph [16.3] are:
- 16.6.1. the facility for a Domestic Consumer to pay Charges for the supply of heating, cooling or hot water:
- (a) by using, where available, a means by which payments may be deducted at source from a social security benefit received by that Consumer;
  - (b) by regular instalments calculated in accordance with paragraph [16.8] and paid through a means other than a Prepayment Meter; and
  - (c) by using a Prepayment Meter, where it is Safe and Reasonably Practicable in all the Circumstances of the Case for that Domestic Consumer to do so and where any instalments to be paid are calculated in accordance with paragraph [16.8]; and
- 16.6.2. the provision of information about how the Domestic Consumer could reduce the Charges for the supply of heating, cooling or hot water by means of the Specified Heat Network that they must pay by implementing efficiency measures.
- 16.7. If a Domestic Consumer, having agreed to make payments for Charges for the supply of heating, cooling or hot water using the service referred to in sub-paragraph [16.6.1(a)], is no longer in receipt of social security benefits from which payments can be deducted at source, the authorised person must offer the services referred to in sub-paragraph [16.6.1(b)] and [16.6.1(c)].
- 16.8. The authorised person must take all reasonable steps to ascertain the Domestic Consumer's ability to pay and must take this into account when calculating instalments, giving due consideration to:
- 16.8.1. relevant information provided by third parties, where it is available to the authorised person; and
- 16.8.2. where instalments will be paid using a Prepayment Meter, the value of all of the charges that are to be recovered through that meter.
- 16.9. For the purposes of ascertaining a Domestic Consumer's ability to pay as set out in paragraph [16.8], the authorised person must give due consideration to:
- 16.9.1. having appropriate credit management policies and guidelines, which includes:
- (a) allowing for Consumers to be dealt with on a case-by-case basis; and



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- (b) linking staff incentives to successful consumer outcomes not the value of repayment rates.
- 16.9.2. making proactive contact with Consumers, which includes:
- (a) making early contact to identify whether a Consumer is in payment difficulty as set out in paragraph [16.3];
  - (b) regularly reviewing methods of proactive contact to ensure they meet the needs of Consumers, in particular in circumstances where the authorised person has not made successful contact with the Consumer;
  - (c) using every contact as an opportunity to gain more information about the Consumer's ability to pay when the authorised person becomes aware or has reason to believe the Consumer is having or will have payment difficulty; and
  - (d) making Consumers aware of debt advice services when they raise concerns about their ongoing ability to pay, in accordance with general authorisation condition [12] (Assistance and Advice Information).
- 16.9.3. understanding an individual Consumer's ability to pay, which includes:
- (a) providing clear guidance and training for staff on how to elicit information on ability to pay and monitoring the effectiveness of this;
  - (b) providing appropriate channels for Consumers to quickly and easily raise concerns and facilitating conversations around Consumers' ability to pay when requested;
  - (c) making full use of all available information; and
  - (d) proactively exploring payment amounts and payment methods which are appropriate to the individual circumstances of each Consumer; this includes debt repayment schemes such as those by which payments may be deducted at source from a social security benefit received by that Consumer.
- 16.9.4. setting repayment rates based on ability to pay, which includes:
- (a) ensuring all available information is obtained and taken into account, including the Consumer's circumstances identified on a warrant or site visit or when installing a Prepayment Meter on a warrant;

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- (b) only setting default amounts when there is insufficient information to ascertain the Consumer's ability to pay and where default amounts are set, it should be made clear that the repayment rate may change based on information about the Consumer's ability to pay. In any event the levels of any default repayment rate should be reasonable;
  - (c) not insisting on substantial upfront payments before reconnection; and
  - (d) pausing scheduled repayments for an appropriate period of time as part of the Consumer's repayment plan and reviewing the Consumer's repayment plan in accordance with their ability to pay at regular intervals before re-instating scheduled repayments.
- 16.9.5. ensuring the Consumer understands the arrangement, which includes:
- (a) clear communication with the Consumer which allows them to understand how much they are regularly repaying; how the repayment will be deducted; when the debt will be repaid; and what to do if they experience difficulties during the arrangement; and
  - (b) for Prepayment Meter Consumers, repaying debt by a weekly amount explaining that debt will be recovered regardless of usage.
- 16.9.6. monitoring of arrangements after they have been set up, which includes:
- (a) monitoring of individual arrangements:
    - i. for credit meter Consumers, to check for the occurrence of failed repayment arrangements; and
    - ii. for Prepayment Meter Consumers, to check whether the meter is being used initially and on an ongoing basis;
  - (b) monitoring of the approach taken by staff when agreeing repayment rates, using call listening and other techniques, to encourage a consistent and appropriate approach;
  - (c) monitoring of failed repayment arrangements to understand whether inappropriate rates are being set;
  - (d) monitoring of overall repayment rates and recovery periods to understand trends.

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- 16.9.7. re-engaging with the Consumer after an initial occurrence of a failed repayment arrangement, which includes: engaging with the Consumer in a timely manner to discuss the repayment plan, including whether a different repayment plan or repayment method would be more suitable.
- 16.10. The authorised person must have regard to any guidance on this general authorisation condition 16.9.2 which, following consultation, the Authority may issue and may from time to time revise (following further consultation).
- 16.11. The authorised person must ensure that the terms and conditions of each Domestic Supply Contract [or Deemed Contract] reflect the following provisions of the general authorisation conditions:
- 16.11.1. paragraphs [16.3] to [16.8] (inclusive) of this general authorisation condition [16] and general authorisation condition [17.15] (Prepayment Meters), stipulating that charges may not be demanded or recovered unless and until it can be established that the corresponding contractual terms have been complied with; and
- 16.11.2. paragraphs [16.22] and [16.23] of this general authorisation condition [16].
- 16.12. The authorised person must ensure that the terms and conditions of each Domestic Supply Contract provides for the right for the Consumer to offset any amount owing to the Consumer pursuant to the contract against any amounts owed by the Consumer under any other Domestic Supply Contract.
- 16.13. The authorised person must ensure that the terms and conditions of each Domestic Supply Contract [or Deemed Contract] stipulates, for the avoidance of doubt, that the relevant conditions referred to in paragraphs [16.10] and [16.11] will continue to bind the authorised person after termination of this heat network authorisation.

**Disconnection for unpaid charges**

- 16.14. The authorised person must not Disconnect a Domestic Premises at which the Domestic Consumer has not paid Charges for the supply of heating, cooling or hot water by means of the Specified Heat Network unless it has first taken all reasonable steps to recover those charges by means of the service referred to in sub-paragraph [16.6.1(c)].
- 16.15. For the purposes of conditions [16.13], [16.15] and [16.16], Disconnection includes Credit Limiting where:
- 16.15.1. it amounts to stopping the supply to the Domestic Premises; and
- 16.15.2. the Domestic Consumer does not pay Charges for the supply of heating, cooling or hot water by means of the Specified Heat Network by using a Prepayment Meter.
- 16.16. The authorised person must not Disconnect:
- 16.16.1. in Winter, a Domestic Premises at which the Domestic Consumer has not paid Charges for the supply of heating, cooling or hot water by means of the Specified Heat Network if the authorised person knows or has reason to believe that the occupants of the premises include a person who is under the age of 2 or is over the age of 75, disabled, terminally ill or chronically sick; or

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- 16.16.2. at any time, a Domestic Premises at which the Domestic Consumer has not paid Charges for the supply of heating, cooling or hot water by means of the Specified Heat Network if the authorised person knows or has reason to believe that the occupants of the premises include a person who has a medical condition which means that, for medical reasons, they need to receive or may need to receive a supply of heating or hot water throughout the year.
- 16.17. The authorised person shall, before it exercises any right it may have to Disconnect a Domestic Premises, take all reasonable steps to ascertain whether any occupant of the relevant premises falls within the scope of paragraph [16.15].
- 16.18. The authorised person must have regard to guidance on the interpretation of conditions [16.15] to [16.17] which, following consultation, the Authority may issue and may from time to time revise.

**Provision of information**

- 16.19. The authorised person must:
- 16.19.1. prepare a statement that sets out, in plain and intelligible language, its obligations under paragraphs [16.3] to [16.16]];
  - 16.19.2. publish that statement on and make it readily accessible from its Website (if it has one);
  - 16.19.3. take all reasonable steps to inform each of its Domestic Consumers, at least once each year, of that statement and how to obtain it; and
  - 16.19.4. give a copy of that statement on request and free of charge to any person.
- 16.20. Paragraphs [16.19], [16.20], and [16.21] apply where a Domestic Consumer pays the Charges for the supply of heating, cooling or hot water by means of the Specified Heat Network which are payable under its Domestic Supply Contract by way of regular direct debit payments of a fixed amount (which amount may be varied from time to time in accordance with the relevant Domestic Supply Contract).
- 16.21. The authorised person must provide to each such Domestic Consumer an explanation in clear, plain and intelligible language of the basis which a fixed amount (and any variation of that fixed amount) has been determined.
- 16.22. The authorised person must ensure that the fixed amount of the regular direct debit payment is based on the best and most current information available (or which reasonably ought to be available) to the authorised person, including information as to the authorised person's reasonable estimates of the heating, cooling or hot water as provided by means of the Specified Heat Network that has been or will be used at the relevant Domestic Premises.
- 16.23. Where any Credit has accumulated under a Domestic Supply Contract and the relevant Domestic Consumer requests that the authorised person do so, the authorised person must, save where it is fair and reasonable in all the circumstances for the authorised person not to do so, refund, in a timely manner, any Credit which has accumulated under that Domestic Supply Contract to the relevant Domestic Consumer. Where the authorised person considers that it is fair and reasonable in all the circumstances for it not to refund any Credit which has

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accumulated under a Domestic Supply Contract in accordance with this provision, it must inform the relevant Domestic Consumer of its view and of the reasons for holding that view.

**Provision of final Bill**

- 16.24. Where the responsibility for the supply of heating, cooling or hot water by means of the Specified Heat Network to a Domestic Consumer transfers from the authorised person to another authorised person or otherwise terminates, the authorised person must take all reasonable steps to send a final Bill or statement of account of the Domestic Consumer's account within 6 weeks of the relevant transfer of responsibility or (as applicable) the termination of the Domestic Supply Contract.
- 16.25. Where subsequent information becomes available to correct an error in the final Bill or statement of account issued pursuant to paragraph [16.22], the authorised person shall send a corrected Bill or statement of account as soon as reasonably practicable after the subsequent information becomes available.

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**Condition Title: Prepayment Meters****Condition Number: [17]****Introduction to condition**

This condition obliges authorised persons who carry on the regulated activity of supplying heating, cooling or hot water by means of a relevant heat network to comply in respect of Domestic Consumers with certain requirements relating to prepayment meters. These requirements include: restrictions on the circumstances in which the authorised person is permitted to install a prepayment meter (or switch a meter to an advance payment mode) on an involuntary basis, including by way of the exercise of a warrant; and the imposition of limits on the costs the authorised person is entitled to recover from a Domestic Consumer in relation to the exercise of relevant warrants.

**Proposed text of condition****Information about Prepayment Meters**

- 17.1. If the authorised person offers to enable a Domestic Consumer to pay or a Domestic Consumer asks to pay Charges for the supply of heating, cooling or hot water by means of a relevant heat network through a Prepayment Meter, the authorised person must provide, prior to or upon the installation of that meter, appropriate information to that Consumer about:
- 17.1.1. the advantages and disadvantages of a Prepayment Meter;
  - 17.1.2. information relating to the operation of the Prepayment Meter, including information about the process for, and methods by which, the Domestic Consumer can pay in advance through the Prepayment Meter;
  - 17.1.3. where they may obtain information or assistance if:
    - (a) the Prepayment Meter is not operating effectively; or
    - (b) any device used to allow the Charges for the supply of heating, cooling or hot water by means of a relevant heat network to be paid through the Prepayment Meter is not operating effectively;
  - 17.1.4. the authorised person's emergency credit, friendly-hours credit, additional support credit and involuntary repayment meter credit facilities, that are more fully described in general authorisation condition [18] (Self-disconnection); and
  - 17.1.5. the procedures that the authorised person will follow when removing or resetting the Prepayment Meter, including the timescale and any conditions for removing or resetting it.

**Safety and reasonable practicability of Prepayment Meters**

- 17.2. Where a Domestic Consumer uses a Prepayment Meter or an authorised person installs an Involuntary Prepayment Meter and the authorised person becomes

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aware or has reason to believe that it is not Safe and Reasonably Practicable in all the Circumstances of the Case for the Domestic Consumer to have a Prepayment Meter, the authorised person must offer:

- 17.2.1. to alter the position of, or replace with one which has been specially adapted, the Prepayment Meter installed in the Domestic Premises, if it would make it Safe and Reasonably Practicable in all the Circumstances of the Case, for the Domestic Consumer to continue to use the Prepayment Meter;
  - 17.2.2. to make such other arrangements as are necessary to ensure that it would be Safe and Reasonably Practicable in all the Circumstances of the Case, for the Domestic Consumer to continue to use the Prepayment Meter; or
  - 17.2.3. a facility for the Domestic Consumer to pay Charges for the supply of heating, cooling or hot water by means of a relevant heat network through a means other than a Prepayment Meter, including, where general authorisation condition [16.3] (Security Deposits, Payment Difficulties, Disconnections, Direct Debits, and Final Bills) applies, the services referred to in general authorisation condition [16.6.1 (a) and (b)] (Security Deposits, Payment Difficulties, Disconnections, Direct Debits, and Final Bills).
- 17.3. In complying with paragraph [17.2], the authorised person must contact the Domestic Consumer, in a form that takes into account their communication preferences, as a minimum, on an annual basis, to assess whether the Prepayment Meter remains Safe and Reasonably Practicable in all the Circumstances of the Case.

**Prepayment Meter guidance**

- 17.4. The authorised person must comply with the Prepayment Meter guidance, including the interpretation of the expression "Safe and Reasonably Practicable in all the Circumstances of the Case", which, following consultation, the Authority may issue, and may from time-to-time revise (following further consultation).

**Resetting of Prepayment Meters**

- 17.5. Where a Domestic Consumer pays Charges for the supply of heating, cooling or hot water by means of a relevant heat network through a Prepayment Meter, the authorised person must take all reasonable steps to ensure that the meter is reset within a reasonable period of time:
- 17.5.1. after any change is made to Charges for the supply of heating, cooling or hot water by means of a relevant heat network; or
  - 17.5.2. if payments are being made by instalments using the meter:
    - (a) after any change is made to the amount due in instalments; or
    - (b) after instalments are no longer required.

**Provision of information**

- 17.6. The authorised person must:
- 17.6.1. prepare a statement that sets out, in plain and intelligible language, its obligations under this general authorisation condition [17];

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- 17.6.2. publish that statement on and make it readily accessible from its Website (if it has one);
- 17.6.3. take all reasonable steps to inform each of its Domestic Consumers who pay Charges for the supply of heating, cooling or hot water by means of a relevant heat network through a Prepayment Meter, at least once each year, of the statement and how to obtain it; and
- 17.6.4. give a copy of the statement on request and free of charge to any person.

**Involuntary Prepayment Meters**

- 17.7. An authorised person must not install an Involuntary Prepayment Meter, unless, in accordance with the guidance issued under [17.4], each of the following requirements are satisfied:
  - 17.7.1. the Debt Trigger has been met;
  - 17.7.2. the authorised person has made multiple attempts to engage with a Consumer;
  - 17.7.3. the authorised person has complied with its obligations to Consumers in payment difficulty (including but not limited to under general authorisation condition [16] (Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills));
  - 17.7.4. appropriate Site Welfare Visits have been carried out; and
  - 17.7.5. the authorised person has determined that an Involuntary Prepayment Meter would be Safe and Reasonably Practicable in all the Circumstances of the Case (including but not limited to the Precautionary Principle, and having carried out checks of all information relating to the Priority Services Register).
- 17.8. The authorised person must comply with any other obligations relating to Prepayment Meters (including but not limited to those in general authorisation condition [16] (Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills)). In the event of any irreconcilable inconsistency between paragraph [17.7] and any other authorisation condition or any other provision made under them, paragraph [17.7] shall prevail.
- 17.9. In relation to the installation of an Involuntary Prepayment Meter, the authorised person:
  - 17.9.1. when considering the Consumer's ability to pay and conducting financial assessments, must accept any information relevant to the subject matter of paragraph 17.7;
  - 17.9.2. must accept information from and actions on behalf of a Consumer by any person or organisation to act on their behalf;
  - 17.9.3. must not link any staff incentives to the number of installations;
  - 17.9.4. must ensure that Site Welfare Visits include the use of audio recording equipment or body cameras;
  - 17.9.5. must ensure that post installation aftercare support is provided; and



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- 17.9.6. must retain any assessment documentation and audio or body camera recordings for an appropriate period.

**Prohibitions on exercising a warrant and recovering costs**

- 17.10. The authorised person must not exercise a Relevant Warrant (or otherwise exercise a statutory power which would give rise to the grounds for obtaining a Relevant Warrant) in respect of a Domestic Consumer's premises where such action would be severely traumatic to that Domestic Consumer or any member of their household due to an existing vulnerability which relates to their mental capacity and/or psychological state and would be made significantly worse by the experience.
- 17.11. The authorised person must not charge a Domestic Consumer in respect of any costs associated with a Relevant Warrant where:
- 17.11.1. that Domestic Consumer has a vulnerability which has significantly impaired their ability to engage with the authorised person or a Representative in relation to the recovery of a payment in respect of the supply of heating, cooling or hot water by means of a relevant heat network to that Domestic Consumer's premises; or
  - 17.11.2. that Domestic Consumer has a severe financial vulnerability which would be made worse by charging them any costs associated with a Relevant Warrant.

**Cap on warrant costs**

- 17.12. Subject to paragraph [17.13] where the authorised person or any Affiliated Regulated Entity obtains and/or exercises one or more Relevant Warrants in respect of particular Domestic Premises of a particular Domestic Consumer, the total amount of charges they recover (or seek to recover) at any time from the same Domestic Consumer in relation to any costs associated with those Relevant Warrants and incurred within the Specified Period, must not exceed the Specified Amount (and, for the avoidance of doubt, no additional costs that were incurred within the Specified Period may be recovered during any other period of time).
- 17.13. Where the authorised person or any Affiliated Regulated Entity obtains and/or exercises one or more Relevant Warrants in respect of more than one Domestic Premises of the same Domestic Consumer, paragraph [17.12] applies separately to each of those Domestic Premises.

**Proportionality principle for debt recovery activities**

- 17.14. The authorised person must only exercise a Relevant Warrant where such action would be proportionate in the context of the amount of the Outstanding Charges.
- 17.15. In relation to the recovery of Outstanding Charges, Other Outstanding Charges or any other debt ('the charges') from a Domestic Consumer, the authorised person must ensure that:
- 17.15.1. any action it or a Representative takes (including, but not limited to, the exercise of statutory powers); and
  - 17.15.2. the costs which they seek to recover from that Domestic Consumer as a result,

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are proportionate in the context of the amount of the charges.

**Debt completion assessment**

17.16. The authorised person must ensure that once a Consumer using an Involuntary Prepayment Meter has repaid all debt owed, the Consumer is contacted and offered:

17.16.1. an assessment of whether a Prepayment Meter remains the most appropriate payment method (including but not limited to in accordance with [17.2] and the guidance issued under [17.4]);

17.16.2. appropriate information on alternative payment methods and tariffs; and

17.16.3. the option to move to an alternative payment method.

17.17. If the Consumer decides, pursuant to paragraph [17.16] to move to an alternative payment method, the authorised person must:

17.17.1. agree to and implement this change as soon as reasonably practicable, subject to required credit checks; and

17.17.2. ensure that any Security Deposit required as part of this process does not exceed a reasonable amount.

**Duration of restrictions**

17.18. Paragraphs [17.10] to [17.13] will cease to have effect on [●]<sup>6</sup> unless the Authority specifies a later date by publishing a statement in Writing.

17.19. The power to specify a later date in paragraph [17.18] may be exercised by the Authority on more than one occasion (before, on or after the expiry of any later date specified by the Authority).

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<sup>6</sup> Date to be proposed in later consultation

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**Condition Title: Self-disconnection****Condition Number: [18]****Introduction to condition**

This condition obliges authorised persons who carry on the regulated activity of supplying heating, cooling or hot water by means of a relevant heat network to comply with certain requirements relating to "Self-disconnection" by Domestic Consumers who use prepayment meters. These requirements include: taking reasonable steps to identify instances of Self-disconnection and, if identified, offer appropriate support to the relevant Domestic Consumer; and requirements to offer various kinds of credit to Domestic Consumers.

**Proposed text of condition****Identifying Self-disconnection**

- 18.1. Where a Domestic Consumer uses a Prepayment Meter the authorised person must:
- 18.1.1. take all reasonable steps, having regard to paragraph [18.2], to identify on an ongoing and continuous basis, whether that Domestic Consumer is Self-disconnecting; and
  - 18.1.2. if the authorised person identifies that the Domestic Consumer is Self-disconnecting, offer that Domestic Consumer appropriate support in accordance with this general authorisation condition [19], general authorisation condition [16] (Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills), [general authorisation condition [12] (Assistance and Advice Information)] and all other obligations relating to Prepayment Meter Consumers, and in deciding what is appropriate support for that Domestic Consumer, take into account whether they are in a Vulnerable Situation, as appropriate.
- 18.2. For the purposes of paragraph [18.1.1], if the relevant Prepayment Meter does not have the functionality to enable the authorised person to identify itself whether the relevant Domestic Consumer is Self-disconnecting, the authorised person must ensure that appropriate communication channels are available for that Domestic Consumer to inform the authorised person that they are Self-disconnecting.

**Provision of Emergency Credit and Friendly-hours Credit**

- 18.3. Where a Domestic Consumer uses a Prepayment Meter the authorised person must offer Emergency Credit and Friendly-hours Credit to that Domestic Consumer, unless it is technically unfeasible and/or outside of the control of the authorised person to offer those credit facilities to that Domestic Consumer.
- 18.4. Where it is technically unfeasible and/or outside of the control of the authorised person to offer Emergency Credit and Friendly-hours Credit to the Domestic

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Consumer, the authorised person must take all reasonable steps to provide that Consumer with alternative short-term support in a timely manner.

- 18.5. Where paragraph [18.3] applies, if the authorised person becomes aware or has reason to believe that a Domestic Consumer is having or will have difficulty paying all or part of the Charges, the authorised person must adhere to general authorisation condition [16.8] (Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills) when calculating instalments for the Domestic Consumer to repay the total amount of Emergency and/or Friendly-hours Credit provided.

**Provision of Additional Support Credit**

- 18.6. Subject to paragraph [18.8], on each and every occasion on which an authorised person identifies that a Domestic Consumer who uses a Prepayment Meter and who is in a Vulnerable Situation has Self-disconnected or is Self-disconnecting and/or the authorised person becomes aware or has reason to believe that a Domestic Consumer who uses a Prepayment Meter and who is in a Vulnerable Situation has Self-rationed or is Self-rationing, the authorised person must offer Additional Support Credit to that Domestic Consumer in a timely manner in addition to the support offered in paragraph [18.3].
- 18.7. Where paragraph [18.6] applies, on each occasion on which the authorised person offers Additional Support Credit, the authorised person must assess the sum of Additional Support Credit it offers to the Domestic Consumer and calculate the instalments for the Domestic Consumer to repay the Additional Support Credit it offers to the Domestic Consumer in accordance with general authorisation condition [16] (Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills).
- 18.8. Should the authorised person, acting reasonably and having fully considered and complied with its obligation in paragraph [18.6] and [18.7] (apart from actually offering the Domestic Consumer Additional Support Credit), determine that the provision of Additional Support Credit to the Domestic Consumer is not in the best interest of the Domestic Consumer the authorised person shall not be obliged to provide Additional Support Credit under [18.6] to that Domestic Consumer on that occasion, however, the authorised person must provide alternative appropriate support to that Domestic Consumer in accordance with general authorisation condition [02] (Supplier Standards of Conduct) and general authorisation condition [12] (Assistance and Advice Information).

**Provision of Involuntary Prepayment Meter Credit**

- 18.9. On each occasion the authorised person installs an Involuntary Prepayment Meter in accordance with general authorisation condition [17.7] (Prepayment Meters), the authorised person must ensure that each Domestic Consumer receives Involuntary Prepayment Meter Credit, unless it is technically infeasible and/or outside of the control of the authorised person to offer those credit facilities to that Domestic Consumer.
- 18.10. Where paragraph [18.9] applies, the authorised person must adhere to general authorisation condition [16.8] (Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills) when calculating instalments for the Domestic Consumer to repay the total amount of Involuntary Prepayment Meter Credit.

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18.11. In the event it is technically infeasible to apply the Involuntary Prepayment Meter Credit in paragraph [18.9], the authorised person must take all reasonable steps to ensure that the Domestic Consumer does not experience an interruption to their supply of heating, cooling or hot water by means of a relevant heat network.

**Provision of Information**

18.12. The authorised person must ensure that each Domestic Consumer who uses a Prepayment Meter is given adequate information in a Form and frequency that is sufficient to allow that Domestic Consumer to quickly and easily understand the authorised person's Emergency Credit, Friendly-hours Credit, Additional Support Credit and Involuntary Prepayment Meter Credit facilities (as appropriate) including what this is, when this can be used and how this is repaid by the Domestic Consumer.

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**Condition Title: Social Obligations Reporting****Condition Number: [19]**

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**Introduction to condition**

This condition obliges authorised persons who carry on the regulated activity of supplying heating, cooling or hot water by means of a relevant heat network to provide specified bodies with information specified by the Authority relating to matters that are relevant to the authorised person's dealing with its Domestic Consumers.

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**Proposed text of condition**

- 19.1. The authorised person must provide the Authority, Citizens Advice, Citizens Advice Scotland and Consumer Scotland with information specified by the Authority relating to matters that it reasonably considers are relevant to the authorised person's dealings with its Domestic Consumers.
- 19.2. The information referred to in [19.1] may, in particular, include information about:
- 19.2.1. the number of the authorised person's Domestic Consumers using each method of payment for Charges for the supply of heating, cooling or hot water by means of a relevant heat network;
  - 19.2.2. failures by the authorised person's Domestic Consumers to pay Charges for the supply of heating, cooling or hot water by means of a relevant heat network by the date on which the payment was due;
  - 19.2.3. Disconnections carried out by the authorised person;
  - 19.2.4. the provision by the authorised person of energy efficiency information; and
  - 19.2.5. the services offered by the authorised person to Domestic Consumers on its Priority Services Register and the number of Domestic Consumers who are listed on that register.
- 19.3. The information provided by the authorised person under [19.1] must be in the form of a statistical record having such content and being presented in such a format and at such intervals of time as the Authority may from time to time direct following consultation and where relevant with the authorised person, Citizens Advice, Citizens Advice Scotland and Consumer Scotland.

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**Condition Title: Security of Supply****Condition Number: [20]**

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**Introduction to condition**

This condition obliges authorised persons who carry on the regulated activity of supplying heating, cooling or hot water by means of a relevant heat network to ensure a reliable supply of heating, cooling or hot water and means of supporting consumers when this is not possible.

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**Proposed text of condition****Ensuring a reliable supply of heating, cooling or hot water**

- 20.1. The authorised person must ensure a reliable and consistent supply of heating, cooling or hot water by means of the Specified Heat Network, taking all reasonable steps to minimise outages and disruptions, including the following actions:
- 20.1.1. maintaining the Specified Heat Network in accordance with manufacturers' recommendations and industry best practice in order to minimise service interruptions, including by way of promptly repairing or replacing any components of the Specified Heat Network which are in need of repair or replacement for any reason;
  - 20.1.2. periodically reviewing and assessing the fitness for purpose of the Specified Heat Network, taking into account prevailing industry best practice, and promptly making any upgrades or other modifications which may be required to ensure that the Specified Heat Network is and remains fit for purpose; and
  - 20.1.3. continuously monitoring and reporting on the performance of the Specified Heat Network and the service being provided to Consumers in respect of the supply of heating, cooling or hot water by means of the Specified Heat Network, addressing promptly any issues identified through this monitoring process.

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**Condition Title:      Revocation****Condition Number:      [21]**

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**Introduction to condition**

This condition contains circumstances where the Authority may revoke a heat network authorisation in whole or in part. Additional rules for modification of a heat network authorisation are set out in the Regulations and other authorisation conditions.

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**Proposed text of condition**

21.1. The Authority may at any time revoke the heat network authorisation in whole or in part by:

21.1.1. giving no less than 30 days' notice in writing to the authorised person:

- (a) if the authorised person agrees in writing with the Authority that the heat network authorisation should be revoked;
- (b) if any amount payable under general authorisation condition [●] (Payments to the Authority) is unpaid 30 days after it has become due and remains unpaid for a period of 14 days after the Authority has given the authorised person notice that the payment is overdue - provided that no such notice shall be given earlier than the sixteenth day after the day on which the amount payable became due;
- (c) if the authorised person fails:
  - i. to comply with a final order (within the meaning of regulation 29 of the Regulations) or with a provisional order (within the meaning of that regulation) which has been confirmed under that regulation and (in either case) such failure is not rectified to the satisfaction of the Authority within three months after the Authority has given notice in writing of such failure to the authorised person provided that no such notice shall be given by the Authority before the expiration of the period within which an application under regulation 29 of the Regulations could be made questioning the validity of the final or provisional order or before the proceedings relating to any such application are finally determined;



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ii. to pay any penalty (within the meaning of regulation 31 of the Regulations) by the due date for such payment and such payment is not made to the Authority within three months after the Authority has given notice in writing of such failure to the authorised person - provided that no such notice shall be given by the Authority before the expiration of the period within which an application under regulation 35 of the Regulations could be made questioning the validity or effect of the financial penalty or before the proceedings relating to any such application are finally determined; the authorised person fails to comply with:

- A. an order made by the court under section 34 of the Competition Act 1998;
- B. an order made by the Authority under Sections 158 or 160 of the Enterprise Act 2002;
- C. an order made by the CMA under Sections 76, 81, 83, 84 and 161 of the Enterprise Act 2002;
- D. an order made by the Secretary of State under Sections 66, 147, 160 or 161 of the Enterprise Act 2002; or

(d) if the authorised person:

- i. has not within [1] year after the date on which this heat network authorisation comes into force, commenced all of the Specified Activities (or, in the case of a revocation in part, the relevant Specified Activity or Activities); or
- ii. has ceased performance of all of the Specified Activities (or, in the case of a revocation in part, the relevant Specified Activity or Activities);

21.1.2. giving no less than 24 hours' notice in writing to the authorised person if the authorised person:

- (a) is unable to pay its debts (within the meaning of section 123(1) or (2) of the Insolvency Act 1986, but subject to paragraphs [21.2] and [21.3] of this general authorisation condition) or has any voluntary arrangement proposed in relation to it under

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- section 1 of that Act or enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Authority);
- (b) has a receiver (which expression shall include an administrative receiver within the meaning of section 251 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking appointed;
  - (c) has an administration order under section 8 of the Insolvency Act 1986 made in relation to it;
  - (d) passes any resolution for winding-up other than a resolution previously approved in writing by the Authority; or
  - (e) becomes subject to an order for winding-up by a court of competent jurisdiction; or
- 21.1.3. giving no less than 7 days' notice in writing to the authorised person where the Authority is satisfied that there has been a material misstatement (of fact) by, or on behalf of the authorised person, in making its application for the heat network authorisation.
- 21.2. For the purposes of sub-paragraph [21.1.2(a)], section 123(l)(a) of the Insolvency Act 1986 shall have effect as if for "£750" there was substituted "[£100,000]" or such higher figure as the Authority may from time to time determine by notice in writing to the authorised person<sup>7</sup>.
- 21.3. The authorised person shall not be deemed to be unable to pay its debts for the purposes of sub-paragraph [21.1.2(a)] if any such demand as is mentioned in section 123(l)(a) of the Insolvency Act 1986 is being contested in good faith by the authorised person with recourse to all appropriate measures and procedures or if any such demand is satisfied before the expiration of such period as may be stated in any notice given by the Authority under paragraph [21.1].

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<sup>7</sup> Further consideration of the appropriate financial threshold is required

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**Condition Title: Application of General Authorisation Conditions****Condition Number: [22]****Introduction to condition**

This condition contains information regarding the extent of the general authorisation conditions that will apply, based on the activities that the authorised person carries out.

**Proposed text of condition****Application of general authorisation conditions**

22.1. The general authorisation conditions shall have effect as set out below.

Section A (All authorised persons)	The authorisation conditions included in Section A of the general authorisation conditions have effect for all authorised persons.
Section B (Supply)	The authorisation conditions included in Section B of the general authorisation conditions have effect for an authorised person who is authorised to carry out the regulated activity of supplying heating, cooling or hot water to heat network consumers by means of one or more relevant heat networks.
Section C (Domestic supply)	The authorisation conditions included in Section C of the general authorisation conditions have effect for an authorised person who is: <ul style="list-style-type: none"> <li>(a) Authorised to carry out the regulated activity of supplying heating, cooling or hot water to heat network consumers by means of one or more relevant heat networks; and</li> <li>(b) supplies or has supplied heating, cooling or hot water to at least one domestic heat network consumer by means of a relevant heat network on or after the start of the initial period.</li> </ul>
Section D	The authorisation conditions included in Section D of the general authorisation conditions have effect for an authorised person who is

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(Operator)	Authorised to carry out the regulated activity of operating one or more relevant heat networks.
	[Further sections may be included in this condition to cover application of general authorisation conditions for other categories such as 'bulk supply', 'self-supply' and 'industrial']

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**Condition Title: Definitions****Condition Number: [23]**

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**Introduction to condition**

This condition contains definitions that are applicable to the general authorisation conditions and Schedule of the heat network authorisation.

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**Proposed text of condition**

- 23.1. This general authorisation condition sets out defined words and expressions used in the general authorisation conditions and the heat network authorisation (all of which begin with capital letters) and gives their definitions next to them.

**Definitions in alphabetical order**

- 23.2. In the heat network authorisation, unless the context otherwise requires:

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<b>Additional Support Credit</b>	means a fixed amount of credit provided to a Domestic Consumer in a Vulnerable Situation when that Domestic Consumer's Prepayment Meter credit runs low or runs out to ensure a continuity of, or a return to, supply of heating, cooling or hot water by means of the Specified Heat Network;
<b>Affiliate</b>	means, in relation to an authorised person, any holding company or subsidiary or subsidiary undertaking of a holding company of the authorised person, in each case within the meaning of the Companies Act 2006;
<b>Affiliated Regulated Entity</b>	means an Affiliate which is an authorised person, an Electricity Supplier and/or a Gas Supplier;
<b>Appropriate Proportion</b>	means the proportion of the Costs attributable to the authorised person in accordance with the principles determined by the Authority for the purposes of general authorisation condition [3] (Payments to the Authority) generally (after consultation with the authorised person and others likely to be affected by the application of those principles) and notified to the authorised person.
<b>Authorised</b>	in relation to any person, business, or regulated activity, means: <ul style="list-style-type: none"> <li>(a) authorised by a heat network authorisation granted under regulation 16 of the Regulations;</li> <li>(b) [authorised by a temporary authorisation granted under regulation 17 of the Regulations;] or</li> <li>(c) where appropriate, to be treated as authorised by a heat network authorisation under regulation 26 of the Regulations;</li> </ul>
<b>Authority</b>	means the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000;
<b>Bill</b>	means a statement of Charges applicable to the Consumer;
<b>Billing</b>	all matters relating to the provision of a Bill or statement of account to a Consumer, including the content and calculations relating to such a Bill or statement of account and the collection and use of information relating to the consumption of heating, cooling or hot water as supplied by means of a relevant heat network;
<b>Billing Information</b>	is to be interpreted in accordance with general authorisation condition [15.11];
<b>Bulk Supply</b>	means where thermal energy is supplied to an intermediary party who is not the final consumer of that thermal energy but instead on-sells it to other parties

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<b>Change</b>	means the events set out in general authorisation conditions [12.1] and [12.2], and references to <b>Changes</b> shall be construed accordingly;
<b>Charge</b>	means the Standing Charge, Unit Rate, any reasonable and proper disconnection charges, reconnection charges, abortive call-out charges and debt-processing charges levied in relation to the supply of heating, cooling or hot water by means of a relevant heat network, and references to <b>Charges</b> shall be construed accordingly;
<b>Complaint</b>	has the meaning given in general authorisation condition [13.5] (Complaints);
<b>Complaints Handling Procedure</b>	is to be interpreted in accordance with general authorisation condition [13] (Complaints);
<b>Consent</b>	means in the context of active consideration of the installation of an Involuntary Prepayment Meter, consent which is unmistakably given by the Consumer (in Writing or verbally), rather than implied or retained in terms and conditions, with a record of the date and method of consent and not given under pressure from the authorised person;
<b>Consumer</b>	means a heat network consumer as defined in regulation 2(1) of the Regulations;
<b>Consumer Objective for Operators</b>	has the meaning given in general authorisation condition [5.1];
<b>Consumer Objective for Suppliers</b>	has the meaning given in general authorisation condition [4.1];
<b>Costs</b>	means costs estimated by the Authority as likely to be or have been: the costs of – <ul style="list-style-type: none"> <li>(a) the Authority calculated in accordance with the principles determined by the Authority for the purpose of general authorisation condition [3] generally (after consultation with the authorised person and others likely to be affected by the application of such principles) and notified to the authorised person;</li> <li>(b) Citizens Advice, Citizens Advice Scotland, Consumer Scotland and/or a qualifying public consumer advice body, as the case may be; and</li> <li>(c) the Secretary of State;</li> </ul>
<b>Credit</b>	means the amount by which the payments made by a Domestic Consumer to the authorised person under or in accordance with the relevant Domestic Supply Contract exceeds the total amount of Charges for the supply of heating, cooling or hot water by means of the Specified Heat Network which is due and payable by that Domestic Consumer to the authorised person under that Domestic Supply Contract.

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<b>Credit Limiting</b>	means the practice by which the authorised person limits the amount by which the total Charges for the supply of heating, cooling or hot water by means of the Specified Heat Network accrued by a Domestic Customer under a Domestic Supply Contract may exceed the payments made by that Domestic Customer to the authorised person under or in accordance with the relevant Domestic Supply Contract and related expressions must be read accordingly;
<b>Customer</b>	<p>(a) in respect of an Electricity Supplier, has the meaning given in standard licence condition 1 of the Standard conditions of electricity supply licence;</p> <p>(b) in respect of a Gas Supplier, has the meaning given in standard licence condition 1 of the Standard conditions of gas supply licence;</p> <p>(c) in respect of an authorised person means a Consumer; and</p> <p><b>Customers</b> shall be construed accordingly.</p>
<b>Debt Trigger</b>	means, where Charges have been outstanding for three months or more after the date the bill has been issued, and Outstanding Charges are more than the amount specified in the guidance issued under general authorisation condition [19.4] (Prepayment Meters), and the Consumer is not on, or transitioning, to a repayment plan;
<b>Deemed Authorisation</b>	means, in respect of a person, an authorisation which is to be treated as having been conferred on that person pursuant to regulation 26 of the Regulations;
<b>Deemed Contract</b>	[●] <sup>8</sup> ;
<b>Disadvantageous Unilateral Variation</b>	means a change to the contract made by the authorised person without consulting the Consumer, which would put the Consumer in a worse position than if the change had not been made;
<b>Disconnect</b>	in relation to the supply of heating, cooling or hot water by means of a relevant heat network, means to stop that supply to a Domestic Premises and related expressions must be read accordingly;
<b>Discount</b>	means (excluding a Relevant Payment, an Outstanding Charges Discount, a Payment Difficulty Discount, and a Warm Home Discount) any form of payment, saving, rebate, benefit or reward (whether financial or otherwise) which is in any way linked or otherwise relates to a Relevant Supply Contract [or Deemed Contract] (and, includes goods and services provided to a Consumer free of charge or at a reduced charge);
<b>Domestic Consumer</b>	has the meaning given to the term domestic heat network consumer in the Regulations;
<b>Domestic Premises</b>	is to be interpreted in accordance with general authorisation condition [●] (Classification of premises);



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<sup>8</sup> To be confirmed when statutory approach to deemed contracts for heat networks has been confirmed

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<b>Domestic Supply Contract</b>	means a Supply Contract between an authorised person and a Domestic Consumer;
<b>Electricity Supplier</b>	means any person who holds an Electricity Supply Licence;
<b>Electricity Supply Licence</b>	means an electricity supply licence granted or treated as granted under section 6(1)(d) of the Electricity Act 1989;
<b>Electronic Communication</b>	means a message comprising text or an image of text that: <ul style="list-style-type: none"> <li>(a) is sent over a Public Electronic Communications Network;</li> <li>(b) can be stored in that network or in the recipient's terminal equipment until it is collected by the recipient; and</li> <li>(c) is in a particular form and is used for a particular purpose and the recipient of it has expressed a willingness, to the sender, to receive it in that form and for that purpose.</li> </ul>
<b>Emergency Credit</b>	means a fixed amount of credit provided to a Domestic Consumer when that Domestic Consumer's Prepayment Meter credit runs low or runs out to ensure a continuity of, or a return to, supply of heating, cooling or hot water by means of the Specified Heat Network;
<b>Energy Services Provider</b>	means a person who supplies energy efficiency services;
<b>'Fair' and cognate expressions</b>	The authorised person or any Representative would not be regarded as treating a Consumer Fairly if their actions or omissions give rise to a likelihood of detriment to the Consumer, unless the detriment would be reasonable in all the relevant circumstances;
<b>Form</b>	includes the means by which information is communicated and the way in which information is presented or structured;
<b>Friendly-hours Credit</b>	means an amount of credit provided overnight, at weekends and public holidays to a Domestic Consumer when that Domestic Consumer's Prepayment Meter credit runs low or runs out to ensure a continuity of, or a return to, supply of heating, cooling or hot water by means of the Specified Heat Network;
<b>Gas Supplier</b>	means any person who holds a Gas Supply Licence;
<b>Gas Supply Licence</b>	means a gas supply licence granted or treated as granted under section 7A of the Gas Act 1986;
<b>Heat Network Authorised Supplier</b>	means any person who is Authorised to carry on the regulated activity of supplying heating, cooling or hot water to heat network consumers by means of a relevant heat network;
<b>Heat Network Operator</b>	means any person who is Authorised to carry on the regulated activity of operating a relevant heat network;

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<b>Historic Consumption Data</b>	<p>means</p> <ul style="list-style-type: none"> <li>(a) except where a Relevant Consumer has held its Supply Contract for less than 12 months, the quantity of heating, cooling or hot water supplied by means of a relevant heat network to the Relevant Consumer's premises during the previous 12 months; and</li> <li>(b) where the Relevant Consumer has held its Supply Contract for less than 12 months, the quantity of heating, cooling or hot water supplied by means of a relevant heat network to the Relevant Consumer's premises during the duration of that Supply Contract;</li> </ul>
<b>Independent Audit</b>	<p>means an audit carried out by a person(s) with the relevant skills and expertise, other than the authorised person or an Affiliate, and <b>Independent Auditor</b> should be construed accordingly. Unless exempted by the Authority, the Auditor must be a person or firm regulated by an appropriate professional body;</p>
<b>Industrial Heat Network</b>	<p>means a heat network where all of the heating, cooling or hot water which is supplied by means of that heat network is wholly or mainly supplied for an Industrial Process</p>
<b>Industrial Process</b>	<p>means a process for or incidental to any of the following purposes:</p> <ul style="list-style-type: none"> <li>a) the making of any article or part of any article (including a ship or vessel, or a film, video or sound recording);</li> <li>b) the altering, repairing, maintaining, ornamenting, finishing, cleaning, washing, packing, canning, adapting for sale, breaking up or demolition of any article; or</li> <li>c) the getting, dressing or treatment of minerals;</li> </ul> <p>in the course of any trade or business other than agriculture, and other than a use carried out in or adjacent to a mine or quarry;</p>
<b>Information</b>	<p>means information (other than information subject to legal privilege) in any form or medium and of any description specified by the Authority and includes any documents, accounts, estimates, returns, records or reports and data of any kind, whether or not prepared specifically at the request of the Authority;</p>

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<b>Involuntary Prepayment Meter</b>	<p>means</p> <ul style="list-style-type: none"> <li>(a) a Prepayment Meter installed by execution of a Relevant Warrant in respect of a Domestic Consumer; or</li> <li>(b) a smart metering system switched to a mode which requires a Domestic Consumer to pay Charges for the supply of heating, cooling or hot water by means of a relevant heat network in advance when there are Outstanding Charges – and the authorised person has made attempts to offer alternative payment methods in accordance with general authorisation condition [18] (Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills) and the Domestic Consumer has not given explicit Consent for the switch to Prepayment mode;</li> </ul> <p>and references to the installation or removal of an Involuntary Prepayment Meter include the switching of any Supply Meter to or from such a mode;</p>
<b>Involuntary Prepayment Meter Credit</b>	<p>means an amount of credit, or equivalent non-disconnection period, to be specified in guidance and to be provided automatically upon installation of an Involuntary Prepayment Meter in accordance with general authorisation condition [19.7] (Prepayment Meters);</p>
<b>Last Resort Supply Direction</b>	<ul style="list-style-type: none"> <li>(a) in respect of an Electricity Supplier, has the meaning given in standard licence condition 1 of the Standard conditions of electricity supply licence;</li> <li>(b) in respect of a Gas Supplier, has the meaning given in standard licence condition 1 of the Standard conditions of gas supply licence; and</li> <li>(c) in respect of an authorised person means [●]<sup>9</sup>;</li> </ul>
<b>Meter Point Reference Number</b>	<p>means a number relevant to the registration of a Supply Meter reference number that is prescribed by [●];</p>
<b>Microbusiness Consumer</b>	<p>means a heat network consumer supplied or requiring to be supplied by means of a relevant heat network at a Microbusiness Premises but excludes such a heat network consumer insofar as they are supplied or require to be supplied at premises other than Microbusiness Premises;</p>
<b>Microbusiness Premises</b>	<p>is to be interpreted in accordance with general authorisation condition [●] (Classification of premises);</p>
<b>Minimum Details</b>	<p>means the Domestic Consumer's name, details of any relevant Personal Characteristics and/or Vulnerable Situation, and such other details which are relevant to the subject matter of general authorisation condition [17] (Priority Services Register) as the Authority may from time to time specify by publishing a statement in Writing (following public consultation and giving at least two months' prior notice);</p>

<sup>9</sup> To be confirmed following consultation on step-in arrangements for heat networks.

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<b>Notice</b>	means a formal communication issued by the authorised person to the Consumer in relation to supplying heating, cooling or hot water to heat network consumers by means of a relevant heat network;
<b>Operator Standards of Conduct</b>	is to be interpreted in accordance with general authorisation condition [5.3] (Operator Standards of Conduct);
<b>Other Outstanding Charges</b>	means the amount of any charges for goods and/or services (other than Charges) which are due to the authorised person from a Domestic Consumer, have been demanded of that Domestic Consumer by the authorised person in Writing at least 28 days previously and remain unpaid;
<b>Outstanding Charges</b>	means the amount of any Charges which are due to the authorised person from a Domestic Consumer, have been demanded of that Domestic Consumer by the authorised person in Writing at least 28 days previously and remain unpaid;
<b>Outstanding Charges Discount</b>	means any form of reduction, saving, or write-off provided by the authorised person in respect of a specific Domestic Consumer (including a Domestic Consumer whose identity is unknown) on the basis that the Domestic Consumer has Outstanding Charges and/or Other Outstanding Charges;
<b>Payment Difficulty Discount</b>	means any form of reduction, saving, or write-off provided by the authorised person in respect of a specific Domestic Consumer on the basis that general authorisation condition [18.3] (Security Deposits, Payment Difficulties, Disconnections, Direct Debits and Final Bills) applies in respect of that Domestic Consumer;
<b>Pensionable Age</b>	means, in relation to any person, pensionable age within the meaning given by section 48(2B) of the Gas Act 1986;
<b>Personal Characteristics</b>	means: <ul style="list-style-type: none"> <li>(a) the Domestic Consumer being of Pensionable Age ;</li> <li>(b) the Domestic Consumer being chronically sick, or having an impairment, disability, or long term medical condition (including but not limited to a visual, auditory or mobility impairment);</li> <li>(c) any other characteristics identified by the authorised person as being relevant due to the nature of the Priority Services;</li> </ul>
<b>Precautionary Principle</b>	means the assumption to be made by authorised persons that any Domestic Consumer faced with Involuntary Prepayment Meter for debt is likely to be in financial difficulty and therefore more likely to self-disconnect;
<b>Prepayment Meter</b>	includes any Supply Meter operating in a mode which requires a Consumer to pay Charges in advance, and references to the installation or removal of a Prepayment Meter includes the switching of any Supply Meter to or from such a mode;

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<b>Prepayment Meter Consumer</b>	means a Consumer with a Prepayment Meter;
<b>Principal Terms</b>	all terms and information required to be included in a Relevant Supply Contract [or Deemed Contract] by general authorisation condition [11] and any other term that may reasonably be considered to significantly affect the evaluation by the Consumer of the Relevant Supply Contract [or Deemed Contract] under which heating, cooling or hot water by means of a relevant heat network may be supplied to its premises including in relation to Non-Domestic Consumers any third party costs, required to be paid or due to be paid in respect of a Non-Domestic Supply Contract.
<b>Priority Services</b>	is to be interpreted in accordance with general authorisation condition [17.5] (Priority Services Register);
<b>Priority Services Register</b>	has the meaning given in general authorisation condition [17.1] (Priority Services Register);
<b>Public Electronic Communication Network</b>	has the meaning given in section 151 of the Communications Act 2003;
<b>Regulations</b>	means the Heat Network (Market Framework) Regulations 20[●] <sup>10</sup> ;
<b>Relevant Billing Information</b>	has the meaning given in general authorisation condition [15] (Provision of Billing and Price Transparency Information);
<b>Relevant Consumer</b>	means a Domestic Consumer and a Microbusiness Consumer;
<b>Relevant Consumer Advice Body</b>	means one or more of: <ul style="list-style-type: none"> <li>(a) Citizens Advice;</li> <li>(b) Citizens Advice Scotland;</li> <li>(c) Consumer Scotland;</li> </ul> and references to <b>Relevant Consumer Advice Bodies</b> shall be construed accordingly.
<b>Relevant Contract Change Notice</b>	is a Notice that is served pursuant to general authorisation condition [12.1] (Contract Changes Information (Notification of Price Information and Disadvantageous Unilateral Variations));
<b>Relevant Costs</b>	means the costs or estimated costs, including overheads, incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the Service Charge is payable whether such costs are incurred, or to be incurred, in the period for which the Service Charge is payable or in an earlier or later period;

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<sup>10</sup> To be confirmed when Heat Network (Market Framework) Regulations SI is passed

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<b>Relevant Dispute Resolution Body</b>	means the Energy Ombudsman, Housing Ombudsman, Financial Ombudsman, Green Deal Ombudsman or first-tier tribunal as appropriate;
<b>Relevant Energy Licensee</b>	means any person who holds a licence granted or treated as granted under any of: <ul style="list-style-type: none"> <li>(a) section 6(1)(b),6(1)(c), 6(1)(d), 6(1)(da) and/or 6(1)(f) of the Electricity Act 1989; and</li> <li>(b) section 7, 7A and/or 7AB of the Gas Act 1986;</li> </ul>
<b>Relevant Industry Mechanisms</b>	means arrangements for the purposes of sharing the Minimum Details with specified persons as designated by the Authority by publishing a statement in Writing (following public consultation and giving at least two months' prior notice);
<b>Relevant Order</b>	means <ul style="list-style-type: none"> <li>(a) a prohibition order under section 20 or 21 of the Housing Act 2004;</li> <li>(b) a demolition order under section 46 of the Housing Act 2004;</li> <li>(c) an interim management order under section 102 of the Housing Act 2004; or</li> <li>(d) a final management order under section 103 of the Housing Act 2004.</li> </ul>
<b>Relevant Party</b>	in the context of general authorisation condition [14.2] (Assistance and Advice Information) means the authorised person, their Representatives and the relevant Heat Network Operator;
<b>Relevant Payment</b>	means compensation payable to a Consumer by another authorised person under general authorisation condition [●][or under any provision of regulations made under Part 11 (Consumer Protection) of Schedule 18 to the Act.]
<b>Relevant Supply Contract</b>	means a Supply Contract between an authorised person and a Relevant Consumer;
<b>Relevant Warrant</b>	[●]
<b>Relevant Year</b>	means a year beginning on 1 April of each calendar year and ending on 31 March of the following calendar year;
<b>Representative</b>	in relation to an authorised person, means any person directly or indirectly authorised to represent that authorised person in its dealings with Consumers;
<b>Safe and Reasonably Practicable in all the Circumstances of the Case</b>	is to be interpreted in accordance with the guidance referred to in general authorisation condition [19.4] (Prepayment meters);

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<b>Security Deposit</b>	means a deposit of money as security for the payment of Charges;
<b>Self-disconnection</b>	<p>means when a Domestic Consumer uses a Prepayment Meter and experiences an interruption to their supply of heating, cooling or hot water supplied by means of a relevant heat network because the credit on the meter has been exhausted.</p> <p>Terms derived from this, such as <b>'Self-disconnected'</b> and <b>'Self-disconnecting'</b> shall be construed accordingly;</p>
<b>Self-rationing</b>	<p>means when a Domestic Consumer deliberately limits its use of heating, cooling or hot water as supplied by means of a relevant heat network to save money for other goods or services.</p> <p>Terms derived from this, such as <b>'Self-ration'</b> and <b>'Self-rationed'</b> shall be construed accordingly;</p>
<b>Self-Supply Network</b>	means a district heat network where all the heating, cooling or hot water supplied by means of that district heat network is consumed by the authorised person for that district heat network
<b>Service Charge</b>	<p>means an amount payable by a tenant of a dwelling as part of or in addition to the rent:</p> <ul style="list-style-type: none"> <li>(a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and</li> <li>(b) the whole or part of which varies or may vary according to the Relevant Costs;</li> </ul>
<b>Significant Managerial Responsibility or Influence</b>	<p>means where a person plays a role in</p> <ul style="list-style-type: none"> <li>(a) the making of decisions about how the whole or a substantial part of an authorised person's activities are to be managed or organised; or</li> <li>(b) the actual managing or organising of the whole or a substantial part of those activities;</li> </ul>
<b>Site Welfare Visit</b>	means a visit to Domestic Consumers' premises by appropriately trained staff or representatives to attempt to make contact with the Consumer to identify and/or further assess personal circumstances and characteristics to identify any vulnerabilities that may be present in the household to determine if the installation of a Prepayment Meter is safe and reasonably practicable;
<b>Small Business Consumer</b>	has the meaning given in The Gas and Electricity Regulated Providers (Redress Scheme) Order 2008;

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<b>Special Administration Order</b>	<p>(a) in respect of an authorised person means a heat network administration order as defined in the Energy Act 2023, Schedule 18, Paragraph 47;</p> <p>(b) in respect of a Relevant Energy Licensee means either</p> <ul style="list-style-type: none"> <li>(i) an energy administration order as defined in section 154 of the Energy Act 2004;</li> <li>(ii) an esc administration order as defined in section 94 of the Energy Act 2011; or</li> <li>(iii) an smcl administration order as defined in section 2 of the Smart Meters Act 2018;</li> </ul>
<b>Specified Activity</b>	means the regulated activity which the authorised person is Authorised to carry on in relation to one or more relevant heat networks, such regulated activity being (as regards a particular, relevant heat network) the relevant activity specified for these purposes in Schedule 1 to the heat network authorisation or, in the case of a Deemed Authorisation, the relevant existing activity to which such Deemed Authorisation applies. <b>'Specified Activities'</b> shall be construed accordingly;
<b>Specified Amount</b>	means [£●] or such higher amount as may be designated by the Authority from time to time by publishing a statement in Writing following consultation, or as set out in any guidance issued by the Authority and which the Authority may revise from time to time, following consultation;
<b>Specified Heat Network</b>	means the relevant heat network in relation to which the authorised person is Authorised to carry on one or more regulated activities, such relevant heat network being (as regards a particular regulated activity) the relevant heat network specified for these purposes in Schedule 1 to the heat network authorisation or, in the case of a Deemed Authorisation, the relevant heat network to which (as regards a particular existing activity) such Deemed Authorisation applies. <b>'Specified Heat Networks'</b> shall be construed accordingly;
<b>Specified Period</b>	means [twelve months] or such other (shorter or longer) period which may be specified by the Authority by publishing a statement in writing (or by issuing a direction to the authorised person), following consultation;
<b>Standing Charge</b>	means a monetary amount that is chargeable to a Consumer on a daily basis and which is chargeable in addition to charges arising on the basis of a Unit Rate;
<b>Supplier Standards of Conduct</b>	is to be interpreted in accordance with general authorisation condition [4.3] (Supplier Standards of Conduct);
<b>Supply Contract</b>	means a contract for the supply of heating, cooling or hot water to a Consumer [but does not include a Deemed Contract];

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<b>Supply Meter</b>	means a meter used or to be used for measuring the quantity of heating, cooling or hot water supplied by means of a relevant heat network;
<b>Unit Rate</b>	means the price charged per unit of heating, cooling or hot water supplied to by means of a relevant heat network to a Consumer;
<b>Vulnerable Consumer</b>	means a Consumer in a Vulnerable Situation;
<b>Vulnerable Situation</b>	means the personal circumstances and characteristics of each Domestic Consumer create a situation where he or she is: <ul style="list-style-type: none"> <li>(a) significantly less able than a typical Domestic Consumer to protect or represent his or her interests; and/or</li> <li>(b) significantly more likely than a typical Domestic Consumer to suffer detriment or that detriment is likely to be more substantial;</li> </ul>
<b>Warm Home Discount</b>	means a monetary amount provided by the authorised person pursuant to regulations made under [section 11 of the Energy Act 2010];
<b>Website</b>	means a website controlled and used by the authorised person to communicate with a Consumer for reasons relating to the supply of heating, cooling or hot water by means of a relevant heat network;
<b>Winter</b>	means the months of October, November, December, January, February and March;
<b>Working Day</b>	means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day that is a bank holiday within the meaning of the Banking and Financial Dealings Act 1971; and
<b>Writing</b>	includes writing sent or received by Electronic Communication and “Written” shall be construed accordingly.

**HEAT NETWORK AUTHORISATION CONDITIONS**CONSULTATION APPENDIX DRAFT

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**Heat Network Authorisation****Introduction**

This document has been included for informational purposes to show how the regulator will record details of authorised activity and the persons and heat networks that authorisation pertains to. The Regulations and other authorisation conditions set out the circumstances under which the Heat Network Authorisation may be modified or revoked.

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- A. This heat network authorisation relates to [•] (a company registered in [England and Wales][Scotland] under company registration number [•]) ('the authorised person') whose registered office is situated at [•] to carry on the regulated activity or regulated activities specified in Schedule 1 and the relevant heat network(s) specified in Schedule 1.
- B. This heat network authorisation should be read together with:
- i. the [applicable general authorisation condition] determined and published by the Authority pursuant to regulation 18 of the Regulations; and
  - ii. any specific authorisation conditions determined and sent to the authorised person pursuant to regulation 19 of the Regulations,
- as may be modified in accordance with the provisions of the Regulations [and the authorisation conditions].
- C. This heat network authorisation is subject to transfer or modification in accordance with the provisions of the Regulations.
- D. This heat network authorisation shall remain in force except to the extent that it is modified or revoked (in whole or in part) or otherwise ceases to have effect in accordance with the provisions of the Regulations and/or the authorisation conditions.

**HEAT NETWORK AUTHORISATION CONDITIONS**

## CONSULTATION APPENDIX DRAFT

**Authorisation Schedule 1 – Specified heat networks and activities**

- a. The Specified Heat Networks are such relevant heat network(s) as set out in column A of the table in paragraph [3] of this Schedule.
- b. The Specified Activities are such regulated activities as set out in column B of the table in paragraph [3] of this Schedule in relation to the relevant heat network set out in column A in the same row of such table.
- c. The relevant heat networks and regulated activities referred to in paragraphs [1] and [2] are as follows<sup>11</sup>:

<b>Column A: relevant heat network</b>	<b>Column B: regulated activity</b>
The communal heat network relating to <i>[Insert address of building]</i>	1. operating the relevant heat network 2. supplying heating, cooling or hot water to heat network consumers by means of the relevant heat network.  [Delete (a) or (b) as appropriate]
The communal heat network relating to <i>[Insert address of building]</i>	(a) operating the relevant heat network (b) supplying heating, cooling or hot water to heat network consumers by means of the relevant heat network.  [Delete (a) or (b) as appropriate]
The district heat network located <i>[at/in] [address/geographic description]</i>	(a) operating the relevant heat network (b) supplying heating, cooling or hot water to heat network consumers by means of the relevant heat network.  [Delete (a) or (b) as appropriate]

<sup>11</sup> The table has been populated for indicative purposes only.