

2006 No. 2010

ELECTRICITY

The Electricity (Prepayment Meter) Regulations 2006

Made - - - - *23rd July 2006*

Coming into force - - *1st September 2006*

The Gas and Electricity Markets Authority(a), in exercise of the powers conferred upon it by paragraph 12 of Schedule 7 to the Electricity Act 1989(b) and by section 60 of that Act, and, in accordance with paragraph 12(5) of Schedule 7 to that Act, after consultation with representative organisations and with the consent of the Secretary of State, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Electricity (Prepayment Meter) Regulations 2006 and shall come into force on 1st September 2006.

Interpretation

2. In these Regulations—

“gas supplier” means the holder of a licence under section 7A(1)(a) of the Gas Act 1986(c) except where the holder is acting otherwise than for purposes connected with the carrying on of activities authorised by the licence;

“ongoing gas consumption” means gas consumed after the date an agreement under regulation 4 is sent to the customer;

“prepayment meter” means an electricity prepayment meter installed by an authorised supplier through which the customer takes his supply of electricity;

“repayment amount” means the amount of each instalment to be paid towards the repayment of the sum owed;

“repayment rate” means the frequency with which instalments are to be paid towards the repayment of the sum owed; and

“sum owed” means the aggregate of sums specified under regulation 3 owed at the time an agreement under regulation 4 is sent to the customer.

Recovery of sums owed for electricity and gas

3.—(1) A prepayment meter may be used to recover a sum that is owed to a gas supplier or an electricity supplier by a customer in respect of any one or more of the following—

(a) The Gas and Electricity Markets Authority was established by section 1 of the Utilities Act 2000 (c.27).

(b) 1989 c.29; paragraph 12 of Schedule 7 to the Electricity Act was inserted by section 181 of the Energy Act 2004 (c.20).

(c) 1986 c.44.

- (a) at any premises previously owned or occupied by the customer—
 - (i) the supply of gas;
 - (ii) the supply of electricity;
 - (iii) the provision of a gas meter; and
 - (iv) the provision of an electricity meter;
- (b) the provision of a gas meter at the premises on which the prepayment meter is installed; and
- (c) the supply of gas to the premises on which the prepayment meter is installed.

(2) Any sum recoverable through a prepayment meter under paragraph 12(2)(a) of Schedule 7 to the Electricity Act 1989 may be consolidated with a sum specified in regulation 3(1) and recovered under these Regulations.

The agreement

4.—(1) An electricity supplier may not recover sums specified in regulation 3(1) by means of a prepayment meter unless it has previously entered into an agreement with the customer which complies with paragraphs (2) and (4), and, where applicable, regulations 5 and 6.

- (2) The agreement must state in writing—
 - (a) the name of the customer;
 - (b) any charges that the customer will be required to pay in addition to those recovered under regulation 3; and
 - (c) that the electricity supplier warrants that he has, orally, provided the customer with details as required under paragraph (3).
- (3) The details required by this paragraph are—
 - (a) other means of payment available to the customer;
 - (b) the operation of the prepayment meter, particularly as regards the recovery of debt and charging for ongoing consumption; and
 - (c) the implications of failing to make any payments in full or in part when they fall due under the agreement.
- (4) The agreement must include written terms to the following effect—
 - (a) that the customer can give a notice of cancellation to the electricity supplier;
 - (b) where notice of cancellation is given, the agreement shall be treated as if it had not been made;
 - (c) notice of cancellation can be given orally or in writing and must be given within seven working days beginning with the day on which the customer receives written terms of the agreement; and
 - (d) either party can terminate the agreement on provision of 30 days' oral or written notice.

Collection of the sum owed

5. Where the prepayment meter is being used to recover a sum owed the agreement must include in writing—

- (a) the amount of each element of the sum owed and to what it relates;
- (b) the repayment rate and repayment amount;
- (c) the date at which the sum owed will be fully repaid if the repayment amount is paid at the repayment rate;
- (d) a term that the repayment rate and repayment amount have been calculated by the supplier to take into account the customer's ability to pay the total of all charges to be recovered through the prepayment meter;

- (e) a term that the customer has agreed to the repayment rate and repayment amount; and
- (f) a term that the repayment rate and repayment amount can only be varied—
 - (i) at the customer's request and if agreed by the electricity supplier; or
 - (ii) by the supplier in accordance with sub-paragraph (d) and with prior notice given to the customer.

Collection for ongoing gas consumption

6. Where the prepayment meter is being used to recover a sum that is owed under regulation 3(1)(c) for ongoing gas consumption the agreement must include in writing—

- (a) the amount and frequency of payments required for ongoing gas consumption;
- (b) a term that the supplier will make reasonable endeavours to obtain gas meter readings at least every six months;
- (c) a term that the supplier will adjust the amount and frequency of payments required for ongoing gas consumption to reflect the gas meter readings obtained; and
- (d) a term that when adjusting the amount and frequency of payments under sub-paragraph (c) the supplier shall first give notice of the adjustments to the customer.

The seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of



17th July 2006

I consent

23rd July 2006

Sarah Harrison
A member of the Authority

Malcolm Wicks
Minister of Energy
Department of Trade and Industry

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations enable an electricity supplier to collect sums through an electricity prepayment meter in prescribed circumstances. Regulation 3 allows an electricity prepayment meter to be used to collect sums relating to any, or all, of—

- (a) the supply of electricity or the provision of an electricity meter at premises previously owned or occupied by the customer; or
- (b) the supply of gas or the provision of a gas meter, either at the premises where the prepayment meter is installed or at premises previously owned or occupied by the customer.

Regulation 3(2) allows sums owing for these purposes to be consolidated with sums due for supply of electricity or the provision of an electricity meter at the premises on which the prepayment meter is installed.

Both the customer and the supplier must enter into an agreement to use the prepayment meter for these purposes. Prior to entering into such an agreement the electricity supplier must orally inform the customer of key aspects of the operation of the prepayment meter as specified in regulation 4(3).

Regulations 4, 5 and 6 specify written terms that must be included in the agreement, where applicable. The agreement does not need to be signed by the customer or the supplier.

An agreement as specified in the Regulations is not required when the electricity prepayment meter is being used solely to collect sums for the supply of electricity or provision of an electricity prepayment meter to the current premises.

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