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STATUTORY INSTRUMENTS

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**2006 No. 2011**

**GAS**

**The Gas (Prepayment Meter) Regulations 2006**

*Made* - - - - *23rd July 2006*

*Coming into force* - - *1st September 2006*

The Gas and Electricity Markets Authority(1), in exercise of the powers conferred upon it by paragraph 6A of Schedule 2B to the Gas Act 1986(2) and by section 47 of that Act, and after consultation with representative organisations and with the approval of the Secretary of State, in accordance with paragraph 6A(4) and 6A(5) of Schedule 2B to that Act respectively, hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Gas (Prepayment Meter) Regulations 2006 and shall come into force on 1<sup>st</sup> September 2006.

**Interpretation**

2. In these Regulations—

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

“repayment amount” means the amount of each instalment to be paid towards the repayment of the sum owed under regulation 3; and

“repayment rate” means the frequency with which instalments are to be paid towards the repayment of the sum owed under regulation 3.

**Recovery of a sum owed for gas**

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

- (a) the supply of gas to any premises previously owned or occupied by the customer; and
- (b) the provision of a gas meter at any premises previously owned or occupied by the customer.

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

(2) 1986 c. 44; paragraph 6A of Schedule 2B of the Gas Act was inserted by section 181 of the Energy Act 2004 (c. 20).

(2) Any sum recoverable through a prepayment meter by virtue of paragraph 6A(1)(a) of Schedule 2B to the Gas Act 1986 may be consolidated with a sum specified in regulation 3(1) and recovered under these Regulations.

### **The agreement**

4.—(1) A gas supplier may not recover the sum specified in regulation 3 by means of a prepayment meter unless it has previously entered into an agreement with the customer which complies with paragraphs (2) and (4).

(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;
- (c) the amount of each element of the sum owed under regulation 3 and to what it relates;
- (d) the repayment rate and repayment amount;
- (e) the date at which the sum owed would be fully repaid if each repayment amount is made at the repayment rate; and
- (f) that the gas 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 gas 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;
- (d) that the repayment rate and repayment amount has been calculated by the gas supplier to take into account the customer's ability to pay the total of all charges to be recovered through the prepayment meter;
- (e) that the customer has agreed to the repayment rate and repayment amount;
- (f) that the repayment rate and repayment amount can be varied—
  - (i) at the customer's request and if agreed by the gas supplier; or
  - (ii) by the supplier in accordance with sub-paragraph (d) and with prior notice given to the customer; and
- (g) either party can terminate the agreement on provision of 30 days' oral or written notice.

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

17th July 2006

*Sarah Harrison*  
A member of the Authority

I consent

23rd July 2006

*Malcolm Wicks*  
Minister of Energy  
Department of Trade and Industry

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations enable a gas supplier to collect sums through a gas prepayment meter in prescribed circumstances. Regulation 3(1) allows a gas meter to be used to collect sums relating to the supply of gas or the provision of a gas meter 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 the supply of gas and the provision of a gas meter at the premises on which the prepayment meter is installed.

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

Regulation 4 specifies written terms that must be included in the agreement. The agreement does not need to be signed by the customer or the authorised gas supplier.

An agreement as specified in the Regulations is not required when the gas prepayment meter is being used solely to collect sums for the supply of gas or provision of a gas prepayment meter to the premises at which the prepayment meter is installed.