



Northern Ireland  
Assembly

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**COMMITTEE FOR  
ENTERPRISE, TRADE AND  
INVESTMENT**

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**OFFICIAL REPORT  
(Hansard)**

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**Draft Energy Bill: Briefing from DETI  
Energy Division**

29 March 2010

**NORTHERN IRELAND ASSEMBLY**

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**Draft Energy Bill: Briefing from DETI Energy Division**

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**Members present for all or part of the proceedings:**

Mr Alban Maginness (Chairperson)  
Mr Paul Butler (Deputy Chairperson)  
Mr Gregory Campbell  
Mr Leslie Cree  
Ms Jennifer McCann  
Dr Alasdair McDonnell  
Mr Alan McFarland  
Mr Gerry McHugh

**Witnesses:**

Ms Jenny Pyper )  
Mr Fred Frazer ) DETI Energy Division  
Ms Susan Stewart )

**The Chairperson (Mr A Maginness):**

I welcome the departmental officials to the Committee this morning.

**Ms Jenny Pyper (Department of Enterprise, Trade and Investment):**

I will give an overview of the draft Bill and then hand over to Fred Frazer and Susan Stewart who are on the Bill team and are, therefore, involved with the detail of the legislation.

We are grateful for the opportunity to update the Committee on the proposed energy Bill, as it

is now named. The Committee will recall that the draft energy Bill started life as a draft gas Bill because the bulk of the provisions relate to gas issues. However, the Office of the Legislative Counsel (OLC) deemed it appropriate that the Bill should be known as the draft energy Bill because there is provision for the special administration arrangements for electricity in addition to those for the natural gas industry. Consequently, the thrust of the draft energy Bill remains focused on the gas industry.

The Committee will be aware that the Department's 12-week consultation on the policy proposals closed at the end of September 2009. Fourteen organisations responded, 12 of which made substantive submissions. The other two respondents made no comments. There were no overall objections to the proposals.

We have provided the Committee with written information on the progress of the draft energy Bill since our proposals emerged in 2009. More recently, we updated the Committee on 22 February 2010 on the full consultation responses to the proposals. We also provided the Committee with a copy of the draft Bill and its associated explanatory and financial memorandum. The next step will be to submit the draft Bill to the Executive requesting approval to introduce it to the Assembly. We hope to do that after the Easter recess, and introduce the Bill in May 2010. I wish to draw the Committee's attention to the fact that there are a few reserved matters in the draft Bill, particularly in relation to penalties and a number of GB insolvency issues. On 25 March 2010, after talking to officials in the Northern Ireland Office, we received formal consent from the Secretary of State to the inclusion of those reserved aspects in the draft Bill.

Fred Frazer will now give a brief overview of the draft Bill and comment on the consultation responses in more detail, after which we will answer questions.

**Mr Fred Frazer (Department of Enterprise, Trade and Investment):**

The intention behind the draft Bill is to update current legislation. The provisions apply principally to the natural gas industry but the special administrative arrangements apply to the electricity sector too. I will go quickly through the draft Bill's provisions.

The provisions will enhance powers of access for gas companies; for example, to enter premises in which meter-tampering is suspected. Gas companies are currently unable to enter

property to inspect their equipment unless there is a safety concern. The new provisions will provide gas companies with extended powers of entry, which will be analogous to those that are in place for the electricity industry in Northern Ireland and in GB.

The legislation proposes that a person seeking entry to a property will have to provide evidence of their authority and sufficient notice. Entry can only take place at reasonable times. In addition, in extreme circumstances in which entry is not agreed to, a special case for a warrant will have to be made to a court. The proposals contain safeguards to protect consumers, such as the requirement to satisfy a magistrate in order to obtain a warrant. The provisions will also introduce a new offence of damaging a gas plant, which is similar to provisions contained in the Electricity (Northern Ireland) Order 1992.

The Bill will introduce guaranteed standards of performance for the gas industry, which will provide consumers with specific, measurable, achievable, reliable and timely standards to gauge the level of service provided by different gas companies. This will help to create a level playing field for customer standards analogous to those for electricity.

Importantly, the Bill will provide for deemed contracts between gas companies and customers. This will come into play when properties change ownership, where, for example, in the middle of winter, a customer wishes to switch on the gas but does not have a contract with a gas supplier.

The introduction of a special administration scheme for the natural gas and electricity industries in Northern Ireland is an important development. Current insolvency arrangements mean that in the unlikely event that a utility company becomes insolvent; the primary responsibility is towards creditors. However, the proposed legislation will provide for gas networks to remain in place and operational to ensure that gas supplies to consumers can continue in the event of a company failure. It is a mechanism that is designed to safeguard the provision of supplies by local gas and electricity networks. Responsibility for a utility company that becomes insolvent will be transferred to a special administrator appointed by the High Court, and that administrator will put the energy consumers' interests above those of creditors and shareholders.

A minor part of the draft Bill updates provisions on gas storage. A regime to allow the Department and the Utility Regulator to consent to a gas storage facility in Northern Ireland exists, and the changes proposed are relatively minor and will clarify who has the legal

responsibility.

We received responses to the consultation, which we have provided to the Committee. The draft Bill proposes the extension of powers of access for gas companies. Consumer bodies accepted that tampering with gas meters is a serious issue and has potential safety implications. We believe that the proposals contain sufficient safeguards to allay any concerns that consumer bodies and others may have about access to property. I have outlined some of the safeguards already, such as that sufficient notice is given and that warrants be obtained in certain circumstances.

The existing provisions provide powers of access where there is danger to life or property; for example, from a gas escape. Existing provisions in the Gas (Northern Ireland) Order 1996 require that premises entered are left secure, that any damage is made good, and that compensation is given for any damage caused. Legislative provisions cannot be fully prescriptive, and the Department will work with the Consumer Council and the Utility Regulator on the detailed outworking of the Bill's provisions.

There was a particular comment regarding the special administration arrangement. I think that there was some confusion with our most recent secondary legislation regarding the supplier-of-last-resort regulations for the gas industry. Those regulations relate to the supply aspect of gas, while special administration deals more with the network, distribution and transmission arrangements.

The area of deemed contracts between the gas company and the consumer is an example of where a change was made to the provisions following consultation. Consultation comments noted that the Bill should include provision for gas licence conditions. We cited the provisions contained in the Electricity Order (Northern Ireland) 1992, which require the licensee to ensure that the terms of the contract are not unduly onerous. The proposal was accepted, and it resulted in a change to the original legislative proposals.

Some gas companies were not totally convinced of the need for industry standards in the form of guaranteed standards of performance. In particular, they were concerned that gas companies might have to pay compensation. However electricity legislation in Northern Ireland, GB and elsewhere provide for such compensation to be paid if customer standards are not met. Some

companies supported the setting of guaranteed standards, but they requested that suppliers are not penalised unfairly; for example, if the fault is due to other gas distribution operators. The Department will work with the Consumer Council and the Utility Regulator on those issues. We welcome any comments from the Committee.

**The Chairperson:**

Much emphasis has been placed on the provision for gas companies to enter properties, and I know that you said that the draft legislation contains safeguards. However, what was the Consumer Council's view on that aspect? I know what it said in outline, but does the council remain convinced that safeguards need to be strengthened, or is it happy with those safeguards?

**Ms Pyper:**

The Consumer Council accepted that the Bill will bring the gas industry into line with the electricity industry, and it wanted to ensure that the Department is cognisant of the need to look after consumers' interests. We have given the Consumer Council all of the assurances that we can give, and the legislation will not be prescriptive on that aspect. The detail lies in the outworking, and we will continue to work with the Consumer Council on that. Its concerns were not that it opposed powers of entry; it simply wanted to register its view that the gas companies could not be given carte blanche and that those powers need to be operated sensitively and properly. The draft legislation includes some strengths, to which Fred Frazer has referred. The Consumer Council has indicated that it is content. However, we cannot be absolutely sure until those things work through.

**The Chairperson:**

When you mention being too prescriptive, what does that mean in practice?

**Ms Pyper:**

It refers to detailed requirements on the gas companies other than those outlined in the legislation. However, the Consumer Council felt that nothing needed to be added with regard to consumers' interests. The detail will be in the outworking. We will have to work with the Consumer Council and the Utility Regulator on the guidelines for the gas companies, based on the provisions in the legislation.

**Mr Butler:**

With regard to performance standards, there is nothing in the legislation to say that gas companies will have to compensate consumers for service delivery failure. Will the cost of that be taken from other consumers, and is that not a concern?

**Mr Frazer:**

Yes. If standards are not met, the gas company will, potentially, have to pay compensation. That is the overall desire in the legislation.

**Mr Butler:**

Nevertheless, the gas companies, to compensate for what they would lose, could charge other customers by adding to their bills.

**Mr Frazer:**

Again, the detail will be worked out with the regulator. However, our feeling is that there should not be penalties on all customers; for example, with regard to price controls. Any default on standards by the gas companies should be borne by the company.

**Ms Pyper:**

That moves beyond the Department's remit and into the work of the Utility Regulator in scrutinising the gas companies' requests to recoup costs. The regulator, and we, will be mindful of that.

**Ms Susan Stewart (Department of Enterprise, Trade and Investment):**

That will be finalised in the primary legislation, because of the powers included there to make subordinate legislation. All those details will be finalised through the subordinate legislation.

**Mr Butler:**

There has been controversy around powers of access, even with NIE, in that companies could abuse such powers. There was evidence to show that when Phoenix Gas tried to enter premises, it appeared that the people involved had not tampered with the meters, although I know that it goes on. Will companies have to go to court to get access to properties?

**Ms Stewart:**

Under the primary legislation, owner/occupiers do not have to provide consent for a gas company to enter their premises. It is only at that point that a gas company will have to go to a Justice of the Peace to get a warrant. The gas company has to give good, sound evidence that there has been meter-tampering or that there is a danger to life or premises.

**Mr Frazer:**

The Justice of the Peace has to be convinced that there is a need to grant a warrant.

**Ms Pyper:**

Part of the reason for wishing to bring in this legislation is to put a proper process in place that companies will have to follow: such a proper process has not existed to date. One of the benefits of bringing in these powers is that the process will have to be followed and standards will have to be adhered to in order for companies to gain access.

**The Chairperson:**

Do electricity companies have a statutory power to enter premises?

**Ms Stewart:**

Yes. This is equivalent to those powers.

**The Chairperson:**

Is this putting in place a similar statutory power?

**Ms Stewart:**

Yes, exactly.

**Ms J McCann:**

As regards gaining access, Citizens Advice asks what companies have to do to prove that there is a suspicion in the first place, and how can one ensure that companies are not exploiting such powers? There is a serious safety issue when it comes to meter-tampering. When companies are seeking to gain access, how can they prove that they know that a meter has been tampered with?

There does not seem to be any provision in the draft Bill to cover the situation where there is

suspicion of meter-tampering. In my constituency, meters have been removed and people have been left without heat and gas until it has been proven that they did not tamper with them. Does the draft Bill provide for that situation? A suspicion is merely a suspicion until it has been established whether people have tampered with their meters. How can it be ensured that people who have not tampered with their meters continue to have a supply of gas until the accusation has been proven or refuted? Will the Bill make provision for independent assessors to carry out the check for meter-tampering, or will the gas companies have that role?

**Mr Frazer:**

The gas company will expect to have access to inspect meters, and it seems reasonable to grant it that power. If there is a reason for not granting that access, the gas company will then have to make a case for it and, in extreme cases, go to the court for a warrant. It would have to convince a magistrate that there were sound reasons for gaining access; such as, for example, meter-tampering. There is a process to be followed.

**Ms Stewart:**

Schedule 5 of the Gas Order (Northern Ireland) 1996, which is entitled “powers of entry, etc.”, says:

“The Department may by regulations make provision—

- (a) for empowering any person authorised by a relevant licence holder, where that licence holder has reasonable cause to suspect”.

That relates to tampering. That provision is already in the existing provisions, and that is why it will be considered in the new legislation.

**Ms J McCann:**

The term “reasonable cause” has not been defined.

**Ms Pyper:**

At this stage, the term has not been defined in the primary legislation. We will need regulations and secondary legislation that will drill down into much of the exact detail of how the regime will operate. The purpose of the primary legislation is to put in place the basic statutory powers, after which we will work through a further process on the detailed outworking of the scheme. We share the Committee’s concerns about maintaining continuity of supply.

**Ms Stewart:**

Furthermore, the existing Gas Order says, that if the company suspects tampering, it is liable for:

- “(a) ensuring the safety of the gas system on those premises or of gas fittings; or
- (b) carrying out any necessary works of maintenance, repair or renewal of any part of the gas system”.

I do not think that we will remove such provision. The gas system will be repaired to ensure continuity of supply.

**Mr Frazer:**

There are overarching principles that apply to vulnerable people, and so on. We will note the point and consider it further.

**Ms J McCann:**

Who will check to see whether a meter has been tampered with?

**Mr Frazer:**

We understand that the gas company will do that. Meters are its equipment.

**The Chairperson:**

The standard is “reasonable suspicion” rather than mere suspicion. Is that right?

**Ms Stewart:**

Yes.

**The Chairperson:**

Therefore, the standard is higher than mere suspicion. It is not enough to suspect; the suspicion must be “reasonable”. In other words, it must be based some sort of objective criteria such as excessive gas usage. That provides additional protection in the circumstances.

**Ms Pyper:**

The burden of proof is on the companies to demonstrate that they have sufficient evidence to justify gaining access to a person’s property. The bar is high.

**The Chairperson:**

I am sure that, in due course, we will hear from the Consumer Council and other organisations that have an interest in the matter. It is important to preserve peoples' right to enjoy their homes.

**Mr McHugh:**

Like other members, I am cautious about giving companies more power than they have already. I wonder why they require this power. Is meter-tampering so widespread as to make this action necessary? I know that some utility companies are in the happy position where they can threaten to cut off a customer's supply if he or she is unable to pay, whereas private enterprises must wait or not be paid at all. However, utility companies still demand payment on time or they will cut off supply. I am suspicious of their intentions in this. One has to be careful about taking away people's rights, or making life that bit more difficult for those who do not have a guaranteed income to pay for everything.

I wonder about the figures involved in making the case for this. Is the practice widespread? When it comes to inability to pay; is cutting off supply part and parcel of the need for access? NIE would take such a course of action if one were unable to pay.

**Ms Pyper:**

The key thing is that we have a gas industry that has moved beyond fledgling stage and, though not yet mature, has come on. These powers, as the Chairperson has pointed out, bring electricity and gas on to the same level.

I appreciate what the member says about the balance of power shifting in favour of the gas companies, but that is designed to protect their business interests as well. They are trying to grow their businesses. We do not have the figures for cut-off with us: however, if the Committee wants them, we can provide them. The only source is the companies, and we will ask them for the figures.

**Mr McHugh:**

What I am saying is that if we are talking about this draft Bill, then meter-tampering and the slowing down of business progress must have been widespread. Am I wrong?

**Ms Pyper:**

I do not think that the practice is widespread. However, there are cases of it, and our primary concern is safety. It presents a serious risk, not only to individual householders but potentially to streets of householders. I think that that is the fundamental concern. I do not have figures to hand that can tell us how widespread it is. The situation is not unique to Northern Ireland; it goes on wherever there is a gas industry. Companies did not tell us that this is a massive problem or that it gives them major concern. However, it is an issue. Powers did not exist to provide for a proper process for companies to gain access, and there were safety concerns, for companies and individual householders.

**Mr Frazer:**

The gas industry is different from the electricity industry in that it has a high level of pre-payment meter usage. Unpaid bills are unlikely to lead to supplies being cut off; it is more likely that people will top up their card for use in pre-payment meters. Over 50% use that method of payment. The Utility Regulator has recently removed the cap on pre-payment meters, so that more people can have them and can budget properly.

As Ms Pyper mentioned, gas is also different from electricity in that, with electricity, meter-tampering can have serious consequences for the individual who does it; but with gas, the consequences can be serious not just for the individual, but for their household and for those further afield.

**The Chairperson:**

It would be helpful if the Committee could see figures or some description of the extent of this mischief. An indication of how widespread the practice is would be helpful. If you cannot provide that today, that is OK; it would be useful to have it in the future.

**Ms Pyper:**

I remember that an Assembly Question was asked about this area: it may have been about unpaid bills and cut off, or in relation to tampering. I cannot remember. However, we will try to get up-to-date figures from the companies as quickly as we can.

**The Chairperson:**

Thank you. We appreciate it.

**Mr Cree:**

I have two points. The first is that Jenny called this a draft “Gas Bill”. It is a little cumbersome and unhelpful to present what is ostensibly a draft Gas Bill with an electricity bit stuck on to it. Would it not make more sense to include the part that deals with electricity as an amendment to the Energy (Northern Ireland) Order 2003, which would mean that this Bill could deal exclusively with gas? From the point of view of practitioners, it can be unhelpful to have a miscellany of Orders and Bills. Hitherto, we have had electricity Bills and gas Bills.

I come at this from a different point of view to most of my colleagues, but I believe that to ensure the safe operation of the system, the gas companies must have access to houses. I declare an interest as I have been involved in gas companies in a previous life. Having had that experience, I know that people display a dramatic amount of innovation in bypassing a meter. We should not be too prescriptive. I have listened to the questions that have been asked, and I wonder about the answer to this question: if I were in charge of one of the gas companies, how would I know that I was being paid for the gas that was being distributed? There is no way for a gas company to know that it is being paid for all the gas that it issues, because meters are not checked regularly to ensure that they are accurate. The euphemism used to be “unaccounted-for gas”, which was the difference between outlet volumes and sale volumes. We need to be a bit more flexible. How does a gas company know whether someone has bypassed a meter? If gas records are not available from before a customer takes over an account, it is just not practical to make a case in court.

Jenny talked about the gas industry maturing. Ireland has had a gas industry for 180 years. What happened to all the old gas Acts? We seem to be reinventing the wheel.

**Ms Pyper:**

The first point was why we should make provision for electricity companies in what is predominantly a gas Bill. We want to bring in special administration provisions for electricity and gas at the same time because of concerns about the economic downturn. When there are economic uncertainties, having a special administration provision might be valuable if electricity supply companies are seriously threatened.

That may seem to be a remote prospect; however, when we were beginning work to introduce the Bill, the regulator was particularly concerned about that possibility, which was seen as a

potential threat to, and a vulnerability in, the energy industry here. While drafting the legislation, neither the Departmental Solicitor's Office (DSO) nor OLC objected to having, or thought it incompatible or inconsistent to have, one electricity provision when the rest related to gas. Although I understand that we could perhaps have included that provision in electricity legislation, we felt that the Bill was a timely way to ensure that protections are put in place.

**Mr Frazer:**

The provisions include the need to check meters and, if necessary, remove money from them, although that is now done electronically. Mr Cree, you are quite right; to confirm usage and so forth, meters need to be read and checked at least annually, so that is part of the provisions.

**Ms Pyper:**

Mr Cree's other point was about old gas legislation.

**Mr Cree:**

Indeed, but the main thrust is that, to ensure the safe operation of the system and the safety of individual houses, and, as you said, streets, the utility company must have powers of access. For example, there is nothing to stop someone from disconnecting a meter altogether, bypassing the regulator and sending gas straight to their appliances. How would the gas company handle that situation?

**Ms Pyper:**

I assume that it deals with such situations through meter-reading inspections.

**Mr Cree:**

But it has to get in to houses.

**Mr Frazer:**

If a gas company strongly suspects that there is a safety issue, there are provisions in the existing gas legislation that allow it to enter a property.

**Mr Cree:**

There is a difference between "strongly suspecting" and "proving". For example, if I have a vacant house with a gas supply that I have not used for five years, how do I know that that supply

has not been connected up and used without a meter?

**Mr Frazer:**

I presume that the gas company would want to inspect the equipment.

**Mr Cree:**

There is no equipment; the gas supply is in the house, and the meter was taken out some time ago.

**Mr Frazer:**

It might be listed in the company's register of meters and supplies that a meter was present and had not been removed. Therefore, it would be known that an offence had perhaps been committed.

**Mr Cree:**

I do not follow that logic. There is only a standpipe in the house.

**Mr Frazer:**

The records might show that —

**Mr Cree:**

The record would show that the meter was taken out. What is to stop me connecting up without a meter? I do not need a meter. It works just as well without one.

**Mr Frazer:**

That is a question for the gas companies, so we could discuss the matter with them.

**Ms Pyper:**

They have not asked for more powers than we are proposing.

**Mr Cree:**

We are doing all this in bits and pieces, which brings me back to my previous question. What happened to the gas legislation that we had since the 1830s?

**Ms Pyper:**

I do not know the details of that legislation. Since Phoenix came in to build the new natural gas industry, we have had new gas legislation to facilitate the development of a new industry.

**Mr Cree:**

The logic is the same. Will you find out what happened to that legislation?

**Ms Pyper:**

Things have changed considerably since then, and I suspect that the appropriate provisions may not exist.

**Mr Campbell:**

Do you mean that you are not familiar with the 1832 Act? *[Laughter.]*

**Ms Pyper:**

I just do not have it to hand.

**Mr Cree:**

Nevertheless, it is an interesting point.

**Ms Pyper:**

We shall seek DSO's views on the applicability of old legislation.

**Mr Campbell:**

Citizens Advice welcomes the fact that energy supplies will be maintained to customers in the event of insolvency. Will the new energy Act change the present guaranteed continuity of supply to insolvent customers?

**Mr Frazer:**

The difficulty is that, under the current arrangements, when a company becomes insolvent the administrator is responsible to creditors. Under the system that we are putting in place, the special administrator will have to give foremost consideration to maintaining continuity of supply to the networks, which provides added protection for consumers. Therefore, if a company fails, consumers will not lose their gas or electricity supply. Under the current arrangements, they

might. That is a fundamental change under the new legislation.

**Mr Campbell:**

How will guaranteed continuity of supply work?

**Mr Frazer:**

It will be a legal requirement of the special administration scheme. That legal requirement does not currently exist.

**Ms Pyper:**

Another supplier would have to be appointed, and that is the core provision that is not in the existing insolvency legislation. A special regime is required specifically for that purpose.

**Mr Frazer:**

A special administrator would probably run the company.

**Mr Campbell:**

Citizens Advice raised the issue of setting up a hardship fund, similar to the one that is available in GB, and it mentions other areas that affect vulnerable groups. The departmental response was:

“Any proposals as to charitable funds are outside the scope of the Consultation.”

That is in the summary of consultation responses, under ‘Guaranteed Gas Standards of Performance’. I do not see a paragraph number. The response states:

“We would like to see an equivalent hardship fund set up for Northern Ireland.”

If that is outside the scope of the consultation, whose responsibility might it be to consider the setting up of such a fund? We are talking about people who are in acute financial hardship, such as vulnerable groups, senior citizens, etc.

**Ms Pyper:**

It would need to be something that the Department, the regulator, the Consumer Council and Citizens Advice would discuss and consider. I suspect that when it comes to the gas companies’

licences, the regulator might take the lead and stipulate that provision be made for such a fund.

**Mr Campbell:**

Apart from Citizens Advice, has anyone else raised the issue of a hardship fund?

**Ms Pyper:**

No one apart from the Citizens Advice raised it. I do not think that the Consumer Council did.

**Mr McFarland:**

If Phoenix, for example, were centred internationally and were taken over by a Japanese firm that then went into liquidation abroad, different insolvency rules would apply. How would that impact on guaranteed supply here, and would this legislation perhaps work against insolvency rules and systems abroad?

**Ms Pyper:**

That would come under the special administration scheme.

**Mr Frazer:**

There is a lot of detail in that scheme. The issue was raised by our insolvency service, and the Department's view is that, if a company operates internationally and has its centre in a foreign jurisdiction, the insolvency law in that jurisdiction will apply. Apparently, that is normal practice.

**Mr McFarland:**

Does that take priority over anything that might be organised in this legislation?

**Mr Frazer:**

It seems to suggest that.

**Mr McFarland:**

How do we go about preserving continuity of supply? You suggested earlier that it would transfer to some other supplier.

**Mr Frazer:**

The special administrator would have the overall power and would get another company to take over the supply role. It is really about distribution. We have separate regulations supporting legislation that deals with supplier of last resort for supply companies. The proposal would apply to network companies.

**Mr McFarland:**

The paper mentions giving grants, but does that not clash with state-aid rules? Why are you not giving loans?

**Mr Frazer:**

Potentially, they could clash. We would have to consider that issue when putting together a package of measures in conjunction with the regulator. You are quite right that state-aid rules would have to be adhered to.

**Mr McFarland:**

Would it not be wiser to use the word “loans” rather than “grants”?

**Ms Pyper:**

That might be an option.

**Mr McFarland:**

Have you done the research on the issue?

**Ms Pyper:**

We have not got as far as working out the detail of that.

**The Chairperson:**

Just to recap; if there were any problems with insolvency and the different rules that apply in another country, the supply in this jurisdiction would continue and the Government would support that. They would hope to recoup the loss from that company or from the assets of that company at some stage.

**Ms Pyper:**

Under the supplier of last resort arrangements, regulations would be an option at supplier level. The provision relates to the wider distribution and failure at the distribution or network level. As Fred Frazer said, separate legislation protects supply at an individual level.

**Mr Frazer:**

There are many gas supply companies that have licences. There are approximately six, but not all of them are active. The distribution is with a particular company.

The primary role of the special administrator who will be appointed to oversee the failed distribution company is to ensure continuation of supply. The supply companies have separate legislation. The regulator can appoint another supplier if a supply company fails.

**The Chairperson:**

All our questions have been asked. Perhaps you will reply in writing to any additional questions, or contact us in writing if anything arises or occurs to you after the meeting.

**Ms Pyper:**

We will come back to you on company figures on meter tampering and on the applicability of the town gas legislation.

**The Chairperson:**

We will need an in-depth history.

**Ms Pyper:**

If that is the case, we will ask someone from DSO to attend.

**The Chairperson:**

Thank you for attending this morning's Committee meeting.