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| GREEN HEAT NETWORK FUND  **DRAFT: RESIDENTIAL HEATING SUPPLY AGREEMENT:**  **PRIVATE / SOCIAL HOUSING** |

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# Version Control

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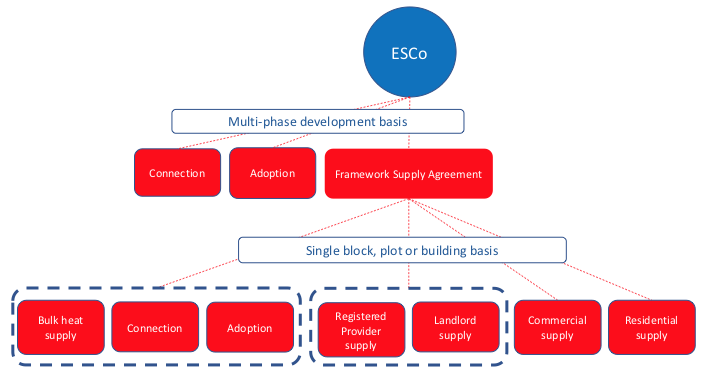
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| **Version number** | **Date of issue** | **Comment** | **Author** |
| 1.0 | March 19 | Draft for BEIS review | Lux Nova Partners |
| 2.0 | 31.07.19 | Draft for focused consultation | Lux Nova Partners |
| 3.0 | 16.10.19 | Marked up following responses to consultation on 19.09.19 | Lux Nova Partners |
| 4.0 | 13.12.19 | Marked up after responses to wider consultation which closed on 17.11.19 | Lux Nova Partners |
| 5.0 | 15.01.20 | No further comments by BEIS | Lux Nova Partners |
| 6.0 | 29.11.22 | Updating of statutory references, plus inclusion of explicit drafting for PAYG, details of Heat Trust compensaiton and other minor tidy ups | Lux Nova Partners |

***GUIDANCE NOTE***

*This Residential Heat Supply Agreement is not relevant to every district heating scheme.*

*However, it is relevant where ESCo is to supply heat to residential customers.*

*It may be entered into in a straightforward ESCo – residential customer setting. It may also fit into more complex, multi-phase developments settings, illustrated in the following diagram:*



*The structuring assumptions and risk allocation underlying this Residential Heat Supply Agreement are not the only ones that are valid.*

*However, there is already a significant degree of commonality across residential heat supply agreements in the market. So, this draft has been prepared on the basis of best practice in relation to customer protections and in order to meet the requirements of the Heat Trust scheme. Consequently, the drafting is likely to be relevant with limited modification for most district heating schemes.*

*Price setting is not purely a drafting matter and needs to be set taking into account a number of factors, including the economics of the particular scheme. However, project sponsors are encouraged to consider how they address heat price setting relative to project financial returns. If project returns exceed a certain threshold, this may be an indicator that consumer heat prices are set too high. Therefore, sponsors are encouraged to ensure that their price review formulae take into account scope to keep heat prices competitive as against the relevant counterfactual and to restrict price rises (and, potentially, review prices downwards) if returns allow for it. Additionally, changes in law could lead to increases or decreases in heat charges – e.g. a change in tax of input fuel which ESCo could seek to pass-through to customers. If charges are benchmarked against a comparator, the methodology of that comparator (particularly the cost inputs into that comparator model) would need to be reviewed. It ought to be considered also, that, in the future, district heating schemes could be regulated and new laws introduced.*

*Furthermore, public sector bodies should take into consideration any public accounting impacts when entering into agreements.*

*This Agreement has been drafted with the following optionality:*

*[Text in green to be included for a Leaseholder/Freehold Customer]*

*[Text in blue to be included for a Social or Private Registered Provider Tenant Customer]*

*THIS DOCUMENT IS RELEASED TO BE USED AS A DRAFTING TEMPLATE, TAILORED AND DEVELOPED FURTHER FOR THE SPECIFICS OF THE PARTICULAR PROJECT.*

*The drafting of this template document is intended to constitute or to replace the need for expert legal advice, which should be sought on every district heating project. No liability is accepted for use of this template document. All liabilities are excluded to the fullest extent permitted by law.*

*[Drafting Note: The inclusion of a table at the front of the contract will make it easier to obtain key details from the customer. Tailor as appropriate : form/ branding/ using preferred language.]*

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **We/us/our [Insert ESCo details here]** | | | | | | | | | | | |
| **Property details (“your home”)** | | | | | | | | | | | |
| Supply Address: …………………………………………………………………………………………………………………………………………………………………………….. | Postcode  ………………………………………………… | | | | | | | | | | |
|  |  | | | | | | | | | | |
| Number of bedrooms: |  |  | |  | | | | |  | |  |
| Property type: | [Social tenant] | | | | [Private tenant] | | | | | | |
|  | [Freehold] | | | | [Leasehold] | | | | | | |
| Date on which you will occupy the property: / / | | | | | | | | | |  | |
| **Customer details (“you”)** | | | | | | | | | | | |
| Title:………………………………………………… | Full name……………………………….. | | | | | | |  | | | |
| Billing Address (leave blank if the same as Supply Address): ……………………………………………………………………………………………………………………………………………………………………………………………… | Phone: …………………………………… | | | | |  | | | | | |
|  | | | | |  | | | | | |
| Mobile:…………………………………..  Email: …………………………………….. | | | | |  | | | | | |
| **[Your Landlord’s details – if applicable]** | | | | | | | | | | | |
| Landlord’s title:……… …………………….. | Full name……………………………….. | | | | | |  | | | | |
| Landlord’s Address: ……………………………………………………………………………………………………………………………………………………………………………………………… | Phone: ……………………………………  Mobile:…………………………………..  Email: …………………………………….. | | | | | |  | | | | |
| **Communications** | | | | | | | | | | | |
| Please confirm your preferred method of communication:  Email (using your email address above)  **Or**  Post (using your Billing Address above)  **Or**  Alternative email or postal address (please specify) …………………………………………………………………………………………….. | | | | | | | | | | | |
| **Security questions** | | | | | | | | | | | |
| Please provide answers to two of the security questions below so we can identify you if you call us:  Mother’s maiden name …………………………………………………………………………………………………………………………………………  Name of first pet …………………………………………………………………………………………………………………………………………………..  A memorable place ……………………………………………………………………….………………………………………………………………………  Your favourite colour ……………………………………………………………………………………………………………………………………………  A memorable date ………………………………………………………………………………………………………………………………………………. | | | | | | | | | | | |
| **Customer Enquiries. [Insert ESCO’s contact details]** | | | | | | | | | | | |
| **Emergency Reporting. [Insert ESCO’s contact details]** | | | | | | | | | | | |
| **For office use only** | | | | | | | | | | | |
| **Date received:** | | | | | | | | | | | |
| **Customer's unique reference number:** | | |  | | | | | | |  | |

**About this contract**

*[Drafting Note: The inclusion of an “about this contract” section will make it easier for the customer to understand the key terms of the contract and for them to sign and return. Tailor as appropriate : form/ branding/ using preferred language.]*

This **contract** is between:

1. you, the [owner]/[tenant] of **your home** named on the previous page (“**you**”, “**your**”); and
2. us, **[** *Drafting Note: Insert full details of heat supplier, including company registration number and registered address***]** (“**we**”, “**us**”, “**our**”);

for the **heat supply** that provides heating and hot water to **your** **home**.

1. **We** operate the **district heating scheme**, which produces the **heat supply** (in the form of hot water) to provide heating and hot water to **your** **home**.
2. **Your** **home** is part of **[                         ]** (the **development**) which has been connected to the **district heating scheme**.
3. By using the **heat supply** **you** are considered to have accepted the attached **terms and conditions** **of supply.**

This is a legal document. Words and phrases printed in bold have specific meanings in this **contract**. Those words and phrases are explained in Clause 1 of the attached **terms and conditions of supply** which form part of this **contract.** Please ensure that **you** read the terms of this **contract** carefully, and in particular the clauses dealing with suspending and disconnecting the **heat supply** and ending this **contract** (clause 10 and clause 14), those restricting **our** liability (clause 17 ), what happens if **you** move home (clause 14b) and how **we** use **your** personal information (clause 19) .

If **you** have not signed a contract with **us** or if the **contract** that **you** have signed has ended but **you** are using the **heat supply** (for example where **you** have moved into a property where **we** already provide the **heat** **supply**), **you** will be deemed to have agreed to have accepted the attached **terms and conditions of supply**.

Please get advice on anything **you** don’t understand.

Please now fill in the form on the previous page and sign below to confirm that **you**:

1. are making a legally binding contract;
2. understand that **you** must take **your** **heat supply** from **us**;
3. have read and understood this **contract**, and that **you** will comply with it; and
4. will pay all **our** **charges** under this **contract**.

Please then either:

* scan this page and the front page and email them to **us** at **[ ];** **or**
* return the filled-in form and this signed page by post (please keep one copy for **your** records) to: **[ ]**

|  |  |
| --- | --- |
| **Your full name:**  **………………………………………………………..……………………………………………………………………………**  **Signature:**  **………………………………………………………..……………………………………………………………………………** | **Date**  **/ /20** |

If **you** have any questions or concerns, phone **[ ]** on **[ ] [**or visit **our** website **[ ]]**. If **you** would like **us** to send the **terms and conditions of supply** in a different format, please ask **[ ]**

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# Terms and Conditions of Supply

1. Definitions

The meanings and explanations of words that are printed in bold in this **contract** are as follows:

abortive call-out charge

The charge **you** will have to pay if **you** do not let **us** into **your** **home** at a time that **we** pre-arranged with **you**.

annual statement

The statement provided annually by **us** to **you**, giving **you** relevant details including **your** use of the **heat supply** over the previous year (expressed in kWh) and the **billing information** *[Drafting Note: Suppliers to ensure they are compliant with the Heat Trust requirements with regard to frequency of provision of billing information, which may be more frequently than annual: see Scheme Rule 15 at* <https://www.heattrust.org/the-scheme-rules>*]*

back-bill

A ‘catch-up’ heat bill sent to you by us when you have not been correctly charged for the heat supply that you have used.

billing information

Means the information **we** are required to provide **you** under the Heat Trust Rules and the Heat Network (Metering and Billing) Regulations 2014 (as amended), which includes the payment plan **you** are on, **our** current **charges,** where available, comparisons of **your** **heat supply** against the previous year, estimated future charges and contact information for organisations from which information can be obtained on energy efficiency improvement measures that **you** might want to undertake and technical specifications for products which use energy.

charges

The charges **you** must pay **us**. These are:

* the **standing charge**;
* the **variable charge**;
* any reasonable and proper **reconnection charges**, **abortive** **call-out charges** [and **debt-processing charges]***[Drafting Note: include where billing is via meter and invoicing rather than PAYG]*; and
* any other amounts **we** are entitled to charge under this **contract**.

contract

The legal contract between **you** and **us**, made up of the preceding two pages, these **supply terms and conditions** and any schedules referred to in them.

customer handbook

The handbook setting out [**our** complaints procedure, additional support available to **vulnerable customers**], *[Drafting Note: Amend as appropriate to detail what will be covered in customer handbook. Heat suppliers may want to reference Energy Saving Advice Service from the Energy Saving Trust, the Citizens Advice Bureau, National Debtline, Step Change etc.]]* as provided to **you** and which may be updated from time to time (to request **our** latest version, please contact **us** on [ ] or download from [ ]).

development

Has the meaning given on the second page “about this contract”.

district heating scheme

The heating network pipes, heat generation equipment and machinery, the [**heat meter, Pre-payment meter** and the **HIU**] *[Drafting Note: It is assumed that the HIU and the heat meter within the units will form part of the district heating network and be owned by and/or operated and maintained by the heat supplier. However, the landlord and heat supplier may agree that the landlord will own and be responsible for the heating system inside the building from the building connection point to the customer’s home heating system. In such event, the relevant service provisions would need to be added to the landlord’s supply agreement with the heat supplier. Stakeholders to consider how secondary network losses will be assessed and how customers will be compensated for these]* used to provide the **heat supply** to **your** **home’s heating system.**

[debt-processing charge

The charge **you** have to pay to cover our costs of recovering overdue charges as set out in Schedule 1.]*[Drafting Note: include where billing is via meter and invoicing rather than PAYG]*

emergency

An incident caused by or affecting the district heating scheme which is causing or likely to cause a serious risk of personal injury or serious damage to property and/or loss of heating and hot water to multiple residences.

good industry practice

This means the standards, practices, methods and procedures which comply with the **law** and exercising that degree of skill, care, diligence, prudence and foresight which would reasonably and ordinarily be expected of a skilled and experienced person engaged in providing similar tasks under similar circumstances.

[heat bill

A bill issued at regular intervals in accordance with Clause 6] *[Drafting Note: include where billing is via meter and invoicing rather than PAYG]*.

heat meter

The meter that is inside the **HIU** to measure the amount of **heat supply** used by **your** **home's heating system**. **We** are responsible for operating, repairing and replacing the **meter** when appropriate.

heat supply

The supply of hot water delivered to the **HIU** within **your home** for the purposes of providing heating and hot water, which is produced by the **district heating scheme**.

Heat Trust

Means the Heat Trust customer protection scheme for the district heating sector or a widely recognised replacement or successor to this scheme;

HIU

The unit in **your home** that transfers heat from the **district heating scheme** to **your** **home's heating system**.

home's heating system

The heating system inside **your home**, including all pipes, radiators, hot-water cylinders, thermostats, timers and other relevant apparatus (but not including the **meter** or the **HIU**) which **you** or **your** landlord are responsible for.

[landlord's standing charge

The charge **your** landlord must pay to cover some of the costs of maintaining and repairing the **district heating scheme** and making a **heat supply** available for **you** to use, which is included in the rent for **your home**.]

law

any reference to **law** includes:

* any relevant act, regulation, guidance, direction or determination which **we** must follow; and
* any relevant judgement of an English or Welsh court.

Ombudsman

Means the Ombudsman for Energy (http://www.ombudsman-services.org/energy.html), whose services are available to **you** in relation to any complaints or claims, as **we** (and the **development**) is registered with the Heat Trust.

[Pre-payment meter

means the Pay-As-You-Go (PAYG) display device attached to your heat meter and HIU which you use to pay for your heat supply by topping up credit (in one of the ways set out in Clause 7) in advance of using the heat supply and that displays the balance of your account and your billing information. We are responsible for operating, repairing and replacing the Pre-payment meter when necessary]. *[Drafting Note: include where a Pre-payment meters are installed at properties]*

planned interruption

An interruption, discontinuance or reduction in **your** **heat supply** which **we** have given **you** at least 48 hours’ written notice of.

privacy policy

**Our** privacy policy sets out:

* where **we** may get information about **you** from;
* why **we** need the information;
* what **we** will do with how **we** will manage the information **we** hold about **you**, **your** account and other people living at **your home**;
* how **we** might share the information **we** hold;
* how long **we** will keep the information for;
* **your** rights in relation to accessing and controlling **your** information; and
* how **we** will ensure **we** adhere to data protection laws relating to this information.

**We** may update the policy from time to time. *[Drafting Note: Include details of where the latest privacy policy can be found and how to request one.]*

Priority Services Register

If customers have special needs or a disability that means they need extra support, or are vulnerable, their details can be placed on this register. We provide a range of extra services to customers on this register to meet their needs.

reconnection charge

**Our** charge for reconnecting the **heat supply** to **your home** after **we** have suspended it under Clause 10.

service failure

Means a failure by **us** to meet a **service level** set out in Schedule 2.

service-failure payment

The compensation we are required to pay you for a service failure, as set out in Schedule 2.

service levels

The minimum levels of service we agree to provide under this contract. The service levels are set out in Schedule 2. If we do not meet those levels, we will pay you compensation in the form of service-failure payments.

[standing charge

A charge which covers some of **our** costs of maintaining and repairing the **district heating scheme**, and making a **heat supply** available for **you** to use].

summer period

Means the period starting 1st June and ending 30th September each year.

supply start date

Means the date on which **you** (or anyone in **your home**) starts using the **heat supply**. *[Drafting Note: Sometimes the supply start date will be the date of the contract or the date of a tenancy in the case of a social tenant. In order to provide accuracy for billing purpose, (provided that customers have smart meters), the date on which supply is actually first taken may be a better option.]*

[tenant’s standing charge

The charge **you** must pay to cover some of the costs of maintaining and repairing the **district heating scheme**, and making a **heat supply** available for **you to** use, that are not already covered in **your** rent for **your home**.]

terms and conditions of supply

These terms and conditions which set out matters relating to the **heat supply** including **our** responsibility for the **heat supply,** the manner in which **we** will do that and **your** obligations to pay for the **heat supply**.

variable charge

The charge **you** pay for each unit of **heat supply** **you** have used. (A unit is equal to one kilowatt hour of energy.)

vulnerable customer

Means any customer who identifies themselves, or a permanent resident of the customer’s home, to [ ] as being at the time of identification as being significantly less able than a typical consumer to protect or

represent his or her interests in the energy market and/or significantly more likely than a typical consumer of energy to suffer detriment, or that detriment is likely to be more substantial. This could be someone who is:

* 1. chronically ill;
  2. mentally or physically disabled or having a hearing or visual impairment;
  3. of pensionable age;
  4. under the age of 5 years old;
  5. suffering severe financial insecurity [and/or bereavement].

*[Drafting Note: This broadly reflects the Heat Trust definition of Vulnerable Customers. Some heat suppliers choose to narrow this definition. Please see Heat Trust Scheme Rule 14* [*https://www.heattrust.org/the-scheme-rules*](https://www.heattrust.org/the-scheme-rules) *for further guidance on approaches to the definition.]*

unplanned supply interruption

An interruption in the **heat supply** which **we** have not given **you** at least 48 hours’ written notice of.

your home

Means the property to be provided with the **heat supply** as identified on the front page of this **contract**, being the flat or house [owned] / [occupied] by **you** at the **development**

winter period

Means the period starting 1st October and ending 31 May each year.

1. Providing the heat supply to you
   1. **We** will provide the **heat supply** to **your** **home's heating system** and **you** must pay for the **heat supply**, as set out in this **contract**.
   2. This **contract** shall start on the **supply start date** and shall end if **you** cancel the **contract** or if **we** end the **contract** in the ways described under clause 14.
   3. **We** will make the **heat supply** available to **you** at all times (24 hours a day, every day of the year) during the term of this **contract.** However, there are a number of circumstances where **we** may need to suspend the **heat supply** to **your** **home** or it may be otherwise interrupted. **We** will compensate **you** for suspensions or interruptions to **your** **heat supply** if it is **our** fault, as set out in Schedule 2.
   4. As far as is reasonably possible, any planned maintenance which could interrupt or greatly reduce the **heat supply** to **your** **home** will only be carried out during the **summer period**. **We** will ensure that any maintenance carried on outside of the **summer period** that may cause an interruption, discontinuance or reduction to the **heat supply** shall, so far as is reasonably practicable, occur during anticipated periods of low demand for the **heat supply**. **We** will use reasonable endeavours to avoid, or if unavoidable, undertake such maintenance so as to minimise and mitigate against the effects of any potential interruption, discontinuance or reduction or other adverse effect to the **heat supply** to **you**. This does not apply to the maintenance of **your** **meter** inside the **HIU**, the **HIU** itself and the **heat meter** inside **your** **home**, which **we** will need to access in accordance with Clause 13.
   5. The **development** **your** **home** is in has been designed and built for heating to be provided through the **district heating scheme**. **You** must not get **your** heating or hot-water supply from any other source during the term of this **contract**, except when the **heat supply** to **your** **home** is interrupted or suspended for a reason other than **you** not paying **our** **charges**.
2. Standards of Service
   1. **We** will make the **heat supply** available to **you** at all times, in line with **our** **service levels** set out in Schedule 2.
   2. However, **we** cannot guarantee that the **heat supply** to **your home** will never be interrupted. In certain circumstances **we** may need to interrupt or restrict the **heat supply**, for example:

## to avoid danger to any person or property;

## if it is against the **law** to continue providing the **heat supply**; or

## to carry out maintenance on the **district heating scheme**.

* 1. If **you** are unhappy with the service **we** provide to **you**, please follow **our** complaints procedure set out in Clause 18 [and which is also included in **our** **customer handbook** [and set out on **our** website]] *[Drafting Note: include as appropriate].*
  2. **We** are registered participants of the **Heat Trust**, which is a customer protection scheme for the district heating sector. **We** may need to amend this **contract** or **our** **service levels** if **we** are required to do so by requirements of the **Heat Trust** or by changes to the **law**. If **we** do so, **we** will publish such amendments on **our** website and provide **you** with at least [thirty (30)] days’ prior written notice before any amendments are implemented. *[Drafting Note: It has been assumed that all schemes using the HNIP suite of documentation will be Heat Trust registered].*
  3. [Where the **Heat Trust** requires a higher standard of service than is set out under this **contract**, then those standards of the **Heat Trust** shall apply to **our** standard of service to **you** (*see* [*https://www.heattrust.org/the-scheme-rules*](https://www.heattrust.org/the-scheme-rules) *(and including in relation to suspension and resumption of service process)*. Where the terms under this **contract** requires a higher standard of service than is set out under the **Heat Trust**, then the terms of this **contract** shall apply to **our** standard of service to **you**]. *[Drafting Note:**Heat suppliers may or may not wish to include this provision. The benefit is that they do not need to keep revising their terms to adhere to any Heat Trust requirement changes. However, on the flip side, it is clearer for all parties to clearly set out standards in the contract to avoid ambiguity (and updating contracts to comply with changing standards is generally better practice).]*
  4. [**We** can provide advice on how to reduce **your** energy consumption and carbon emissions. Please contact **us** if **you** would like to know more.] *[Drafting Note: Heat suppliers may or may not wish to include this provision and may wish to include further details in the customer handbook].*
  5. If there is a fault with **your** **heat supply** or the **heat supply** is interrupted (other than a **planned interruption** **we** have told **you** about), **you** must tell **us** as soon as possible by phoning [ ]. **We** will *[Drafting Note: Suggested process for dealing with calls – amend as appropriate to align with relevant processes.]*

## make a record of **your** call;

## tell **you** what **we** will do to put the matter right; and

## where necessary, arrange for **our** agents to visit **your home.**

## 

* 1. If **we** interrupt or restrict the **heat supply**, **we** will meet the **service levels** set out in   
     Schedule 2.If **we** do not meet a **service level**, **we** will pay **you** compensation in the form of a **service-failure payment**.
  2. If **you** need extra support as a **vulnerable customer** (see below) **we** will make sure that **we** provide **you** with alternative heating (such as an electric heater) within 12 hours of a continued interruption to **your** **heat supply**.

1. Vulnerable customers
   1. **We** will provide free extra help to **vulnerable customers**. If **you**, or any permanent resident of **your home** is a **vulnerable customer**, please let **us** know and **we** will add **you** to **our** **Priority Services Register** to get access to a range of support services and help.
   2. If circumstances change and there is no longer someone who is a **vulnerable customer** at **your home** please notify **us** of this change.
   3. There is more information about the help available in **your** **customer handbook**. **You** can also find out more by contacting **us** by [*Drafting Note: Include details of how customers can find more information: website, helpdesk etc. Alternatively, heat suppliers could include the additional details of help available in this contract rather than the handbook if preferred].*
   4. If **you** are in need of any additional support in relation to this **contract** (for example, if **you** are visually impaired or would like to nominate someone to act **your** behalf with respect to this **contract** and **your** **heat supply**, please contact **us** to let **us** know and **we** will provide additional support. **Our** **customer handbook** also sets out more detail on the support available. *[Drafting Note: Heat suppliers could include details regarding additional support in this contract rather than the handbook if preferred].*
2. Charges
   1. **Our** **charges** at the date of this **contract** are set out under Schedule 1.
   2. **We** will review the **charges** each year and may adjust them on [1 April] *[Drafting Note: Align with billing year]*. The new **charges** will then apply until the next review.
   3. **Our** **charges** will change each year in line with inflation. If **we** intend to adjust **our** **charges** in any other way (including billing dates), **we** will tell **you** 30 days beforehand.
   4. [To ensure that **our** **charges** are fair **we** have benchmarked them against [ **]]** [*Drafting Note: Include relevant comparator and cross reference where such comparator is set out.]*
   5. If **you** are entitled to a refund of any **charges**, **we** will refund **you** within [ten (10)]  working days (Monday to Friday, except bank holidays). **We** will make the refund in a way **we** agree with **you**.  If **you** receive a refund you are not entitled to, **you** must pay it back when **we** ask **you** to.
3. [Your bill]/[YOUR PRE-PAYMENT METER] *[Drafting Note: Include clauses 6.1 – 6.6 for Customers paying for heat used on a standard metered/ billed method. Include clauses 6.7 – 6.10 for Customers paying for heat used via Pre-payment meters].*  
   1. **[We** will email or send **you** a **heat bill** each month (according to **your** preference ticked on the front page of this **contract**).
   2. **Your** **heat bill** will set out the following.
      1. The total **you** need to pay that month.
      2. The period the **heat bill** is for.
      3. The **[tenant’s] standing charge** for the following month (this is charged in advance, meaning **you** will pay each month for the following month’s **[tenant’s] standing charge**). *[Drafting Note: it is assumed that standing charges will be charged in advance: amend as appropriate].*
      4. The amount of the **variable charge**, based on:

## the amount of **heat supply** used by **your** **home’s heating system** in the [previous month], as measured by the **heat meter** inside the **HIU** or based on **our** reasonable estimate (see Clause 8.3; and

## the price per kWh of **heat supply**

* + 1. Any applicable value added tax.
    2. Any amount **we** add to recover underpayments or overdue **charges** in accordance with Clause 7.
    3. Any reasonable and proper costs or charges arising from loss or damage **we** suffer that **you** are responsible for under this **contract**.
    4. Any other costs or charges due under this **contract**.
    5. Any amounts **we** have refunded or any **service-failure payment** **we** have paid following a **service failure**, set out in Schedule 2.
    6. The balance of **your** account.
    7. On a [quarterly]/[bi-annual] basis, the **billing information.**
  1. Where **your** **heat bill** is based on an estimate of the **heat supply** **you** have used, **we** will make any necessary adjustments after the next accurate **heat meter** reading and **your** actual consumption is determined. This will be shown on the **heat bill you** receive after the **heat meter** reading as a credit or a debit.
  2. **We** may need to change the date **we** issue **your** **heat bill** or how often **we** send them. If **we** do this, **we** will tell **you** [three months] beforehand.
  3. Where **we** have undercharged **you** for the **heat supply you** use**, we** may issue a **back-bill** or reconcile the undercharging by applying a debit on **your** account. **We** shall not issue a **back-bill** or reconcile the undercharging where more than a year has passed since the end of the period of undercharging. If **you** will have any difficulties in making up these payments, please contact **us** straight away.
  4. If **you** think there is anything wrong with **your bill** please contact **us** straight away. **We** will work with **you** to resolve the issue.]
  5. **[Your home** is fitted with a **Pre-payment meter,**  which is supported by a wireless network that gathers information from **your** **heat meter** and **our** **district heating scheme.** The data from the **heat meter** is shown on **your Pre-payment meter,** giving real-time information through a touch-screen interface, about:
     1. the amount of **heat supply you** have used.
     2. any debits **we** have added to recover underpayments or overdue **charges** in accordance with Clause 7.
     3. any credits **we** have added in relation to refunded **charges** or any **service-failure payment** **we** have paid following a **service failure**, set out in Schedule 2.
     4. the balance of **your** account.
     5. the **billing information.**
  6. Where **your** **charges** are based on an estimate of the **heat supply** **you** have used, **we** will make any necessary adjustments after the next accurate **heat meter** reading and **your** actual consumption is determined. This will be shown as a credit or a debit on your **Pre-payment meter**.
  7. Where **we** have undercharged **you** for the **heat supply you** use or where you have not topped up **your Pre-payment meter, we** will add a debit to **your Pre-payment meter.** When **you** next top up, [10]% of the amount **you** pay will be used to pay off some of this debt. If the amount is large,  **we** may issue a **back-bill** which **you** will need to pay in a way that **we** agree with **you**. **We** shall not issue a **back-bill** or reconcile the undercharging where more than a year has passed since the end of the period of undercharging. If **you** will have any difficulties in making up these payments, please contact **us** straight away.
  8. If **you** think there is anything wrong with **your Pre-payment meter** or the balance shown, please contact **us** straight away. **We** will work with **you** to resolve the issue].

1. Paying FOR YOUR HEAT SUPPLY

Your responsibility for making payments

* 1. **You** will be responsible for paying the **charges** for the **heat supply** until:
     1. **you** or **we** cancel this **contract** under Clause 14; or
     2. **we** suspend this **contract** as allowed under Clause 10.3 or Clause 16.2.
  2. **You** will also still be responsible for paying the **charges** if **you** have not cancelled this **contract** and:
     1. **you** do not live (or no-one lives) in **your home**;
     2. someone at **your** **home** uses the **heat supply** without **your** permission; or
     3. **you** do not use any of the **heat supply** (in this case **you** will still have to pay the **[tenant’s] standing charge**).
  3. **You** will still have to pay **charges** if the **heat supply** to **your** **home's heating system** is interrupted or unavailable. However, if the interruption or unavailability is due to a **service failure**, **you** will be entitled to a **service-failure payment** as set out in Schedule 2.
  4. [**Your** landlord is responsible for paying the **landlord’s standing charge]**.

[***DRAFTING NOTE****:* ***include clauses 7.5 – 7.10 for******Customers paying for heat used on a standard metered/ billed method. Include clauses for Customers paying for heat used via Pre-payment meters]***

* 1. There are a number of ways in which **you** can arrange to make payment of **your** **heat bill**. Please contact **us** to let **us** know how **you** will make **your** payments.
  2. [**We** prefer **you** to pay by direct debit or by standing order]

## *[Drafting Note: Some suppliers prefer to set customers up on direct debits to reduce bad debt – this option can be expressed as a preference. Some suppliers also state that other forms of payment will incur additional processing charges.]*

[Paying by direct debit or by standing order]

* 1. If **you** pay **your** **heat bill** by direct debit, each month **we** will take the amount shown on **your** **heat bill** direct from **your** bank account.The amount **we** take via direct debit will vary each month depending on the amount of **heat supply** **you** use. **You** are likely to pay more in winter when **you** use more energy and less in the summer.
  2. If **you** pay **your** **heat bill** by standing order, **we** will agree the initial level of **your** monthly payments with **you** and **you** must instruct **your** bank to make the agreed monthly payments to **us**. Once **you** have started making monthly payments **we** will reconcile the amount **you** have paid with the actual amount **you** have consumed, based on the **heat meter** reading every twelve (12) months and apply a credit or debit to **your** account and/or vary the amount of **your** monthly payment, as appropriate.

[Paying by credit or debit card]

* 1. If **you** want to pay **your** **heat bill** using a debit or credit card, **you** must ensure that **you** pay the amount due to **our** account over the phone or on-line as set out in **your** **heat bill** each month by the **due date**.
  2. [If **you** choose to pay **your** **heat bill** using a debit or credit card, **we** will charge **you** a processing fee, however **we** will ensure that this fee is not any more than **we** are charged by **our** bank for processing the transaction by credit card. ]

[Paying by Pre-payment meter]

* 1. **You** must keep **your** **Pre-payment meter** balance in credit in order to receive **your** **heat supply**. You can top up **your** **Pre-payment meter** in one of the following ways:
     1. by setting up a pre-authorised payment with **your** bank;
     2. [on-line];
     3. [over the phone];
     4. [via SMS];
     5. [an instore outlet eg “PayPoint”];
     6. other options which **we** shall communicate to **you**;
  2. When **we** on-board **your** account with **us**, **we** will ask which method **you** prefer to use and explain how to make **your** payments.

1. Meter readings
   1. **Your** **heat bill** will show the amount of **heat supply** **you** have used, which **we** will record from **your** **heat meter** with **our** automated meter-reading system. Where possible **we** will read **your** **heat meter** remotely every month without requiring access to **your home**. However, if for any reason **we** are unable to read **your** **heat meter** remotely, **we** will where possible provide you with the means to give **us** **your** own reading(s).
   2. If **we** have not been able to read **your** **heat meter** because of a fault in **our** automated meter-reading system; **you** have not been able to give **us** **your** own readings, or **we** have reason to believe that **your** **heat meter** is not reading correctly, **we** may send **you** a **heat bill** and **you** must pay **us** on the basis of **our** reasonable estimate of the amount of **heat supply** **you** have used.
   3. **Our** reasonable estimates will be based on the current **[tenant’s] standing charge** and **variable charge** and either:
      1. **your** pattern of energy use in the past; or
      2. the **heat supply** **you** are likely to use given the size of **your home** and comparison readings from other properties.
   4. If **you** think that the **heat** **meter** in **your** **home** is not working correctly, **you** must tell **us** as soon as possible in order that **we** can arrange a check as set out under Clause 12. The **charges** **you** pay will be based on **our** reasonable estimates until **we** have been able to put right any problems.
   5. If **you** ask **us** to check **your** **heat** **meter** and **we** find that it is accurate, **you** may have to pay **our** reasonable costs of checking the **heat** **meter**.
   6. **We** may also ask to check **your** **heat** **meter** at any time if **we** believe that it is not accurate. **You** will not have to pay any costs if **we** ask to check **your** **heat** **meter** unless **you** have damaged it.
2. Failing to pay
   1. If **you** are having difficulty making payments **you** should tell **us** as soon as possible. **We** may be able to agree a payment plan with **you** and **we** can give **you** advice on how to reduce **your** **heat bill** by being efficient with **your** **heat supply** use.

## *[Drafting Note: The following clause 9.2 is a suggested debt protocol for customers paying for heat as metered and billed, rather than via PAYG: adjust as relevant to supplier’s business model, however noting the requirements with regards to consumer protection and the Heat Trust rules – see* [*https://www.heattrust.org/the-scheme-rules*](https://www.heattrust.org/the-scheme-rules) *- see Scheme Rule 12 (Suspension and Resumption of Service Process). Use clauses 9.3 – 9.6 for customers paying via a Pre-payment meter ]*

* 1. [If **you** do not pay **your** **heat bill** within [twenty one (21)] days of the date of the **heat bill**, **we** may undertake any of the following actions:
     1. ask **you** to pay by another method;
     2. change how often **we** send **you** **heat bills;**
     3. if **you** pay by direct debit, increase the amount debited from **your** bank account so that **we** can recover the difference over a period that is reasonably acceptable to **us**;
     4. agree with **you** a payment plan so that **you** can pay the money **you** owe **us** over a period of time at a rate that is affordable to **you**. Any payment plan may include a requirement that **you** keep **your** account with **us** in credit.
     5. charge **you** interest on the overdue amount at a rate of [ ];
     6. ask **you** for a refundable deposit equivalent to **our** reasonable estimate of the **charges** for a period of [three (3) calendar months];
     7. request that someone else guarantee **your** payments;
     8. require **you** to pay via pre-payment and automatically take up to [twenty five (25%)] of **your** credit each time **you** top up, until the debt has been paid off.
     9. take court action to recover the debt and **our** costs;
     10. as a last resort, suspend or disconnect **your** **heat supply** under Clause 10].
  2. If **you** do not keep the balance on **your** **Pre-payment meter** topped up and the balance falls below zero, **your** **heat supply** will be automatically suspended.
  3. [In exceptional circumstances **we** may issue emergency credit to keep your **heat supply** from being suspended (for example if **you** have notified **us** that **you** or a permanent resident of **your home** is a **vulnerable customer)**. Following any application of emergency credit, **you** will need to top-up to pay back the emergency credit (to get **your** balance back to zero) and top up **your** balance in order to continue receiving **your** **heat supply].**  *[Drafting Note: it is common to include emergency credit provisions. Adjust as appropriate]*
  4. If **you** continue to fail to top-up **your** balance while the **heat supply** is suspended, **you** will still incur the **standing charge** element of **your** **charges.** This debt will need to be paid off either in one-go to restart **your** **heat supply**, or over time if **you** agree a repayment plan with **us,** for example, each time **you** make a top-up, [10]% of the top-up will be used to repay a portion of the debt.
  5. Where **your heat supply** has been suspended for non-payment, following a top-up which takes **your** balance above zero, your **heat supply** will be restored.]

1. [Suspending and disconnecting your supply for failing to pay] [*Drafting Note: include clause 10 where customers paying for heat used on a standard metered/ billed method. Delete for customers paying for heat used via a Pre-payment meter]*

## *[Drafting Note: The following is a suggested debt protocol: adjust as relevant to heat supplier’s business model, however noting the requirements with regards to consumer protection and the Heat Trust rules -see* [*https://www.heattrust.org/the-scheme-rules*](https://www.heattrust.org/the-scheme-rules) *- see Scheme Rule 12 (Suspension and Resumption of Service Process)]*

* 1. If **you** do not pay **our** **charges**, **we** may suspend or disconnect **your** **heat supply**.
  2. However, suspending or disconnecting **your** **heat supply** is a last resort. Before **we** suspend or disconnect **your** **heat supply we** will first:

## send **you** at least two reminder letters; and

## try to contact **you** by phone at least twice to discuss the options available to **you**.

## [**We** may also tell **your** landlord or registered housing provider that **you** have not paid **our** **charges** and that **we** may disconnect **your** **heat supply]**.

* 1. If seven days after sending **you** the second reminder, **you** still haven’t paid **our charges**, **we** will suspend **your** **heat supply** until [the earlier of (i) thirty (30) days and (ii) the date on which **you** paid **our charges** in accordance with this **contract**]. If, after the 30 days, **you** still haven’t paid **our** **charges** or made arrangements with **us** to pay them, **we** will disconnect the **heat supply**.
  2. **We** may charge **you** a **debt-processing charge** to cover **our** reasonable costs of sending **your** reminder letters and taking action to collect the overdue **charges**.
  3. **We** will not disconnect **your** **heat supply** during the **winter period** if **you** have notified **us** that **you** or a permanent resident of **your home** is a **vulnerable customer.**

1. [Reconnecting your supply] [*Drafting Note: include clause 11 where customers paying for heat used on a standard metered/ billed method. Delete for customers paying for heat used via a Pre-payment meter]*
   1. Where **we** have suspended or disconnected **your** **heat supply** for non-payment, **we** will within [four (4)] working hours, make the **heat supply** available to **you** again if **you** have paid **us** :
      1. all **charges** and amounts **you** owe **us** including the **reconnection charge** and **debt-processing charge**, in full, or **we** agree a payment plan with **you** to pay what **you** owe **us** over a period of time; and
      2. **you** pay **us** a refundable deposit equal to **our** reasonable estimate of [three (3)] months’ **charges**.
   2. If **we** agree a payment plan with **you**, that plan will be based on **your** ability to pay.
   3. If **you** pay **us** a deposit, **we** will return that deposit to **you** once **you** have kept **your** payments up to date, in full, for [twelve (12)] months.]
2. Operating and maintaining equipment

Our responsibility

* 1. **We** are responsible for:
     1. routinely inspecting, maintaining, repairing or replacing (if necessary) the **HIU**;
     2. routinely inspecting, maintaining, repairing and replacing (if necessary) the **heat meter**; and
     3. routinely inspecting, maintaining, repairing and replacing (if necessary) the **Pre-payment meter;**

in line with **good industry practice**, at **our** cost (except in the circumstances set out in Schedule 4, when **you** [or **your** landlord] will be liable.).

**We** are not responsible for **your** **home’s heating system**. Please see Schedule 3 for a diagram of the heating system.

* 1. If **you** report a problem with **your** **heat supply, heat meter** or **HIU**, **we** will come to **your home** to address the problem within the following timescales:

### *[Drafting Note: These response times are generally industry best practice as at 2019: alter according to supplier’s business plan, but bearing in mind Heat Trust minimum response times as set out under Heat Trust Scheme Rules 7 – see https://www.heattrust.org/the-scheme-rules.]*

|  |  |
| --- | --- |
| Situation | Response time |
| An **emergency** | Within [four (4)] hours |
| [No **heat supply** during the **winter period** | Within [eight (8)] hours (and if **you** are a **vulnerable customer** **we** will provide an alternative heat source to **your home** if **we** are unable to resolve the initial fault within [twelve (12)] hours) |
| No **heat supply** during the **summer period** | Within [twelve (12)] hours and if **you** are a **vulnerable customer** **we** will provide an alternative heat source to **your home** if **we** are unable to resolve the initial fault within [twelve (12)] hours)] |
| An inadequate **heat supply** or a minor leak that will not cause damage | Within [twenty four (24)] hours |
| Problems with **your** **heat meter** or **Pre-payment meter** | Within [twenty four (24)] hours (other than on a Sunday or a bank holiday) |
| Any other problems | Within [forty eight (48)] hours (other than on a Sunday or a bank holiday) |

* 1. In each case, **we** will use all reasonable efforts to attend **your home** and repair the problem. However if **we** need a part to repair the fault, and that part is not available at the time **we** come to **your home**, **we** will arrange a future visit at an agreed time once **we** have the part **we** need (which **we** will get as soon as possible).

Agreeing an attendance time

* 1. Where **we** need to undertake routine inspections, maintenance, repairs or replacement, **we** will give **you** at least [three (3)] days’ notice] of any such visit and will try to arrange the visit at a mutually convenient time. **We** will provide **you** with a maximum [four (4) hour] time window for attending **your home** on the agreed day. **You** must provide **us** with access to **your home** during this agreed time window.
  2. Where **you** report a problem with **your** **heat supply, heat meter** or **HIU, we** will agree a four (4) hour time window (within the periods for responding above) for attending **your home**. **You** must provide **us** with access to **your home** during this agreed time window.
  3. **We** do not need to keep to the response times above if **you** do not let **us** into **your home** to solve the problem.

Your responsibility

* 1. **You** [or **your** landlord] must make sure that **your** **home's heating system** is maintained, repaired and, where necessary, replaced. **You** [or **your** landlord] shall notify **us** of any proposed significant change to **your** **home’s heating system** or anything else that could affect the **district heating scheme** or require alterations to **your** **home’s heating system** or its connection with the **district heating scheme** or impact on the **heat supply**.
  2. **We** are not liable for the cost of replacement or repairs of any part of **your** **home's heating system**, or for any failure of or problems with **your** **home's heating system**, unless the problem or failure has been caused by **us**.
  3. If the state of **your** **home's heating system** is causing problems, or **we** believe that it is likely to cause problems, to the **district heating scheme**, the **heat meter** or the **HIU**, **we** may suspend the **heat supply** until **you** [or **your** landlord] repair or replace **your** **home's heating system** to the standard reasonably required by **us**.
  4. If **you** cause (or any person living with or visiting **you** causes) any damage to, or interrupt, discontinue or reduce the operation of the **district heating scheme**, the **heat meter** or **HIU**, by any work that **you** do to **your** **home’s heating system** **(**for example, bydraining **your** **home’s heating system** or moving radiators) [or if **you** fail to maintain or repair **your** **home’s heating system** (for example by failing to repair leaks] **you** must pay **our** costs of undertaking any necessary repairs, replacements or maintenance arising from such damage or impacts on operation.
  5. **You** must not ( and must not allow any other person living with or visiting **your home** to):
     1. tamper with or damage the **district heating scheme**, the **heat meter** or the **HIU** (including, for example, through vandalism, misuse or interference);
     2. misuse **your** **home’s heating system** so that it causes any damage to the **district heating scheme**, the **heat meter**, or the **HIU.**

## If **you** do so, or allow any other person living with or visiting **your home** to do so, **you** must pay **our** costs of undertaking any necessary repairs, replacements or maintenance arising from such damage.

* 1. **You** must tell **us** immediately if **you** know or believe that:
     1. any part of the **district heating scheme**, the **heat meter** or the **HIU** is damaged or destroyed; or
     2. anyone other than **us** or **our** agents has interfered with or removed the **heat meter** or the **HIU**.
  2. **We** will not carry out any repairs or maintenance in **your home** if **we** have good reason to believe that there is a health-and-safety risk, including the risk from dangerous materials, infestations or harassment to **our** staff (including any verbal or physical abuse or threat of physical abuse).
  3. [**You** can ask **us** to disconnect **your** **heat supply** temporarily, for instance while building work is going on].

1. Access, emergencies and planned maintenance
   1. **You** must give **us** and **our** officers and agents safe access to **your home**, at all reasonable times, for the purposes of:
      1. inspecting, repairing, replacing, installing, removing, testing, maintaining, or carrying out other activities relating to the **meter**, **heat meter** or **HIU**.
      2. disconnecting the **heat supply** to **your** **home's heating system** in the circumstances allowed under this **contract**;
      3. terminating this **contract**;
      4. in an **emergency**, or to mitigate any danger **we** reasonably believe exists to people or property in relation to the **district heating scheme.**

## Anyone visiting **your home** for the purposes above will carry an ID card which includes a colour photograph, their name and contact details **you** can use to check their identity.

* 1. Except in an **emergency** or where **we** reasonably believe there is a danger to people or a danger to property, or where **we** are required by **law**, or this **contract** obliges **us** to obtain access sooner, **we** will give **you** at least:
     1. [seven (7)] days notice in respect of planned routine maintenance;
     2. [72] hours’ notice in all other circumstances

### before **we** need access to **your** **home**.

* 1. If **we** agree and confirm a time with **you** for **us** to visit **your** **home** for any purpose relating to this **contract**, and:
     1. **you** do not give **us** access at the agreed time (or rearrange with **us** a different time giving **us** at least four (4) hours notice); and
     2. **we** can evidence the that **we** could not gain access (eg a time stamped photograph of the front of the property and a call logged that **you** were called at the agreed and confirmed time of the appointment):

### an “**abortive visit**” will have occurred.

* 1. Where **we** make more than one **abortive visit** to **your home** in respect of the same issue, **you** will have to pay **us** an **abortive call-out charge** for each subsequent **abortive visit** and any direct and reasonable additional costs that **we** incur in carrying out any necessary work without access to **your home**.
  2. If **we** can’t get access to **your home** when arranged with **you** or as **we** are otherwise entitled under this **contract** and this prevents **us** from fixing any interruption or reduction in **your** **heat supply**, **we** will not be obliged to provide **you** with a heat supply until **you** have provided **us** with access to **your** **home** to allow **us** to fix the problem. **We** will not be liable for **service-failure payments** in relation to any such period of interruption or reductionuntil **you** have provided **us** with sufficient access to **your home** to allow **us** to fix the problem.

1. Ending this contract

### PLEASE BE AWARE that unless **you** end this contract or **we** end this contract following the process set out under this Clause 14, [or **you** let out **your** **home** and follow the process set out under Clause 20 ] you will still be liable for **our** charges even if **you** do not live in **your** **home**.

Your right to end this contract

* 1. [Except where Clause 20 applies,[and subject always to Clause 2.5 **you** may end this **contract** by giving **us** at least [thirty (30)] days' notice, by writing to **us** at [ ] or by emailing **us** at [ ].
  2. If **you** move out of **your home**, **you** must give **us** a forwarding address so that **we** can contact **you** about any amounts that **we** may owe **you** or any **charges** that **you** may owe **us**. Even after ending this **contract**, **you** still have to pay all **charges** that **you** owe. **We** will take a final meter reading on the date this **contract** ends and provide **you** with a final **bill** within [(fourteen (14)) days.

Our right to end this contract

* 1. **We** can end this **contract**, without any liability to **you** except as set out in Clause 15.1 by providing **you** with [thirty (30)] days written notice if:
     1. **we** have suspended or disconnected the **heat supply** to **your** **home**, as set out in Clause 10.3 and:

## **we** have sent **you** a further final reminder letter and after ten (10) days **you** still haven’t paid **our** **charges** or made arrangements to pay them; and

## **we** have tried to visit **you** at **your** **home** (within the previous seven (7) days) to tell **you** about the overdue **charges** and give **you** notice that **we** may end this **contract**.

* + 1. **You** or anyone living in or visiting **your home** has tried to use the **heat supply** without **our** permission or in a way designed to avoid paying for it. In this situation **we** will give **you** [five (5)] days’ notice before **we** end this **contract** and will charge **you** for any **heat supply** measured by the **heat** **meter**.
    2. **You** no longer [own] [rent] **your** **home**. In this situation **we** will give **you** [five (5)] days’ notice before **we** end this **contract**.
    3. There is a problem with **your** **home's heating system** which is causing damage to or seriously affecting the **district heating scheme** and **you** have not resolved the problem after [three (3)] months’ notice from **us** of the problem. In this situation **we** will give **you** [ten (10) days’ notice before **we** end this **contract**.
    4. Circumstances as set out in Clause 16 mean that **we** cannot provide **your** **heat supply** under this **contract**. In this situation **we** will give **you** [fourteen (14)] days’ notice before **we** end this **contract**.
    5. **Our** right to use the **district heating scheme** and make the **heat supply** available to **your** **home** ends or is terminated.
    6. **You** inform **us** that **you** no longer require a **heat supply** and request that **we** permanently stop providing a **heat supply** to **your** **home**.

1. Consequences of ending this contract
   1. **You** must pay all relevant **charges** up to the date this **contract** ends. After this **contract** ends, **you** will still be liable for **your** previous breaches of this **contract** (for example, non-payment) and **we** will still be liable for any of our previous breaches this **contract** (for example, failure to meet the **service levels**).
   2. If **we** give **you** notice that **we** are going to suspend or disconnect the **heat supply** to **your home** in accordance with the terms of this **contract**, or if **you** or **we** end this **contract**, **you** must give **us** access to **your home**, at a reasonable time, to suspend or disconnect the **heat supply** to **your** **home** and/or reconfigure or remove the **heat meter** or any of **our** equipment **(**with the consent of **your** landlord if applicable**)**. **You** must not reconnect the **heat supply** to **your home** without **our** permission.
   3. If, **you** continue living in **your** **home** and **you** use the **heat supply** after this **contract** has ended, or allow anyone else to do so, **you** will have to pay **us** for the **heat supply** at a price **we** will tell **you**. That price will take account of any extra costs arising as a result of **you** taking the **heat supply** at **your home** without a **contract** being in place.
2. Events beyond our or your control
   1. Subject always to **our** rights set out in Clause 12.3, neither **You** nor **we** will be liable for failing to comply with the obligations set out under this **contract** as a result of (and **we** will have no liability to **you** for any **service failure** which results from) any of the following events or situations, as long as **we** are not the cause of the situation and have taken reasonable steps to prevent or reduce the impact of the event or situation:
      1. strikes or other industrial action, but not those involving **our** employees or anyone acting on **our** behalf unless the action is nationwide or industry-wide;
      2. severe weather;
      3. **us** not being able to get into **your** **home** to fix a fault, as set out in Clause 13.3;
      4. circumstances which would cause **us** to break the **law**;
      5. an event covered by Part 2 of the Civil Contingencies Act, 2004 (war, terrorism, threat to national security and so on);
      6. epidemic or pandemic;
      7. other exceptional circumstances beyond **our** control, including gas and electricity supplies to the **district heating scheme** serving the development being interrupted due to circumstances beyond **our** control and due to no fault of **ours**.
   2. If **you** (or **we**) are having difficulties in complying with this **contract** as a result of an event or situation listed in above, **you** (or **we**) must tell the other within [two (2)] days of the event or situation arising. **Your** (or **our**) obligations under this **contract** will be suspended until the problem is solved.
3. Limit of liability
   1. Nothing in this **contract**:

### excludes or limits **our** or **your** liability for fraud or fraudulent statements;

### excludes or limits **our** liability for death or personal injury resulting from **our** negligence (or the negligence of **our** employees, officers or agents); and/or

### excludes or limits **your** liability for death or personal injury resulting from **your** negligence; and/or

### affects **your** legal rights as a consumer.

* 1. **You** and **we** will not be responsible for any loss which, at the start of this **contract**, **you** or **we** could not reasonably and honestly have foreseen arising. **You** and **we** will not be liable to each other for any indirect loss, such as loss of profits, income, business or goodwill, arising out of or under this **contract**.
  2. **We** will be liable for direct loss or damage caused by **our** negligence or as a result of **our** breaches of this **contract**. **Our** liability in any 12-month period, for any one event, or any series of connected events, will be limited to *[ Drafting Note: Insert appropriate cap on liability, considering level of damage that could be made by an operative in a unit, insurances cover etc ].* This limit will increase each year in line with the annual increase in the Consumer Prices Index (as published by the Office of National Statistics).
  3. **You** will be liable for direct loss or damage caused by **your** negligence or as a result of **your** breaches of this **contract**. **Your** liability for all events (other than non-payment) will be limited to [ten thousand pounds (£10,000)].
  4. This Clause 17 does not affect **our** obligations to provide the **service levels** set out in Schedule 2, or **your** rights to receive **service-failure payments** for a **service failure**.

1. Complaints
   1. **Our** complaints procedure is set out in the **customer handbook** or alternatively **you** can access it on **our** website here *[Drafting Note: Insert relevant link* ] or request a copy from **us** at [*Drafting Note: Insert relevant address* ] . *[Drafting Note: Alternatively supplier could set the procedure out under this Clause 18 . Amend as appropriate to include specific procedure, taking note of the requirements of the Heat Trust Rules (Scheme Rule 17) – see https://www.heattrust.org/the-scheme-rules.]*
   2. If **you** have any comments or complaint about **our** services, phone *[ Drafting Note: Insert details of relevant customer service team ]* on **[** *Drafting Note: Insert relevant contact number* **].**
   3. **We** will always try to settle **your** complaint as quickly as possible. If, after following **our** full complaints procedure, **you** are still not satisfied with **our** response to **your** complaint, please contact the Ombudsman for Energy. Details on how to contact the Ombudsman are set out in the **customer handbook**, on **our** website here [ ] or can also be found on their website: [www.ombudsman-services.org](http://www.ombudsman-services.org). *[Drafting Note: Ensure that links are kept up to date].*
2. Using your personal information

## On entering into this **contract you** will have provided personal information to **us**, which **we** will use to manage **your** account with **us**. **We** will process **your** personal information in accordance with **our** **privacy policy** which is set out in **your** **customer handbook** and available here [*Drafting Note: Insert relevant link*].

1. [Letting out your home
   1. If **you** let out **your** **home**, **we** will on **your** request, enter into a new heat supply contract with **your** tenant. **You** should advise **your** tenant of the transfer of responsibility to them to pay for the **heat supply** and **we** would advise that **you** cover this in **your** tenancy agreement with them.
   2. Where **you** notify **us** that **your** tenant will become responsible for the **heat supply**, the following will apply:
      1. the heat supply contract **we** enter into with **your** tenant will be in the same form as this **contract**. **We** will send the new heat supply contract to either **you** or **your** tenant, as requested, for **your** tenant to sign;
      2. this **contract** between **you** and **us** will automatically be suspended from the date the new heat supply contract with **your** tenant starts. While this **contract** is suspended, **your** and **our** obligations under it, including **your** obligation to pay **charges** for the **heat supply** provided after the date of the suspension, will not apply. This will not affect any liabilities **you** or **we** already had before the date this **contract** was suspended; and
      3. before **we** suspend this **contract**, **we** will get a final meter reading using **our** automatic-reading system. If **we** cannot do this for any reason, **we** may ask **you** to give **us** the final **heat meter** reading.
   3. **You** must give **us** notice if **your** tenant is moving out. This contract will automatically come into force again on the date the heat supply contract with **your** tenant ends.
   4. When the heat supply contract with **your** tenant ends, **we** will get a final **heat meter** reading using **our** automatic-reading system. If **we** cannot do this for any reason, **we** may ask **your** tenant to give **us** the final meter reading. If **your** tenant does not or cannot provide the **heat meter** reading, **we** may ask **you** for the final meter reading.

## **Please note** this **contract** will not be suspended and **your** obligations to pay the **charges** will continue where **your** tenant does not enter into a contract with **us**. This is the case even if **you** have told **us** that **you** are moving out of **your home** and that the tenant should be responsible.]

1. General
   1. **We** may subcontract or transfer any of **our** obligations under this **contract** at any time, provided that any agent attending **your home** will be clearly identified as **our** agent. If **you** are unsure of the identity of any individual attending **your home** in relation to the supply of heat, please call [*Drafting Note: Insert details of your customer services team].*
   2. **You** may not transfer **your** rights or obligations under this **contract** without obtaining **our** permission in writing [or following the process set out under Clause 20] .
   3. If **we** need to send **you** any notices under this **contract**, **we** will send them to **your** email address, or **your** **home** address, as **you** indicated in the form on the front of this **contract.**  **You** can update the address **you** want notices to be sent to at any time by contacting **us** and letting **us** know. **We** will consider notices sent by email to have been received by **you** within [24] hours of sending. **We** will consider notices sent by post to have been received by **you** within [three (3)] working days. If **we** deliver notices by hand, **we** will consider them to have been received by **you** when **we** deliver them.
   4. If **we** ever do not enforce, or delay in enforcing, any right **we** have under this **contract**, this will not prevent **us** from enforcing **our** rights in the future. For example, if **we** do not immediately take action to collect **charges** that **you** owe **us**, this will not prevent **us** from taking action in the future, [as long as **we** do so within 12 months of the **charges** being due.]
   5. If more than one person is named on the account, then each account holder is responsible for payment of the **charges** and **we** are entitled to claim unpaid **charges** due to **us** from one or all of the account holders, provided that **we** may not recover more than **we** are owed under this **contract**.
   6. This **contract** includes everything agreed between **you** and **us** and replaces any previous contract, whether in writing or not. **You** and **we** have not relied on anything that is not included in this **contract**.
   7. Nobody other than **you** and **us** has any rights under this **contract**. The Contracts (Rights of Third Parties) Act 1999 is excluded.
   8. Each of the terms and condition of this **contract** is separate. If a court or other authority finds that **you** or **we** cannot rely on a certain clause, the other clauses of this **contract** will still apply.
   9. Ending this **contract** will not affect any clause which is intended to apply after the end of this **contract**.
   10. **We** may (acting reasonably and fairly) change this **contract**. For example, **we** may need to change it to comply with a new **law** or regulation that applies to **our** services, or because the conditions under which **we** are allowed to provide a **heat supply** to **your** **home** have changed. **We** will put details of any change on **our** website and **we** will give **you** at least [thirty (30)] days' written notice of the change. *[Drafting Note: Changes in law could lead to increases or decreases in heat charges – e.g. a change in tax of input fuel which ESCo could seek to pass-through to customers. If charges are benchmarked against a comparator, the methodology of that comparator (particularly the cost inputs into that comparator model) would need to be reviewed. It ought to be considered also, that, in the future, district heating schemes could be regulated and new laws introduced.]*
   11. [Subject always to clause 21.13, if **you** consider that any change **we** make to this **contract** is unreasonable, **you** may refer the issue to the **Ombudsman**, giving details of the change and **your** concerns. Subject to any changes that **we** are required to make due to any changes in **law** or regulation, if the **Ombudsman** advises that the changes are unreasonable, **we** will reinstate as far as legally permissible, this **contract** to its original terms as existing prior to the change in question.
   12. **We** will ensure that this **contract** will be updated and amended to reflect any best practice commonly found in the United Kingdom’s heat industry sector and will be updated, subject to Clause 21.10, to reflect any consumer protection standards that are introduced during the life of this **contract**.
   13. This **contract** is governed by and will be interpreted in accordance with the **laws** of England and Wales, and both **you** and **we** agree to accept the exclusive jurisdiction and decisions of the English courts.

## 



Our charges

1. Heat supply charges

**Our** **charges** for the **heat supply** are made up of:

* a **[landlord’s standing charge and a tenant’s] standing charge**: for making the **heat supply** available to **your** **home**, regardless of whether **you** use it)
* a **variable charge** (for the **heat supply** **you** use).

The **charges** on the date this **contract** starts are as follows.

| **Charge** | **Before VAT** | **Including VAT** |
| --- | --- | --- |
| **[tenant’s] standing charge** | [ ]/ day | [ ]/ day |
| **[landlord's standing charge]** | [[ ]/ day] | [[ ]/ day] |
| **variable charge** | [ ] pence per unit (kilowatt hour) | [ ] pence per unit (kilowatt hour) |

These **charges** are valid from [ ] to [ ]. *[Drafting Note: ESCo to consider how charges will be set e.g. ESCo may want to consider “motivational tariffs”e.g. that financially rewards lower return temperatures etc.]*

1. Annual price review

[**We** will change **our** heat-supply **charges** on 31 March each year in line with [inflation]].

*[Drafting Note: Include supplier’s relevant price review methodology and indexation methodology, (e.g. whether heat standing charges and heat variable charges will be indexed on the same basis etc)., bearing in mind the Heat Trust comparator.]*

1. Abortive call-out charge

The **abortive call-out charge** is [ ]. **We** may increase the charge on 31 March each year in line with [inflation].

1. Debt-processing charge

The **debt-processing charge** is [ ]. **We** may increase the charge on 31 March each year in line with the [inflation]. *[Drafting Note: Include supplier’s relevant price indexation methodology].*

1. Reconnection charge

The **reconnection charge** is [ ]. **We** may increase the charge on 31 March each year in line with the [inflation]. *[Drafting Note: Include supplier’s relevant price indexation methodology].*

1. Other charges

**We** will charge **you** **our** reasonable costs of any associated repair or replacement if **you** damage the **heat** **meter** or **HIU**. If **we** carry out any work **you** are responsible for under this **contract**, **we** may charge **you** **our** reasonable costs.



Service levels and service failures

Service levels

**Our** **service levels** set out in the table below are the levels of service **we** aim to provide under this **contract**.

**We** aim to meet **your** expectations in respect of the **heat supply** to **your home** and provide a good standard of service. **We** may improve **our** **service levels** without **your** permission, but not in a way which would be less beneficial to **you** or less demanding on **us**. **We** will publish any change on **our** website and then tell **you** in writing as soon as possible. Any other changes or updates to **our** **service levels** will be carried out in accordance with Clause 3.4.

Service failures

**Service failures** are instances where **we** fail to meet a **service level**.

If **we** fail to meet a **service level**, **you** will be entitled to compensation, known as a **service-failure payment**, as set out in the table below. **We** will apply the total amount of **service-failure payments** accrued in any month to **your** **heat bill** for that month. Where the total of the **service-failure payments** in any month are greater than the amount **you** owe **us** under **your** **heat bill**, **we** will set off the **service-failure payments** against the subsequent month(s) of **heat bills.** If this **contract** has been terminated and the **service-failure payments** are greater than **your** final **heat bill**, **we** shall pay **you** any excess balance within [ten (10)] working days of the date of the final **heat bill**.

*[Drafting Note: Amend service levels as appropriate, bearing in mind that the below are current (as at 2022 Heat Trust standard – see https//www.heattrust.org/the-scheme-rules]). Some contracts will include a time limit within which customers must claim the service-failure payment – eg 3 months of the service failure.]*

| **Item** | **Standard** | **Service level** | **Service failure** | **Service-failure payment (compensation)** |
| --- | --- | --- | --- | --- |
| 1 | **Planned interruption** | **We** will give **you** at least [forty eight (48)] hours’ written notice of a **planned interruption** to **your** **heat supply [**that will last more than [four (4)] hours]. | Less than [forty eight (48)] hours’ written notification given of a **planned interruption** | *[Drafting Note:* *Include payment per relevant period as according to business model, but bearing in mind Heat Trust requirements]* |
| **We** will ensure that a **planned interruption** lasts no longer than [five (5)] days | When a **planned interruption** has lasted longer than [five (5)] days. | *[Drafting Note: As above. NB: Heat Trust is no less than £30 (indexed) for each full 24 hour period beginning on the 5th day following commencemned of the planned interruption up to a total limit of no less than £500]* |
| 2 | **Unplanned supply interruption** | Within [twenty four (24)] hours from the start of any **unplanned supply interruption** the **heat supply** will be available and at a temperature of at least [ ][[1]](#footnote-2) at the point where it connects to **your** **home's heating system**. | When **we** have failed to restore the **heat supply** or restore the heat supply to the required temperature within [twenty four (24)] hours of the interruption. | *[Drafting Note: As above]*  *[NB: Heat Trust is no less than £30 (indexed) for each full 24 hour period from hour 24 from first registered notification up to a total limit of no less than £500]* |
| 3 | Multiple **unplanned supply interruptions** in a year | No more than [three (3)] **unplanned supply interruptions**, lasting for over [twelve (12)] hours, during a [twelve (12)] month period | More than [three (3)] **unplanned supply interruptions**, lasting for over [twelve (12)] hours, during a [twelve (12)] month period | *[Drafting Note: As above]*  *[NB: Heat Trust is one off payment of £54 (indexed) in addition to the above, where each unplanned interruption is accepted and verified]* |
| 4 | Maintaining the service to **vulnerable customers** when the **heat supply** is interrupted | **We** will make arrangements to supply alternative heating to **vulnerable customers** if a **planned supply interruption** or an **unplanned supply interruption l**ast longer than [twelve (12)] hours. | When a **planned supply interruption** or **unplanned supply interruption** has lasted for longer than [twelve (12)] hours and **we** have not provided alternative heating (such as an electric heater). | *[Drafting Note: As above*  *[NB: Heat Trust is one off payment of £24 (indexed) in addition to the above]]* |
| 5 | **Heat meter** repair or replacement | **Heat meter** accuracy to be maintained within plus/ minus [5%] | Faulty **heat meter** (i.e. a **heat meter** not achieving the required accuracy) not replaced within [28 ] days after fault is identified | *[Drafting note: As above]* |
| 6 | Responding substantially to a complaint | **We** must respond to complaints within the timescales set out in **our** **customer handbook** | Failure to meet the response timescales or comply with **our** complaints process | *[Drafting Note: As above]* |

The **service-failure payments** and each related cap shall be increased annually on 31 March in accordance with *[inflation]. [Drafting Note: insert relevant indexation]*

**Please note:** If there is a **service failure** which is caused by one of the circumstances set out below, **we** will not be required to make a **service-failure payment.**

|  |  |
| --- | --- |
| Item 2, 3 and 5 | * The **service failure** was caused by **you** not complying with this **contract**. |
| Item 2 or 3 | * **We** are not able to provide the **heat supply** to **your** **home** because of any of the events or circumstances set out in Clause 16 (Events beyond **our** or **your** control), as long as **we** have used reasonable efforts to reduce the effects of the event or circumstances and start providing the **heat supply** again as soon as possible. |
|  | * **We** have to shut down the **district heating scheme** by **law**, as long as the need to shut down the **district heating scheme** does not relate to or arise out of **our** negligence or **us** not complying with this **contract**. |
|  | * **We** have suspended the **heat supply** because **we** have good reason to believe that **we** need to do so to avoid death, injury or severe damage to property, as long as the need to suspend the **heat supply** does not relate to or arise out of **our** negligence or **us** not complying with this **contract**. |
|  | * **We** have suspended the **heat supply** to **your** **home** under Clause 10 of this **contract**. |
| Item 4 only | **We** have not been able to provide alternative heating to **your home** because **you** have not given **us** access to **your home** at the arranged time. |



Heat supply diagram

The diagram below shows how the **heat supply** is made to **your home** and who is responsible for each part of the system. The diagram is only an example. The position of pipes and other items may be different in **your** **home**.

*[Drafting Note: suggest inclusion of a clear diagrammatic representation of the heat distribution scheme plus the network internal to the units and HIUs, meters (etc) to aid the customers’ understanding of the arrangements. In addition, to aid understanding of responsibility, include a table setting out responsibilities as between the landlord and tenant (for social housing/ short leasehold), the homeowner and the heating supplier for maintenance and operation of each part of the heat distribution scheme, plus internal networks, meters and HIUs]*



Heat Meter, Pre-payment meter and HIU exclusions

*[Drafting Note: Review and add to/ exclude the below as appropriate to the services that the heat supplier intends to provide.]*

In relation to **our** obligation to maintain, repair or replace **your** **heat meter, Pre-payment meter** or **HIU** **we** shall be obliged to comply with Clause 12.1 but will not be liable for the following:

1. The costs of repairing the **HIU, Pre-payment meter** or **heat meter** if the repair is needed because of damage caused by **you**, or where the work is carried out by someone other than **us**. In these circumstances **we** are entitled to recover any direct and reasonable costs in fulfilling **our** obligations under clause 12.1 from **you**.
2. Any defect or deficiency or damage to or fault or repair or replacement of any part of **your home’s heating system** or any failure to properly operate or maintain **your home’s heating system**.
3. Any loss or damage to property caused as a result of **your** **home's heating system** breaking or failing, including any cleaning needed, or any damage to **your** belongings, fixtures or furniture, unless the loss or damage is caused by **us**.
4. Repairing faults or damage caused by subsidence (movement of the ground beneath **your home**), structural repairs, accident, fire, lightning, explosion, flood, storm or freezing weather conditions (unless in each such case caused or contributed to by **us**).
5. **We** are unable to gain access to the relevant part of **your HIU, Pre-payment meter** or **your heat meter** and any costs incurred to gain access to the **HIU, Pre-payment meter** or **heat meter** where such access has been obstructed by **you** or anyone else.
6. Replacement of any appliances, bathroom fixtures, showers and sanitaryware unless the loss or damage is caused or contributed to by **us**.
7. Upgrades that **your landlord** may want to have carried out to improve or that **you** may want to have carried out to improve the **HIU**, **Pre-payment meter, heat meter** or **your** **home's heating system**.
8. Replacing or repairing parts which do not affect how the **HIU**, **Pre-payment meter, heat meter** or **your** **home's heating system** works or performs (for example, any decorative parts).
9. Resetting the **HIU** controls such as thermostats or programmers following changes due to **winter periods** or **summer periods**.
10. Interruptions to gas, electricity, water or telecommunications utilities needed to operate **the district heating scheme** or **your home’s heating system.**
11. The costs of repairing damage or breakdowns caused by changes to or problems with any other energy, gas, water or telecommunications supply services unless and to the extent that such damage is caused or contributed to by **us**.
12. Replacing any batteries in any controls that operate **your** **home's heating system**.
13. Removing sludge or limescale from **your** **home's heating system** or any appliance, or repairing damage caused to the **heat meter**, **Pre-payment meter, HIU** or **your** **home's heating system** by sludge or limescale within **your** **home's heating system**, unless the sludge or limescale is our fault. Unless **our** fault, **we** are entitled to recover any direct and reasonable costs in fulfilling **our** obligations under Clause 12.1 from **you**.
14. The water treatment of any water circuits in **your** **home's heating system** except where **we** have drained **your** **home's heating system** in order to comply with **our** obligations under this contract. In these circumstances **we** are entitled to recover any direct and reasonable costs in fulfilling **our** obligations under Clause 12.1 from **you**.
15. Interruptions to **your** **heat supply** whilst **we** repair or replace any part of the **HIU, Pre-payment meter** or **heat meter**.
16. Anyone (other than **us**) interfering with any part of **your** **HIU, Pre-payment meter** or **your** **heat meter**.
17. Dealing with any **emergency** (unless caused by **us**).
18. Any event beyond **our** control under Clause 16 of this contract.

1. – e.g. ESCo may want to supply heat at prescribed temperature and impose requirements on customers regarding return temperatures. [↑](#footnote-ref-2)