

# Domestic Gas and Electricity (Tariff Cap) Bill

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## COMMONS DISAGREEMENT AND AMENDMENT IN LIEU OF A LORDS AMENDMENT

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*[The Clause reference is to HL Bill 100, the bill as first printed for the Lords]*

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### LORDS AMENDMENT 1

#### After Clause 8

1 Insert the following new Clause –

**“Ongoing relative tariff differential**

- (1) The Authority must, during the term of the tariff cap conditions being in place, develop, ready for implementation, a relative tariff differential.
- (2) A relative tariff differential is a requirement on supply licence holders that the difference between the cheapest advertised rate and the most expensive standard variable or default rate shall be no more than a specified proportion of the cheapest advertised rate.
- (3) The Authority is responsible for setting the proportion referred to in subsection (2).
- (4) The relative tariff differential takes effect on the termination of the tariff cap conditions.”

### COMMONS AMENDMENT IN LIEU

*The Commons disagree to Lords Amendment 1 but propose Amendment 1A in lieu –*

#### After Clause 8

1A Insert the following new Clause –

**“Protection for domestic customers after termination of tariff cap conditions**

- (1) Before the tariff cap conditions have ceased to have effect as provided by section 8, and afterwards at such intervals as the Authority considers appropriate, the Authority must carry out a review into –
  - (a) the pricing practices of holders of supply licences for the supply of gas and electricity under domestic supply contracts, and
  - (b) whether there are categories of domestic customers paying, or who may in the future pay, standard variable and default rates for whom protection against excessive charges should be provided.

- (2) Such a review must, among other things, consider –
  - (a) whether there are domestic customers who the Authority considers will suffer an excessive tariff differential where on the termination of fixed rates the customers move to standard variable or default rates, and
  - (b) whether customers who appear to the Authority to be vulnerable by reason of their financial or other circumstances are in need of protection.
- (3) If the review concludes that protection should be provided, the Authority must take such steps as it considers appropriate by the exercise of its functions under the Gas Act 1986 and the Electricity Act 1989.”



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*18 July 2018*

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