

2.2 Each Deemed Contract will continue to apply in respect of the supply of gas to a customer at particular premises (the "Supply Premises"), without prejudice to any of these Terms and Conditions expressed to have effect thereafter, until whichever of the following first occurs, namely:

- (a) Subject to Paragraph 4.7, a new contract for a supply of gas to the Supply Premises comes into effect;
- (b) the Supply Premises are lawfully disconnected or the supply is lawfully cut off;
- (c) the Deemed Contract is validly terminated by BGTL or the customer in accordance with the provisions of Paragraph 4 or Paragraph 9;
- (d) a direction given to another gas supplier, in pursuance of Standard Condition 5 of that supplier's licence, comes into effect in relation to the Supply Premises; or
- (e) BGTL ceases to be licensed to supply gas to the Supply Premises.

2.3 Without prejudice to The Transfer Scheme, the following transitional provisions apply in relation to gas charges and security deposits:

- (a) a gas bill issued by BGTL on or after the Appointed Day may cover not only charges for gas supplied on and after that date under a Deemed Contract but also charges for gas supplied prior to that date under the statutory provisions then in force;
- (b) where a gas bill was issued before the Appointed Day and full payment was not received by British Gas plc before that day, payment of the unpaid amount shall be recoverable by BGTL;
- (c) BGTL shall be entitled, in respect of any customer, to retain for its own benefit any payment, whether by cheque or otherwise, made to British Gas plc on or after the Appointed Day or any sum due to BGTL in respect of charges for gas supplied or any security deposit; and
- (d) a security deposit provided to British Gas plc in respect of the supply of gas (but not for the provision and laying of pipes) prior to the Appointed Day shall thereafter be held by BGTL on the basis set out in these Terms and Conditions.

2.4 Subject to any consent of the Director that may be required under the provisions of the Licence and the giving of such notice to customers as is required (if at all) by Paragraph 2.5, BGTL may vary:

- (a) these Terms and Conditions; or
 - (b) the provisions of any one or more Deemed Contracts,
- by a document referring expressly to this Paragraph and signed by a duly authorised employee of BGTL.

2.5 Notwithstanding any other provision of these Terms and Conditions, and save as the Director otherwise consents, where the provisions of a Deemed Contract (including the Schedule of Charges) with a domestic customer are varied at the discretion of BGTL to the significant disadvantage of such customer:

- (a) BGTL shall take reasonable steps to give to that customer, no later than 10 days after the variation comes into effect, a notice:

- (i) giving details of the variation in question; and
- (ii) giving details of the customer's right to terminate the Deemed Contract;

(b) the customer may, within 14 days of receiving the notice, give 21 days' notice terminating the Deemed Contract; and

(c) if the customer does terminate the Deemed Contract, the variation shall not be effective for the interim period;

PROVIDED THAT the provisions of (a) (ii), (b) and (c) above shall not apply to variations as aforesaid to the Deemed Contracts of a customer at Supply Premises which, at such time, were in a Reserved Area in circumstances where the customer is on the lowest price contract terms applicable to that customer's circumstances and method of payment before the variation in question has taken effect and will continue to be on such terms after the variation in question has taken effect, and for this purpose "Reserved Area" means any part of Great Britain in respect of which the restriction on domestic supply licences (as that term is defined by section 6(8) of the Gas Act 1995) authorising the supply of gas to any premises contained in section 6(2) of the Gas Act 1995 has not ceased to apply either:

- (a) in accordance with the terms of section 6(2) of the Gas Act 1995; or
- (b) by virtue of an order made under section 6(6) of the Gas Act 1995,

provided that in deciding whether or not any part of Great Britain falls within the Reserved Area no account will be taken of sections 6 (3), (4) or (5) of the Gas Act 1995.

2.6 BGTL may, at any time after another gas supplier is licensed to provide a supply of gas to Supply Premises in a particular geographic area or market, terminate the Deemed Contracts with its customers of any class within that area or belonging to that market, provided that it gives at least 30 days' notice to all the relevant customers specifying:

- (a) the date upon which the Deemed Contracts with the relevant customers will terminate; and
- (b) that after such termination:

- (i) each relevant customer may continue to obtain a supply of gas from BGTL under a new contract on terms no less favourable than those being offered to customers in similar cases or classes of case; or
- (ii) in the absence of a new contract being agreed between the customer and BGTL or another gas supplier, any continued supply of gas will be in pursuance of a contract deemed to arise under paragraph 8 of the Gas Code.

3. DEFINITIONS AND INTERPRETATION

3.1 In these Terms and Conditions, unless otherwise stated, or the context otherwise requires:

"Appointed Day" means the 1st of March, 1996.

"bill" includes any invoice, account, statement or other instrument of the like character issued by BGTL (or, if issued before the Appointment Day, by British Gas plc) in respect of gas charges.