



Utilities Act 2000

2000 CHAPTER 27

PART II

OBJECTIVES OF REGULATION OF GAS AND ELECTRICITY

Gas

9 Objectives and duties under 1986 Act

For section 4 of the 1986 Act (general duties of Secretary of State and Director) there is substituted—

“4AA The principal objective and general duties of the Secretary of State and the Authority

- (1) The principal objective of the Secretary of State and the Gas and Electricity Markets Authority (in this Act referred to as “the Authority”) in carrying out their respective functions under this Part is to protect the interests of consumers in relation to gas conveyed through pipes, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas so conveyed.
- (2) The Secretary of State and the Authority shall carry out those functions in the manner which he or it considers is best calculated to further the principal objective, having regard to—
 - (a) the need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met; and
 - (b) the need to secure that licence holders are able to finance the activities which are the subject of obligations imposed by or under this Part or the Utilities Act 2000.
- (3) In performing that duty, the Secretary of State or the Authority shall have regard to the interests of—

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- (a) individuals who are disabled or chronically sick;
- (b) individuals of pensionable age;
- (c) individuals with low incomes; and
- (d) individuals residing in rural areas;

but that is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer.

- (4) The Secretary of State and the Authority may, in carrying out any function under this Part, have regard to—
- (a) the interests of consumers in relation to electricity conveyed by distribution systems (within the meaning of the Electricity Act 1989); and
 - (b) any interests of consumers in relation to—
 - (i) telecommunication services and telecommunication apparatus (within the meaning of the Telecommunications Act 1984); or
 - (ii) water services or sewerage services (within the meaning of the Water Industry Act 1991),
 which are affected by the carrying out of that function.
- (5) Subject to subsection (2), the Secretary of State and the Authority shall carry out their respective functions under this Part in the manner which he or it considers is best calculated—
- (a) to promote efficiency and economy on the part of persons authorised by licences or exemptions to carry on any activity, and the efficient use of gas conveyed through pipes;
 - (b) to protect the public from dangers arising from the conveyance of gas through pipes or from the use of gas conveyed through pipes; and
 - (c) to secure a diverse and viable long-term energy supply,
- and shall have regard, in carrying out those functions, to the effect on the environment of activities connected with the conveyance of gas through pipes.
- (6) In this section “consumers” includes both existing and future consumers.
- (7) In this section and sections 4AB and 4A, references to functions of the Secretary of State or the Authority under this Part include a reference to functions under the Utilities Act 2000 which relate to gas conveyed through pipes.
- (8) In this Part, unless the context otherwise requires,—
- “exemption” means an exemption granted under section 6A;
 - “licence” means a licence under section 7 or 7A and “licence holder” shall be construed accordingly.”

10 Guidance on social and environmental matters in relation to gas

After section 4AA of the 1986 Act (which is inserted by section 9 above) there is inserted—

“4AB Guidance on social and environmental matters

- (1) The Secretary of State shall from time to time issue guidance about the making by the Authority of a contribution towards the attainment of any social or environmental policies set out or referred to in the guidance.
- (2) The Authority shall, in carrying out its functions under this Part, have regard to any guidance issued under this section.
- (3) Before issuing guidance under this section the Secretary of State shall consult—
 - (a) the Authority;
 - (b) the Gas and Electricity Consumer Council (in this Act referred to as “the Council”);
 - (c) licence holders; and
 - (d) such other persons as the Secretary of State considers it appropriate to consult in relation to the guidance.
- (4) A draft of any guidance proposed to be issued under this section shall be laid before each House of Parliament.
- (5) Guidance shall not be issued under this section until after the period of forty days beginning with—
 - (a) the day on which the draft is laid before each House of Parliament; or
 - (b) if the draft is laid before the House of Lords on one day and the House of Commons on another, the later of those two days.
- (6) If, before the end of that period, either House resolves that the guidance should not be issued, the Secretary of State must not issue it.
- (7) In reckoning any period of forty days for the purposes of subsection (5) or (6), no account shall be taken of any time during which—
 - (a) Parliament is dissolved or prorogued; or
 - (b) both Houses are adjourned for more than four days.
- (8) The Secretary of State shall arrange for any guidance issued under this section to be published in such manner as he considers appropriate.”

11 Health and safety in relation to gas

For section 4A of the 1986 Act (duties with respect to safety) there is substituted—

“4A Health and safety

- (1) The Secretary of State and the Authority shall consult the Health and Safety Commission about all gas safety issues which may be relevant to the carrying out of any of their respective functions under this Part.
- (2) The Secretary of State and the Authority shall, in carrying out their respective functions under this Part, take into account any advice given by the Health and Safety Commission about any gas safety issue (whether or not in response to consultation under subsection (1)).

Status: This is the original version (as it was originally enacted).

- (3) For the purposes of this section a gas safety issue is anything concerning the conveyance of gas through pipes, or the use of gas conveyed through pipes, which may affect the health and safety of—
- (a) members of the public; or
 - (b) persons employed in connection with the conveyance of gas through pipes or the supply of gas conveyed through pipes.”

12 Exceptions from the general duties under 1986 Act

After section 4A of the 1986 Act there is inserted—

“4B Exceptions from sections 4AA to 4A

- (1) Section 4AA does not apply in relation to the issuing by the Secretary of State of guidance under section 4AB.
- (2) Sections 4AA to 4A do not apply in relation to anything done by the Authority—
 - (a) in the exercise of functions relating to the determination of disputes; or
 - (b) in the exercise of functions under section 36A(3).
- (3) The Authority may nevertheless, when exercising any function under section 36A(3), have regard to any matter in respect of which a duty is imposed by sections 4AA to 4A if it is a matter to which the Director General of Fair Trading could have regard when exercising that function.
- (4) The duties imposed by sections 4AA to 4A do not affect the obligation of the Authority or the Secretary of State to perform or comply with any other duty or requirement (whether arising under this Act or another enactment, by virtue of any Community obligation or otherwise).”

Electricity

13 Objectives and duties under 1989 Act

For section 3 of the 1989 Act (general duties of Secretary of State and Director) there is substituted—

“3A The principal objective and general duties of the Secretary of State and the Authority

- (1) The principal objective of the Secretary of State and the Gas and Electricity Markets Authority (in this Act referred to as “the Authority”) in carrying out their respective functions under this Part is to protect the interests of consumers in relation to electricity conveyed by distribution systems, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission, distribution or supply of electricity.
- (2) The Secretary of State and the Authority shall carry out those functions in the manner which he or it considers is best calculated to further the principal objective, having regard to—

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- (a) the need to secure that all reasonable demands for electricity are met; and
 - (b) the need to secure that licence holders are able to finance the activities which are the subject of obligations imposed by or under this Part or the Utilities Act 2000.
- (3) In performing that duty, the Secretary of State or the Authority shall have regard to the interests of—
 - (a) individuals who are disabled or chronically sick;
 - (b) individuals of pensionable age;
 - (c) individuals with low incomes; and
 - (d) individuals residing in rural areas;but that is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer.
- (4) The Secretary of State and the Authority may, in carrying out any function under this Part, have regard to—
 - (a) the interests of consumers in relation to gas conveyed through pipes (within the meaning of the Gas Act 1986); and
 - (b) any interests of consumers in relation to—
 - (i) telecommunication services and telecommunication apparatus (within the meaning of the Telecommunications Act 1984); or
 - (ii) water services or sewerage services (within the meaning of the Water Industry Act 1991),which are affected by the carrying out of that function.
- (5) Subject to subsection (2), the Secretary of State and the Authority shall carry out their respective functions under this Part in the manner which he or it considers is best calculated—
 - (a) to promote efficiency and economy on the part of persons authorised by licences or exemptions to transmit, distribute or supply electricity and the efficient use of electricity conveyed by distribution systems;
 - (b) to protect the public from dangers arising from the generation, transmission, distribution or supply of electricity; and
 - (c) to secure a diverse and viable long-term energy supply,and shall, in carrying out those functions, have regard to the effect on the environment of activities connected with the generation, transmission, distribution or supply of electricity.
- (6) In this section “consumers” includes both existing and future consumers.
- (7) In this section and sections 3B and 3C, references to functions of the Secretary of State or the Authority under this Part include a reference to functions under the Utilities Act 2000 which relate to electricity conveyed by distribution systems.
- (8) In this Part, unless the context otherwise requires—
 - “exemption” means an exemption granted under section 5;
 - “licence” means a licence under section 6 and “licence holder” shall be construed accordingly.”

Status: This is the original version (as it was originally enacted).

14 **Guidance on social and environmental matters in relation to electricity**

After section 3A of the 1989 Act (which is inserted by section 13 above) there is inserted—

“3B Guidance on social and environmental matters

- (1) The Secretary of State shall from time to time issue guidance about the making by the Authority of a contribution towards the attainment of any social or environmental policies set out or referred to in the guidance.
- (2) The Authority shall, in carrying out its functions under this Part, have regard to any guidance issued under this section.
- (3) Before issuing guidance under this section the Secretary of State shall consult—
 - (a) the Authority;
 - (b) the Gas and Electricity Consumer Council (in this Act referred to as “the Council”);
 - (c) licence holders; and
 - (d) such other persons as the Secretary of State considers it appropriate to consult in relation to the guidance.
- (4) A draft of any guidance proposed to be issued under this section shall be laid before each House of Parliament.
- (5) Guidance shall not be issued under this section until after the period of forty days beginning with—
 - (a) the day on which the draft is laid before each House of Parliament; or
 - (b) if the draft is laid before the House of Lords on one day and the House of Commons on another, the later of those two days.
- (6) If, before the end of that period, either House resolves that the guidance should not be issued, the Secretary of State must not issue it.
- (7) In reckoning any period of forty days for the purposes of subsection (5) or (6), no account shall be taken of any time during which—
 - (a) Parliament is dissolved or prorogued; or
 - (b) both Houses are adjourned for more than four days.
- (8) The Secretary of State shall arrange for any guidance issued under this section to be published in such manner as he considers appropriate.”

15 **Health and safety in relation to electricity**

After section 3B of the 1989 Act (which is inserted by section 14 above) there is inserted—

“3C Health and safety

- (1) The Secretary of State and the Authority shall consult the Health and Safety Commission about all electricity safety issues which may be relevant to the carrying out of any of their respective functions under this Part.

- (2) The Secretary of State may require the Authority also to consult him about electricity safety issues of particular descriptions.
- (3) The Secretary of State and the Authority shall, in carrying out their respective functions under this Part, take into account any advice given by the Health and Safety Commission about any electricity safety issue (whether or not in response to consultation under subsection (1)).
- (4) The Authority shall, in carrying out its functions under this Part, take into account any advice given by the Secretary of State about any electricity safety issue (whether or not in response to consultation under subsection (2)).
- (5) For the purposes of this section an electricity safety issue is anything concerning the generation, transmission, distribution or supply of electricity which may affect the health and safety of—
 - (a) members of the public; or
 - (b) persons employed in connection with any of those activities.”

16 Exceptions from the general duties under 1989 Act

After section 3C of the 1989 Act (which is inserted by section 15 above) there is inserted—

“3D Exceptions from sections 3A to 3C

- (1) Section 3A does not apply in relation to the issuing by the Secretary of State of guidance under section 3B.
- (2) Sections 3A to 3C do not apply in relation to functions of the Secretary of State under section 36 or 37.
- (3) Sections 3A to 3C do not apply in relation to anything done by the Authority—
 - (a) in the exercise of functions relating to the determination of disputes;
 - (b) in the exercise of functions under section 43(3).
- (4) The Authority may nevertheless, when exercising any function under section 43(3), have regard to any matter in respect of which a duty is imposed by sections 3A to 3C (“a general matter”), if it is a matter to which the Director General of Fair Trading could have regard when exercising that function (but that is not to be taken as implying that, in relation to functions mentioned in subsection (2), regard may not be had to any general matter).
- (5) The duties imposed by sections 3A to 3C do not affect the obligation of the Authority or the Secretary of State to perform or comply with any other duty or requirement (whether arising under this Act or another enactment, by virtue of any Community obligation or otherwise).”