

**2001 No. 3266 (C. 106)**

**ELECTRICITY**

**GAS**

**The Utilities Act 2000 (Commencement No. 6 and  
Transitional Provisions ) Order 2001**

*Made - - - - - 28th September 2001*

The Secretary of State, in exercise of the powers conferred on her by section 110(2) and (3) of the Utilities Act 2000(a), hereby makes the following Order:—

**Citation and interpretation**

**1.**—(1) This order may be cited as the Utilities Act 2000 (Commencement No. 6 and Transitional Provisions) Order 2001.

(2) In this Order (save where the context otherwise requires)—

“the appointed day” means 1st October 2001;

“the Act” means the Utilities Act 2000;

“distribution successor” means, in relation to a public electricity supplier, the person who becomes an electricity distributor by virtue of a scheme made in relation to that public electricity supplier under Part II of Schedule 7;

“the Electricity Act” means the Electricity Act 1989(b);

“the Gas Act” means the Gas Act 1986(c); and

“supply successor” means, in relation to a public electricity supplier, the person who becomes an electricity supplier by virtue of a scheme made in relation to that public electricity supplier under Part II of Schedule 7.

(3) In this Order (save where the context otherwise requires) references to sections and Schedules are references to sections of and Schedules to the Act.

**Provisions of the Act commenced by this Order**

**2.** Subject to articles 3 to 20, on the appointed day the provisions of the Act listed in the first column of the Schedule to this Order shall come into force for the purposes set out in the second column.

**Transitional provisions**

**3.**—(1) This article applies where—

(a) before the appointed day an application has been made under section 6(3)(d) of the Electricity Act for the grant or extension of a licence; and

---

(a) 2000 c. 27.

(b) 1989 c. 29.

(c) 1986 c. 44.

(d) With effect from the appointed day section 6 of the Electricity Act is substituted by section 30 which introduces a new section 6 and sections 6A and 6B of the Electricity Act.

(b) the application has not been determined before the appointed day  
and in this article such an application shall be referred to as a “continuing application”.

(2) Subject to the following provisions of this article, a continuing application shall have effect on and after the appointed day as if it were an application made to the Authority for, as the case may be,—

- (a) a generation licence to be granted under section 6(1)(a) of the Electricity Act;
  - (b) a transmission licence to be granted under section 6(1)(b) of the Electricity Act;
  - (c) a supply licence to be granted under section 6(1)(d) of the Electricity Act; or
  - (d) an extension of a supply licence to be granted under section 6(4) of the Electricity Act
- and in each of sub-paragraphs (a) to (d) above the reference to section 6 of the Electricity Act shall be a reference to that section as substituted by section 30.

(3) On and after the appointed day sections 6 (as substituted by section 30) and 7(a) (as amended by section 32) of the Electricity Act shall apply to any licence granted or extended in pursuance of a continuing application.

(4) Subject to paragraph (5) below, on and after the appointed day sections 6A and 6B of the Electricity Act (as substituted by section 30) shall apply to any continuing application.

(5) On and after the appointed day section 6(3), (4) and (5) of the Electricity Act shall apply to a continuing application as if, notwithstanding the commencement by this Order of any provision of the Act, they had not been replaced.

4.—(1) This article applies where—

- (a) before the appointed day a public electricity supplier receives a notice pursuant to section 16(2)(b) of the Electricity Act (referred to in this article as a “section 16(2) notice”);
- (b) the public electricity supplier has not by the appointed day begun to give a supply of electricity as required by the section 16(2) notice; and
- (c) none of the exemptions in section 17 of the Electricity Act apply.

(2) Subject to the following provisions of this article, the section 16(2) notice shall have effect on and after the appointed day as if it were a request for a supply of electricity made to the supply successor and, where there is no connection in place between the premises to which the notice relates and the distribution system of the distribution successor, a request for such a connection made pursuant to section 16 of the Electricity Act (as substituted by section 44) to the distribution successor.

(3) Where the section 16(2) notice is treated as a request for a supply made to the supply successor, the supply successor shall give to the person requiring the supply of electricity a notice which shall state—

- (a) the extent to which the person’s proposals are acceptable to the supply successor; and
- (b) details as to the price and terms upon which the supply successor is prepared to give a supply of electricity;

in so far as that information has not already been given to the person by the public electricity supplier before the appointed day.

(4) Any connection made by a distribution successor on or after the appointed day as a result of a section 16(2) notice given to a public electricity supplier shall be a connection made in pursuance of section 16(1) of the Electricity Act (as substituted by section 44).

5.—(1) This article applies where—

- (a) before the appointed day a public electricity supplier and a person who has requested the said supplier to provide a connection to any premises have agreed to enter into an agreement as mentioned in section 22(1)(c) of the Electricity Act; and
- (b) the parties have not by the appointed day entered into an agreement.

---

(a) With effect from the appointed day section 7 of the Electricity Act is substituted by section 32.

(b) With effect from the appointed day sections 16 and 17 of the Electricity Act are substituted by section 44 which also inserts 16A into that Act.

(c) With effect from the appointed day section 22 of the Electricity Act is substituted by section 49.

(2) On and after the appointed day the distribution successor and the person requesting the connection shall be deemed to have agreed to enter into a special connection agreement as mentioned in section 22(1) of the Electricity Act (as substituted by section 49).

(3) Any connection made by a distribution successor as a result of the application of paragraph (2) shall be a connection made in pursuance of section 22 of the Electricity Act (as substituted by section 49).

6.—(1) This article applies where—

- (a) before the appointed day a dispute has arisen under sections 16 to 22(a) of the Electricity Act between a public electricity supplier and a person requiring a supply of electricity (referred to in this article as “the customer”);
- (b) the dispute relates to a connection between premises and the distribution system of the public electricity supplier (referred to in this article as “the connection”); and
- (c) that dispute has not been referred to the Authority as provided for in section 23(1)(a)(b) of the Electricity Act or has been so referred but has not been determined and in this article such a dispute shall be referred to as a “continuing dispute”.

(2) On and after the appointed day a continuing dispute shall have effect, in so far as it relates to the connection, as a dispute between the customer and the distribution successor.

(3) On and after the appointed day section 23 of the Electricity Act (as amended by paragraphs 24 and 26 of Schedule 6) shall apply to a continuing dispute, save that for “21” in each place that it occurs there is substituted “22”.

7.—(1) This article applies where—

- (a) before the appointed day a public electricity supplier has failed to meet any standard prescribed in regulations made pursuant to section 39(1)(c) of the Electricity Act; and
- (b) such compensation as he may be required to make has not been paid as provided for in section 39(3) of the Electricity Act.

(2) On and after the appointed day—

- (a) the failure of a public electricity supplier to meet any standard relating to supply activities shall be regarded as a failure of the supply successor and the obligation to make compensation in such a case shall be regarded as an obligation of the supply successor; and
- (b) the failure of a public electricity supplier to meet any standard relating to distribution activities shall be regarded as a failure of the distribution successor and the obligation to make compensation in such a case shall be regarded as an obligation of the distribution successor.

(3) Subject to the provisions of paragraph (2), on and after the appointed day section 39 of the Electricity Act shall apply to the obligation to make compensation, and any dispute in respect thereof as if, notwithstanding the commencement by this Order of any provision of the Act, it had not been amended by the Act.

8.—(1) This article applies where before the appointed day a public electricity supplier has failed to meet any standard of overall performance determined by the Authority pursuant to section 40(1)(d) of the Electricity Act.

(2) On and after the appointed day—

- (a) the failure of any public electricity supplier to meet any standard of overall performance relating to supply activities shall be regarded as a failure of the supply successor; and

---

(a) With effect from the appointed day sections 16 to 22 of the Electricity Act are amended by sections 44 to 49.

(b) Section 23 of the Electricity Act was amended by the Competition and Service (Utilities) Act 1992 (c. 43), section 25, Schedule 1, paragraph 11 and Schedule 2. With effect from the appointed day the said section 23 is amended by Schedule 6, paragraphs 24 and 26.

(c) Section 39 of the Electricity Act was amended by the Competition and Service (Utilities) Act 1992, section 20(1), Schedule 1, paragraph 14 and Schedule 2. With effect from the appointed day the said section 39 is amended by section 54(1), Schedule 6, paragraphs 24 and 32 and Schedule 8.

(d) Section 40 of the Electricity Act was amended by the Competition and Service (Utilities) Act 1992, sections 20(2) and 24 and Schedule 2. With effect from the appointed day the said section is amended by Schedule 6, paragraphs 24 and 33 and Schedule 8.

- (b) the failure of any public electricity supplier to meet any standard of overall performance relating to distribution activities shall be regarded as a failure of the distribution successor.

**9.**—(1) Subject to paragraphs (2) and (3), on and after the appointed day section 42A(a) of the Electricity Act shall continue to apply in respect of any standards of overall performance determined by the Authority pursuant to section 40(1) of the Electricity Act before the appointed day as if, notwithstanding the commencement by this Order of any provision of the Act, it had not been replaced.

(2) Where any overall standards of performance referred to in paragraph (1) relate to supply activities, for “public electricity supplier” in section 42A(1) there shall be substituted “electricity supplier”, and for “his” there shall be substituted “the public electricity supplier’s former”, and after “performance” in each place where it occurs there shall be inserted “relating to supply activities”.

(3) Where any overall standards of performance referred to in paragraph (1) relate to distribution activities, for “public electricity supplier” there shall be substituted “electricity distributor”, for “his” there shall be substituted “the public electricity supplier’s former”, and after “performance” in each place where it occurs there shall be inserted “relating to distribution activities”.

**10.**—(1) Paragraphs (2) and (3) of this article apply where, before the appointed day, a public electricity supplier has not completed the exercise of his right under paragraph 1(1) of Schedule 6(b) to the Electricity Act to recover from a tariff customer any charges (other than those referred to in section 19(4)(c) of the Electricity Act) due to him in respect of the supply of electricity or the provision of any electricity meter, electric line or electrical plant.

(2) On and after the appointed day any charges due to the public electricity supplier in respect of the matters referred to in paragraph (1) shall be regarded—

- (a) as being due to the supply successor; and
- (b) as being charges to which paragraph 2 of Schedule 6 to the Electricity Act (as substituted by section 51 and Schedule 4) applies.

(3) In the circumstances to which paragraph (2) above applies, the “requisite period” referred to in paragraph 2(3) of Schedule 6 to the Electricity Act (as substituted by section 51 and Schedule 4) shall mean the period of 28 days after the making by the public electricity supplier of a demand in writing for the payment of the charges due, or, where such a demand has not been made, the period of 28 days after the making of such a demand by his supply successor.

(4) Paragraph (5) of this article applies where, before the appointed day, a public electricity supplier has not completed the exercise of his right under paragraph 1(1) of Schedule 6 to the Electricity Act to recover from a tariff customer any charges of the type referred to in section 19(4) of the Electricity Act (prior to its amendment by section 46(1) and (5)) in respect of the provision of any electric line or electrical plant.

(5) On and after the appointed day any charges due to the public electricity supplier in respect of the matters referred to in paragraph (4) shall be regarded as being due to the distribution successor.

**11.**—(1) This article applies where—

- (a) before the appointed day a dispute has arisen under paragraph 1 of Schedule 7(d) to the Electricity Act between a public electricity supplier and a customer; and

---

(a) Section 42A of the Electricity Act was inserted into that Act by the Competition and Service (Utilities) Act 1992, section 21. With effect from the appointed day the said section is substituted by section 58.

(b) With effect from the appointed day Schedule 6 to the Electricity Act is substituted by section 51 and Schedule 4.

(c) With effect from the appointed day section 19(4) of the Electricity Act is amended by section 46(1) and (5).

(d) Schedule 7 to the Electricity Act was amended by the Competition and Service (Utilities) Act 1992, Schedule 1, paragraph 16. With effect from the appointed day Schedule 7 is amended by Schedule 5.

(b) that dispute has not been referred to the Authority as provided for in section 23(1) of the Electricity Act or has been so referred but has not been determined and in this article such a dispute shall be referred to as a “continuing dispute”.

(2) On and after the appointed day a continuing dispute shall have effect as a dispute between the supply successor and the customer.

(3) On and after the appointed day section 23 of the Electricity Act (as amended by paragraphs 24 and 26 of Schedule 6) shall apply to a continuing dispute.

**12.—**(1) The substitution of paragraph 12(2) of Schedule 7 to the Electricity Act by section 52 and paragraph 8 of Schedule 5 shall not prevent a pre-payment meter from being used as provided for in the said paragraph 12(2) before its substitution in pursuance of an agreement made between an electricity supplier and a customer of its before the appointed day for the recovery of any sum owing before that day.

(2) For the purposes of this article, “electricity supplier” has the same meaning as it has in Schedule 7 to the Electricity Act before the appointed day.

**13.—**(1) This article applies where, before the appointed day, the Authority has given notice under section 26(1) of the Electricity Act of its intention to make a final order or to confirm a provisional order against a public electricity supplier but the Authority has not before the appointed day made or confirmed such an order.

(2) On and after the appointed day the Authority may exercise its powers under section 25(a) of the Electricity Act to make a final order or confirm a provisional order in respect of the supply successor (where the relevant condition or requirement set out in the notice given under section 26(1) of the Electricity Act relates to supply activities) or the distribution successor (where the relevant condition or requirement so set out relates to distribution activities) as if, notwithstanding the commencement by this Order of any provisions of the Act, the said section 25 had not been amended.

**14.—**(1) This article applies where, before the appointed day, the Authority has served a notice under section 28(2)(b) of the Electricity Act on a public electricity supplier and the public electricity supplier has not satisfied the requirements set out in the notice.

(2) On and after the appointed day the person on whom the notice is to be regarded as served shall be the supply successor (where the documents or information specified or described relate to supply) or the distribution successor (where the documents or information specified or described relate to distribution) or both the supply successor and distribution successor where the documents or information relate to both distribution and supply.

(3) On and after the appointed day section 28 of the Electricity Act shall apply to a notice as if, notwithstanding the commencement by this Order of any provisions of the Act, it had not been amended.

**15.** The requirement in section 42C(2)(c) of the Electricity Act for a company to make a statement to the Authority shall apply in respect of the first complete financial year of the company which commences on or after the appointed day and each subsequent financial year of the company after the appointed day.

**16.—**(1) This article applies where—

- (a) before the appointed day a direction has been given under the Electricity Act to a public electricity supplier; and
- (b) that direction is still in effect on the appointed day.

(2) On and after the appointed day the direction shall have effect as a direction given to the supply successor where it relates to supply activities, a direction given to the distribution successor where it relates to distribution activities or a direction given to both the supply successor and the distribution successor where it relates to both supply and distribution activities.

---

(a) Section 25 of the Electricity Act was amended by the Competition and Service (Utilities) Act 1992, Schedule 1, paragraph 12 and the Competition Act 1998 (c. 41), Schedule 10, paragraph 12(5) and Schedule 14. With effect from the appointed day the said section is amended by section 60(1) to (5) and Schedule 6, paragraphs 24, 27 and 28.

(b) Section 28 of the Electricity Act was amended by the Competition and Service (Utilities) Act 1992, Schedule 1, paragraph 13. With effect from the appointed day the said section is amended by Schedule 6, paragraphs 24 and 29.

(c) With effect from the appointed day section 42C of the Electricity Act is inserted by section 61.

**17.—(1)** The article applies where—

(a) before the appointed day an application has been made under section 7B(1)(a) of the Gas Act for a licence or the extension or restriction of a licence; and

(b) the application has not been determined before the appointed day

and in this article such an application shall be referred to as a “continuing application”.

(2) On and after the appointed day section 7B of the Gas Act (as amended by section 74 and Schedule 6, paragraphs 1, 2, 5 and 6 and Schedule 8) shall apply to any continuing application as if, notwithstanding the commencement of section 74(2) of the Act, section 7B(2A) of the Gas Act had not been inserted.

**18.—(1)** This article applies where—

(a) before the appointed day a request has been made to the Authority for its consent under section 8AA(2) and (3)(b) of the Gas Act to the assignment of a licence; and

(b) the Authority has not given its consent before the appointed day.

(2) On and after the appointed day section 8AA of the Gas Act shall apply to a request and any consent given as if, notwithstanding the commencement by this Order of any provisions of the Act, it had not been replaced.

**19.** The insertion by section 84 of paragraph 6A of Schedule 2B(c) to the Gas Act shall not prevent a pre-payment meter from being used to recover any charges owing before the appointed day to a gas supplier from a consumer in respect of the supply of gas to any premises previously owned or occupied by the consumer in pursuance of an agreement made between the consumer and a gas supplier before the appointed day.

**20.** The requirement in section 33F(2)(d) of the Gas Act for a company to make a statement to the Authority shall apply in respect of the first complete financial year of the company which commences on or after the appointed day and each subsequent financial year of the company after the appointed day.

*Brian Wilson*

Minister of State for Industry and Energy  
Department of Trade and Industry

28th September 2001

---

(a) Section 7B was inserted into the Gas Act by the Gas Act 1995 (c. 45), section 7. With effect from the appointed day it is amended by section 74, Schedule 6, paragraphs 1, 2, 5 and 6 and Schedule 8.

(b) Section 8AA of the Gas Act was inserted into the Gas Act by the Gas Act 1995, Schedule 3, paragraph 1. With effect from the appointed day it is amended by section 74.

(c) Schedule 2B of the Gas Act was inserted by the Gas Act 1995, section 9(2) and Schedule 2.

(d) With effect from the appointed day section 33F is inserted into the Gas Act by section 97.

# SCHEDULE

Article 2

## PROVISIONS OF THE UTILITIES ACT 2000 COMING INTO FORCE ON 1ST OCTOBER 2001

<i>Provisions of the Act</i>	<i>Purpose</i>
Section 1(3) (abolition of the offices of Directors General of Gas and Electricity Supply)	For all purposes
Section 5(10) (annual and other reports of the Directors General)	For all remaining purposes
Section 20(5) and (6) (provision of information by the Council to consumers in relation to standards of performance)	For all remaining purposes
Section 28(1), (2), (3)(b) (prohibition on unlicensed distribution of electricity)	For all purposes
Section 28(3)(a) (the definition of “distribute”)	For all remaining purposes
Section 29 (exemptions from electricity licensing)	For all purposes
Section 30 (licences authorising supply etc. of electricity)	For all remaining purposes
Section 31 (enactments referring to public electricity suppliers)	For all purposes
Section 32(1) and (3) to (8) (electricity licence conditions)	For all remaining purposes
Section 33(3) (standard conditions of electricity licences)	For all purposes
Section 34 (modification of conditions of particular electricity licences)	For all purposes
Section 35 (modification of standard conditions of electricity licences)	For all remaining purposes
Section 36 (electricity licence modification references)	For all purposes
Section 37 (reports on modification references)	For all purposes
Section 38 (modification following report)	For all purposes
Section 39 (Competition Commission’s power to veto modifications)	For all purposes
Section 40 (modification by order under other enactments)	For all purposes
Section 41 (transfer of electricity licences)	For all purposes
Section 42 (reasons for decisions under the Electricity Act)	For all purposes
Section 43 (altering activities requiring an electricity licence)	For all purposes
Section 44 (duty to connect on request)	For all purposes
Section 45 (abolition of tariffs)	For all purposes
Section 46(1) and (3) to (5) (power to recover expenditure)	For all remaining purposes
Section 46(2) (power to recover expenditure)	For all purposes
Section 47 (power to require security)	For all purposes
Section 48 (additional terms of connection)	For all purposes
Section 49 (special agreements with respect to connection)	For all purposes
Section 50 (general duties of electricity distributors)	For all purposes
Section 51(1) (the Electricity Code)	For all purposes
Section 51(2) (the Electricity Code: the substitution of Schedule 6 to the Electricity Act)	For all remaining purposes
Section 52 (amendment to Schedule 7 to the Electricity Act)	For all remaining purposes
Section 53 (powers of electricity licence holders)	For all purposes
Section 54(1) (standards of performance in individual cases)	For all purposes
Section 54(2) (standards of performance in individual cases: electricity distributors)	For all remaining purposes
Section 55 (overall standards of performance: electricity distributors)	For all remaining purposes
Section 56 (standards of performance: procedures)	For all remaining purposes
Section 57 (information with respect to levels of performance)	For all purposes
Section 58 (information to be given to customers)	For all remaining purposes
Section 59(1) (financial penalties)	For all remaining purposes
Section 59(2) and (3) (financial penalties)	For all purposes
Section 60 (licence enforcement)	For all purposes
Section 61 (links between directors’ remuneration and electricity service standards)	For all purposes
Section 62 (obligation in connection with electricity from renewable sources)	For all remaining purposes

<i>Provisions of the Act</i>	<i>Purpose</i>
Section 63 (orders under section 32: supplementary)	For all purposes
Section 64 (green certificates)	For all purposes
Section 65 (alternative way of discharging renewables obligation: payments)	For all purposes
Section 69 (help for disadvantaged groups of electricity customers)	For all purposes
Section 70 (energy efficiency requirements for electricity distributors and suppliers)	For all purposes
Section 71 (general duties of transmission licence holders in Scotland)	For all purposes
Section 72 (uniform prices etc. in certain areas of Scotland)	For all purposes
Section 73 (maximum prices for reselling electricity)	For all purposes
Section 74(1) and (4) to (7) (gas licence conditions)	For all remaining purposes
Section 74(2) (gas licence conditions: application for a licence)	For all purposes
Section 76 (gas transporters)	For all purposes
Section 77 (restriction on use of certain pipe-lines for providing a supply of gas)	For all purposes
Section 78 (construction of pipe-lines by gas transporters)	For all purposes
Section 79 (duty to facilitate competition)	For all purposes
Section 80 (gas transporters' duty to make a connection)	For all purposes
Section 81(3) (standard conditions of gas licences)	For all purposes
Section 82(1)–(3) (modification of standard conditions of gas licences)	For all purposes
Section 82(4) (modification of standard conditions of gas licences)	For all remaining purposes
Section 83 (modification following Competition Commission report)	For all purposes
Section 84 (the Gas Code)	For all purposes
Section 85 (transfer of gas licences)	For all purposes
Section 86 (exemptions from gas licensing)	For all purposes
Section 87 (reasons for decisions under the Gas Act)	For all purposes
Section 88 (altering activities requiring a gas licence)	For all purposes
Section 89 (repeal of section 10(2) to (5) of the Gas Act 1995)	For all purposes
Section 90(1) (standards of performance in individual cases)	For all purposes
Section 90(2) (standards of performance in individual cases: gas transporters and disputes)	For all remaining purposes
Section 91 (overall standards of performance: gas transporters)	For all remaining purposes
Section 92 (procedures for prescribing or determining standards of performance)	For all remaining purposes
Section 93 (information with respect to levels of performance)	For all purposes
Section 94 (information to be given to customers about overall performance)	For all remaining purposes
Section 95(1) (financial penalties)	For all remaining purposes
Section 95(2) to (5) (financial penalties)	For all purposes
Section 96 (licence enforcement)	For all purposes
Section 97 (links between directors' remuneration and gas service standards)	For all purposes
Section 98 (help for disadvantaged groups of gas customers)	For all purposes
Section 99 (energy efficiency requirements for gas transporters and suppliers)	For all purposes
Section 101 (standards of gas quality)	For all purposes
Section 102 (maximum prices for reselling gas)	For all purposes
Section 103 (overall energy efficiency targets)	For all purposes
Section 108 (amendments, transitional provisions and repeals)	For all remaining purposes
Schedule 4 (Schedule to be substituted for Schedule 6 to the 1989 Act)	For all remaining purposes
In Schedule 5 (electricity metering)—	
paragraphs 1, 3(1) and (2) and 4	For all remaining purposes
paragraphs 2, 3(3) to (5) and 5 to 8	For all purposes
In Schedule 6 (minor and consequential amendments)—	
paragraphs 1, 2(1), 8(1), 13, 19(a), 24, 28, 32, 33 and 38(2)	For all remaining purposes
paragraphs 2(2), 3, 4, 6, 7, 8(2) and (4), 9, 10, 12(a) to (e), 14, 16, 18, 19(b) to (d), 20, 21, 23, 26, 30, 31, 34, 36, 37, 38(1) and (3) to	For all purposes



<i>Provisions of the Act</i>	<i>Purpose</i>
(8), 39, 41, 46 and 47	
In Schedule 7 (transitional provisions and savings)— paragraph 29	For all purposes
In Schedule 8 (repeals) the entries relating to the—	
House of Commons Disqualification Act 1975(a)	For all remaining purposes
Northern Ireland Assembly Disqualification Act 1975(b)	For all remaining purposes
Gas Act	For all purposes save in respect of the entries relating to sections 5, 7A(12), 8A(1) and 36 and Schedules 2A and 2B
Insolvency Act 1986(c)	For all purposes
Electricity Act	For all remaining purposes
Offshore Safety Act 1992(d)	For all purposes
Competition and Service (Utilities) Act 1992	For all purposes
Environment Act 1995(e)	For all purposes
Gas Act 1995	For all purposes save in respect of the entries relating to section 3(2) and Schedules 1 and 3
Fossil Fuel Levy Act 1998(f)	For all purposes
Competition Act 1998	For all purposes

---

(a) 1975 c. 24.  
 (b) 1975 c. 25.  
 (c) 1986 c. 45.  
 (d) 1992 c. 15.  
 (e) 1995 c. 25.  
 (f) 1998 c. 5.

## EXPLANATORY NOTE

*(This note is not part of the Order)*

This is the sixth Commencement Order made under the Utilities Act 2000 (“the Act”).

Article 2 of the Order brings into force on 1st October 2001 those provisions of the Act listed in the Schedule to the Order for the purposes specified therein. These provisions comprise the bulk of the Act which has not already been commenced in the earlier Commencement Orders and the provisions are commenced either in their entirety or for all remaining purposes.

A principal effect of the Order is the commencement of provisions (a number of which are described below) which make important changes to the regulation of the electricity industry, as provided for in the Electricity Act 1989 (“the Electricity Act”). Section 30 of the Act amends section 6 of the Electricity Act so that the Gas and Electricity Markets Authority (“the Authority”) has the power to grant licences for the generation, transmission, distribution and supply of electricity. Further, the amendment ends the granting of public electricity supply licences and prohibits the same person holding both a distribution licence and a supply licence. Additionally, section 30 introduces new procedures for the application for the grant of a licence.

Section 29 of the Act amends section 5 of the Electricity Act which provides order-making powers for the Secretary of State in respect of exemptions from the requirement to hold a licence to generate, transmit, distribute or supply electricity.

Section 33(3) of the Act inserts section 8A into the Electricity Act. This provides that all licences granted after the commencement date will (subject to certain powers of modification) contain standard licence conditions, determined initially by the Secretary of State under section 33(1) of the Act. Sections 34 and 35 of the Act (the latter section commenced for all remaining purposes) provide powers of modification in relation to individual and standard licence conditions.

Sections 36 to 39 of the Act amend and expand upon the Electricity Act provisions relating to licence modification references to the Competition Commission. Section 39 of the Act introduces a new section 14A of the Electricity Act which provides a power for the Competition Commission to veto licence modifications which the Authority proposes to make after a Competition Commission report on a modification reference.

Section 41 of the Act introduces section 7A of the Electricity Act which permits the transfer of licences.

Section 42 inserts section 49A of the Electricity Act which requires the Authority or Secretary of State to give reasons for certain decisions.

Section 43 of the Act inserts sections 56A to F into the Electricity Act which provide a power for the Secretary of State to alter the activities for which a licence is required under the Electricity Act.

Sections 44 to 50 of the Act amend the Electricity Act to impose duties on electricity distributors. Further, section 45 of the Act revokes section 18 of the Electricity Act, thereby abolishing charging by reference to tariffs.

Sections 54 to 58 of the Act amend those provisions of the Electricity Act which deal with standards of performance. In particular, standards of performance are introduced for electricity distributors.

Section 59 of the Act which inserts sections 27A to 27F into the Electricity Act is brought fully into force. These sections provide for the payment of a financial penalty by a licence holder in certain circumstances.

Section 61 of the Act inserts section 42C into the Electricity Act. This requires licence holders whose activities are subject to price regulation to disclose to the Authority arrangements which link directors’ remuneration to electricity service standards set by or under licence conditions, prescribed or determined by the Authority in exercise of its powers in relation to standards of performance or set or agreed to by the licence holder itself.

Sections 62 (for all remaining purposes) and 63 to 65 of the Act are brought into force. These provisions relate to electricity from renewable sources and make amendments to the application and operation of the existing obligations on public electricity suppliers in relation to electricity from such sources.

Section 69 of the Act inserts section 43A and 43B into the Electricity Act. This provides an order-making power for the Secretary of State in relation to the adjustment of charges to help disadvantaged groups of electricity customers.

The Order also commences a number of provisions which make changes to the regulation of the gas industry, as provided for in the Gas Act 1986 (“the Gas Act”). Although, these changes are not so numerous as those affecting the Electricity Act, a number mirror those provisions referred to above.

Section 76 of the Act is commenced. This provides that the authorised areas of public gas transporters shall no longer be exclusive and the term “public gas transporter” is replaced by “gas transporter”. Sections 77 and 78 of the Act deal further with the removal of exclusivity, whilst section 79 of the Act deals with the duty of gas transporters to facilitate competition and section 80 with the duty to make a connection.

Sections 82 and 83 of the Act amend those provisions of the Gas Act which deal with the modification of the conditions of gas licences.

Section 85 of the Act amends those provisions of the Gas Act which deal with the transfer of licences by the substitution of a new section 8AA of the Gas Act. The provisions relating to exemptions from the requirement to hold a gas licence are also amended by section 86 of the Act.

Section 88 of the Act inserts into the Gas Act sections 41C to H which provide a power for the Secretary of State to alter the activities for which a licence is required under the Gas Act.

Sections 89 to 94 of the Act amend those provisions of the Gas Act dealing with standards of performance.

Section 95 of the Act is brought fully into force. Amongst other matters, it inserts sections 30A to 30F, dealing with payment of a financial penalty in certain circumstances, into the Gas Act.

Section 97 of the Act inserts section 33F, dealing with the disclosure of links between directors’ remuneration and gas service standards, into the Gas Act. The provisions closely follow those which section 61 of the Act inserts into the Electricity Act.

Section 98 of the Act inserts sections 41A and 41B into the Gas Act. These provide for an order-making power, mirroring that which 69 inserts into the Electricity Act.

Section 101 of the Act inserts a new section 16 into the Gas Act. This enables the Authority to prescribe standards of gas quality.

Further, certain minor, consequential and transitional provisions are commenced by article 2. These provide for minor amendments of both the Electricity and Gas Acts and, in certain instances, other legislation referring to these Acts. They also provide for repeal of provisions where appropriate.

The transitional provisions in articles 3 to 20 deal with circumstances where arrangements need to be made to address matters which are on-going at the time of commencement. They also deal with on-going agreements for the recovery of outstanding debts for electricity and gas charges through the use of pre-payment meters and establish the first financial year for which licence holders must submit a report in relation to links between directors’ remuneration and service standards.

## NOTE AS TO EARLIER COMMENCEMENT ORDERS

*(This note is not part of the Order)*

The following provisions of the Utilities Act 2000 have been brought into force by commencement orders made before the date of this Order—

<i>Provision</i>	<i>Date of Commencement</i>	<i>S.I. No</i>
Section 1(1), (2) and (4)	1.11.2000	2000/2917
Section 2—		
sub-sections (1), (2) and (4)	1.11.2000	2000/2917
sub-section (3)	7.11.2000	2000/2974
Section 3—		
sub-sections (1) and (2)	20.12.2000	2000/3343
sub-sections (3) to (5) and (8)	1.11.2000	2000/2917
sub-sections (6) and (7)	7.11.2000	2000/2974
Section 4—		
(partially)	7.11.2000	2000/2974
(for all remaining purposes)	20.12.2000	2000/3343
Section 5—		
sub-sections (1) to (9)	20.12.2000	2000/3343
sub-section (10) (partially)	20.12.2000	2000/3343
Sections 6 to 16	20.12.2000	2000/3343
Section 17	7.11.2000	2000/2974
Section 18—		
sub-sections (1) to (4) and (7)	7.11.2000	2000/2974
sub-sections (5) and (6)	20.12.2000	2000/3343
Section 19		
sub-sections (1) to (3), (4)(a), (5) and (6)	7.11.2000	2000/2974
sub-section (4)(b)	20.12.2000	2000/3343
Section 20—		
sub-sections (1) to (4)	7.11.2000	2000/2974
sub-sections (5) and (6) (partially)	7.11.2000	2000/2974
Section 21—		
sub-sections (1) to (3), (4)(a) and (5)	7.11.2000	2000/2974
sub-section (4)(b)	20.12.2000	2000/3343
Sections 22 and 23	7.11.2000	2000/2974
Section 24—		
sub-sections (1) to (3)—		
(partially)	7.11.2000	2000/2974
(for all remaining purposes)	20.12.2000	2000/3343
sub-section (4)	20.12.2000	2000/3343
Sections 25 and 26	20.12.2000	2000/3343
Section 27—		
(partially)	29.9.2000	2000/2412
sub-sections (1) and (3) to (7) (for all remaining purposes)	7.11.2000	2000/2974
sub-section (2) (for all remaining purposes)	20.12.2000	2000/3343
Section 28(3)(a)—		
(partially)	7.11.2000	2000/2974
(partially)	20.12.2000	2000/3343
Section 30 (partially)	16.5.2001	2001/1781
Section 32—		
(partially)	16.5.2001	2001/1781
sub-section (1) (partially)	20.12.2000	2000/3343
sub-section (2)	20.12.2000	2000/3343
Section 33(1) and (2)	16.5.2001	2001/1781
Section 35 (partially)	16.5.2001	2001/1781
Section 46(1) and (3) to (5) (partially)	16.5.2001	2001/1781
Section 51(2) (partially)	20.12.2000	2000/3343
Section 52 (partially)	16.5.2001	2001/1781
Section 54(2) (partially)	16.5.2001	2001/1781

Section 55 and 56 (both partially)	16.5.2001	2001/1781
Section 58 (partially)	16.5.2001	2001/1781
Section 59(1) (partially)	20.12.2000	2000/3343
Section 62 (partially)	16.5.2001	2001/1781
Section 66	21.11.2000	2000/2412
Section 67	29.9.2000	2000/2412
Section 74—		
sub-section (1)		
(partially)	20.12.2000	2000/3343
(partially)	16.5.2001	2001/1781
sub-section (3)	20.12.2000	2000/3343
sub-sections (4) to (7) (partially)	16.5.2001	2001/1781
Section 81(1) and (2)	16.5.2001	2001/1781
Section 82(4) (partially)	16.5.2001	2001/1781
Section 90(2) (partially)	16.5.2001	2001/1781
Sections 91 and 92 (both partially)	16.5.2001	2001/1781
Section 94 (partially)	16.5.2001	2001/1781
Section 95(1) (partially)	20.12.2000	2000/3343
Section 100	20.12.2000	2000/3343
Section 104	16.5.2001	2001/1781
Section 105—		
(except sub-section (8)(b))	7.11.2000	2000/2974
sub-section (8)(b)	20.12.2000	2000/3343
Sections 106 and 107	29.9.2000	2000/2412
Section 108 (partially)	20.12.2000	2000/3343
Section 109	29.9.2000	2000/2412
Schedule 1	1.11.2000	2000/2917
Schedule 2—		
paragraphs 1 to 9 and 15 to 17	1.11.2000	2000/2917
paragraphs 10 to 14	7.11.2000	2000/2974
Schedule 3	1.11.2000	2000/2917
Schedule 4 (partially)	20.12.2000	2000/3343
Schedule 5—		
paragraph 1—		
(partially)	16.5.2001	2001/1781
paragraph 3—		
sub-paragraphs (1) and (2) (partially)	16.5.2001	2001/1781
paragraph 4—		
(partially)	16.5.2001	2001/1781
Schedule 6—		
paragraph 1—		
(partially)	7.11.2000	2000/2974
(partially)	20.12.2000	2000/3343
(partially)	16.5.2001	2001/1781
paragraph 2—		
sub-paragraph (1) (partially)	16.5.2001	2001/1781
paragraph 5	7.11.2000	2000/2974
(partially)	16.5.2001	2001/1781
paragraph 8—		
sub-paragraph (1) (partially)	20.12.2000	2000/3343
sub-paragraph (3)	20.12.2000	2000/3343
paragraph 11	20.12.2000	2000/3343
paragraphs 12(f) and 15	7.11.2000	2000/2974
paragraph 13 (partially)	16.5.2001	2001/1781
paragraph 17	20.12.2000	2000/3343
paragraph 19(a) (partially)	7.11.2000	2000/2974
paragraph 22—		
sub-paragraph (a)	20.12.2000	2000/3343
sub-paragraph (b)	7.11.2000	2000/2974
paragraph 24—		
(partially)	7.11.2000	2000/2974
(partially)	20.12.2000	2000/3343
(partially)	16.5.2001	2001/1781

paragraphs 25 and 27	20.12.2000	2000/3343
paragraph 28 (partially)	7.11.2000	2000/2974
paragraph 29	20.12.2000	2000/3343
paragraphs 32 and 33 (both partially)	16.5.2001	2001/1781
paragraph 35	7.11.2000	2000/2974
paragraph 38(2) (partially)	7.11.2000	2000/2974
paragraph 40—		
sub-paragraph (a)	20.12.2000	2000/3343
sub-paragraph (b)	7.11.2000	2000/2974
paragraphs 42 to 44	1.11.2000	2000/2917
paragraph 45—		
(partially)	1.11.2000	2000/2917
(for all remaining purposes)	7.11.2000	2000/2974
Schedule 7—		
paragraph 1 to 23	16.5.2001	2001/1781
paragraphs 24 and 25	7.11.2000	2000/2974
paragraph 26	1.11.2000	2000/2917
paragraph 27	20.12.2000	2000/3343
paragraphs 28 and 30 to 32	7.11.2000	2000/2974
Schedule 8, the entries relating to—		
Parliamentary Commissioner Act 1967 (c. 13)	7.11.2000	2000/2974
Chronically Sick and Disabled Persons Act 1970 (c. 44)	7.11.2000	2000/2974
House of Commons Disqualification Act 1975 (c. 24)—		
(partially)	7.11.2000	2000/2974
(partially)	16.5.2001	2001/1781
Northern Ireland Assembly Disqualification Act 1975	7.11.2000	2000/2974
(c. 25) (partially)		
Gas Act 1986 (c. 44)—		
(partially)	7.11.2000	2000/2974
section 39 (partially)	20.12.2000	2000/3343
Electricity Act 1989 (c. 29)—		
(partially)	7.11.2000	2000/2974
section 50 (partially)	20.12.2000	2000/3343

---



**2001 No. 3266 (C. 106)**

**ELECTRICITY**

**GAS**

**The Utilities Act 2000 (Commencement No. 6 and  
Transitional Provisions ) Order 2001**

£3.00

© Crown copyright 2001

Printed and published in the UK by The Stationery Office Limited  
under the authority and superintendence of Carol Tullo, Controller of  
Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.  
E1788 12/2001 664714 19585

ISBN 0-11-038913-1



9 780110 389134