

# UTILITIES ACT 2000

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### Part IV: Amendment of the Electricity Act 1989

##### *Sections 44 - 50: Duties of electricity distributors*

79. *Section 44: Duty to connect on request.* This section replaces the existing sections 16 and 17 of the 1989 Act with three new sections. The new section 16 places on electricity distributors a duty to connect. This duty takes the form of an obligation on a distributor to offer terms for the making and maintenance of a connection between his system and premises when required to do so either by the owner or occupier of the premises or by an authorised electricity supplier acting with the owner or occupier's consent. Electricity distributors are also required to offer terms for a connection to another distribution system run by an authorised distributor at the latter's request. The duty includes an obligation to offer terms for the making and maintenance of a connection to generation equipment.
80. The new section 16A establishes the procedural arrangements relating to the duty to connect. These include notification by the distributor to the party wishing to be connected of, among other things, any information he requires in order to be able to offer terms for the connection, his charges and any security he may require in relation to payment. Powers in relation to the setting of charges and the requiring of security are dealt with in sections 46 and 47.
81. The new section 17 establishes the circumstances in which the duty to connect does not arise. This is where:
- the making of a connection is prevented for reasons beyond the distributor's control;
  - the making of a connection would or might breach electricity safety regulations (and the distributor has done all he can reasonably do to ensure that this would not be the case);
  - it would be unreasonable to expect the distributor to make a connection;
  - to do so would require the powers set out in Schedules 3 and 4 of the 1989 Act and the electricity distributor has not been given those powers in his licence.
82. *Section 45: Abolition of tariffs.* This section repeals section 18 of the 1989 Act. Section 18 provides for tariff supply by public electricity suppliers and its repeal means that all supply will be on the basis of a contract between a supplier and a customer.
83. *Section 46: Power to recover expenditure.* This section amends section 19 of the 1989 Act, so that public electricity suppliers' powers to recover expenditure for the provision of plant and line, in order to make a connection, now apply to distributors.
84. *Section 47: Power to require security.* This section amends section 20 of the 1989 Act, so that public electricity suppliers' powers to require security for payment in respect of

*These notes refer to the Utilities Act 2000 (c.27)  
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the provision of plant or line to make a connection apply to distributors. The deletions of subsections (2) and (4) are consequential amendments, since both subsections relate to supply rather than to distribution.

85. *Section 48: Additional terms of connection.* This section amends section 21 of the 1989 Act so that it relates to the provision of a connection by a distributor rather than, as before, to supply by a public electricity supplier. It provides that the distributor may, when offering terms for the making and maintaining of a connection under section 16A, require the person requiring the connection to accept:

- any restrictions made necessary by the Electricity Supply Regulations made under section 29 of the Act;
- any terms which it is reasonable in all the circumstances for that person to be required to accept; and
- any terms relating to economic loss arising from negligence which it is reasonable in all the circumstances for that person to be required to accept.

The second of these provisions is likely to be of particular relevance in the case of large and complex connections where the coverage of the terms offered by the distributor is likely, of necessity, to go substantially wider than the matters dealt with explicitly in section 16A.

86. *Section 49: Special agreements with respect to connection.* This section replaces the existing section 22 of the 1989 Act. It provides that a distributor and a person requiring a connection may enter into a “special connection agreement” under terms agreed between them which might not include those terms which are stipulated for inclusion in any agreement under section 16A of the 1989 Act (as inserted by section 44 of this Act).

87. *Section 50: General duties of electricity distributors.* This section sets down the general duties of licensed electricity distributors in respect of the development of their systems and the use of them to facilitate competition in supply and generation (including embedded generation). These duties are the same as those which already apply to holders of electricity transmission licences. The existing reference to the general duties of public electricity suppliers is repealed.