
EXPLANATORY NOTE

(This note is not part of the Order)

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

Article 2 of the Order brings into force on 16th May 2001 those provisions of the Act listed in the Schedule to the Order for the purposes specified therein. These are principally enabling provisions to facilitate certain actions which need to be taken by the Secretary of State or the Gas and Electricity Markets Authority (“the Authority”) prior to the commencement of other provisions of the Act which make changes to the licensing regimes for gas and electricity.

Article 2 commences for certain purposes sections 30 and 74(1) and (7) of the Act enabling the Authority to make regulations prescribing the procedures relating to and content of licence applications in respect of (in the case of section 30) electricity and (in the case of section 74(1) and (7)) gas. Sections 32, 33(1) and (2), 74(3) to (6) and 81(1) and (2) which are also commenced (in some cases for certain purposes only) enable the Secretary of State to determine standard licence conditions which will be included in future electricity and gas licences (including those which will result from licensing schemes made under Schedule 7 to the Act). Article 2 also commences sections 35 (in relation to electricity) and 82(4) (in relation to gas) so as to enable the Secretary of State to exercise his order making powers to prescribe certain thresholds and weighting provisions in respect of the modification of standard conditions of licences. Section 46 enables the Secretary of State to consult and make regulations relating to aspects of connection expenses, whilst section 52 and Schedule 5, paragraphs 1, 3(1) and (2) and 4 permit the making of certain regulations relating to electricity metering. Article 2 also commences sections 54(2), 55, 56 and 58 of the Act and certain provisions of Schedule 6, enabling requirements in respect of standards of performance (both individual and overall) in relation to electricity to be in place at the same time as provisions making the principal changes to the electricity licensing regime take effect. Sections 90(2), 91, 92 and 94 which achieve the same in the case of gas licensing are also commenced by article 2. Section 62 is also commenced by article 2 for the purpose of enabling consultation by the Secretary of State in relation to the new renewables obligation.

Further, certain minor, consequential and transitional provisions (including paragraphs 1 to 23 of Schedule 7 which provide for the making of transfer, licensing and former tariff customer schemes) and repeals are commenced by article 2.

The transitional provisions in articles 3 to 10 make it clear that the commencement for certain purposes of the provisions referred to in those articles is without prejudice to the continuation in force of those existing provisions of the Electricity Act 1989 and Gas Act 1986 referred to in those articles.