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SCHEDULES

SCHEDULE 7

TRANSITIONAL PROVISIONS AND SAVINGS

PART II

SECRETARY OF STATE'S LICENSING SCHEMES

Existing electricity supply licences

- 13 (1) This paragraph applies to any holder of an existing supply licence under section 6(1)(c) or (2) of the 1989 Act (“the supplier”) who has made a transfer scheme under paragraph 2.
- (2) As soon as practicable after the date specified in the Secretary of State’s direction under paragraph 2(1) and in any event before the day on which section 6(2) of the 1989 Act (as substituted by section 30) comes into force, the Secretary of State shall make a scheme providing—
- (a) for the supplier’s existing supply licence to have effect as mentioned in paragraph 1(2); and
 - (b) if the supplier has nominated an associate or associates for either or both of the purposes of paragraph 1(6), for either or both of his existing generation and transmission licences to have effect as mentioned in paragraph 1(5).
- (3) In making a scheme under this paragraph, the Secretary of State shall have regard to the provisions of the supplier’s transfer scheme.
- (4) A scheme under this paragraph shall have no effect in relation to an existing supply licence if the supplier’s transfer scheme does not take effect.
- (5) In this paragraph “existing”, in relation to a licence, means in force immediately before the passing of this Act.
- 14 (1) The Secretary of State shall as soon as practicable after the passing of this Act make a scheme under this paragraph in relation to existing licences under section 6(1)(c) of the 1989 Act which—
- (a) are held by a person whose activities include both of those mentioned in paragraph 1(1); and
 - (b) are not the subject of a scheme under paragraph 13.
- (2) A scheme under this paragraph shall provide for each licence to which it relates to have effect on and after such date as the scheme may specify as if it were—
- (a) a distribution licence and a supply licence, each granted to the holder of the existing licence;
 - (b) a distribution licence; or
 - (c) a supply licence.

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- (3) In this paragraph “existing”, in relation to a licence, means in force immediately before the date mentioned in sub-paragraph (1).
- 15 (1) The Secretary of State shall as soon as practicable after the passing of this Act make a scheme, in relation to existing licences under section 6(1)(c) of the 1989 Act other than licences which—
- (a) are the subject of a scheme under paragraph 13; or
 - (b) fall within paragraph 14(1),
- providing for each such licence to have effect on and after such date as the scheme may specify as if it were a supply licence.
- (2) In this paragraph “existing”, in relation to a licence, means in force immediately before the date mentioned in sub-paragraph (1).
- 16 (1) The Secretary of State shall as soon as practicable after the passing of this Act make a scheme, in relation to existing licences under section 6(2) of the 1989 Act, providing for each such licence to have effect on and after such date as the scheme may specify as if it were—
- (a) a supply licence; or
 - (b) an exemption from section 4(1)(c) of the 1989 Act granted under section 5 of that Act (exemptions from prohibition).
- (2) In this paragraph “existing”, in relation to a licence, means in force immediately before the date mentioned in sub-paragraph (1).
- 17 (1) Subject to sub-paragraph (2), a scheme under paragraph 13, 14, 15 or 16 shall secure that each condition which by virtue of section 33(1) is a standard condition for the purposes of licences of the appropriate type is incorporated in any licence to be treated by virtue of the scheme as a supply licence or a distribution licence and, where the scheme makes the provision mentioned in paragraph 13(2)(b), in any licence to be treated as a generation licence or as a transmission licence.
- (2) Such a scheme may provide that each licence, and in the case of a scheme under paragraph 16 each exemption, which is to be treated as granted by virtue of the scheme (including both the terms and conditions of the licence or exemption which are derived from the existing licence and, in the case of a licence, the standard conditions which would otherwise be incorporated by virtue of sub-paragraph (1)) shall have effect with—
- (a) such incidental, consequential and supplementary amendments as appear to the Secretary of State to be necessary or expedient;
 - (b) such amendments relating to the revocation of the licence or exemption as the Secretary of State thinks fit; and
 - (c) such other amendments (if any) as may be agreed between the Secretary of State and the holder of the existing licence from which the licence or exemption is derived.
- (3) Such a scheme may—
- (a) make such transitional provision as appears to the Secretary of State to be necessary or expedient; and
 - (b) make different provision for different cases or classes of cases determined by, or in accordance with, the provisions of the scheme.
- (4) As soon as practicable after making such a scheme the Secretary of State shall publish, as respects each different case or class of case—

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- (a) the text of each licence which is to be treated as a licence granted by virtue of the scheme; and
 - (b) in the case of a scheme under paragraph 16, the text of any exemption which is to be treated as granted by virtue of the scheme.
- (5) Any text so published shall be treated as authoritative unless the contrary is shown.

Existing generation and transmission licences

- 18 (1) The Secretary of State may, before the day on which section 30 comes into force, make one or more schemes for securing (subject to sub-paragraph (2)) that, on and after that day, the standard conditions which by virtue of section 33(1) are standard conditions for the purposes of licences of the appropriate type are incorporated in each generation licence and each transmission licence which is in force immediately before that day.
- (2) A scheme under this paragraph may provide that the terms and conditions of any existing licence to which it relates (including the standard conditions which would otherwise be incorporated by virtue of sub-paragraph (1)) shall have effect with—
- (a) such incidental, consequential and supplementary amendments as appear to the Secretary of State to be necessary or expedient;
 - (b) such amendments relating to the revocation of the licence as the Secretary of State thinks fit; and
 - (c) such other amendments (if any) as may be agreed between the Secretary of State and the holder of the licence.
- (3) A scheme under this paragraph may—
- (a) make such transitional provision as appears to the Secretary of State to be necessary or expedient; and
 - (b) make different provision for different cases or classes of cases determined by, or in accordance with, the provisions of the scheme.
- (4) As soon as practicable after making such a scheme the Secretary of State shall publish, as respects each different case or class of case, the text on the commencement of section 30 of each licence to which the scheme relates as it has effect by virtue of the scheme.
- (5) Any text so published shall be treated as authoritative unless the contrary is shown.

Existing gas licences

- 19 (1) The Secretary of State may, before the day on which section 81(2) comes into force, make one or more schemes for securing (subject to sub-paragraph (2)) that on and after that day the standard conditions which by virtue of section 81(2) are standard conditions for the purposes of gas licences of any type are incorporated in each gas licence of that type which is in force immediately before that day.
- (2) A scheme under this paragraph may provide that the terms and conditions of any existing licence to which it relates (including both the terms and conditions of that licence and the standard conditions which would otherwise be incorporated by virtue of sub-paragraph (1)) shall have effect with—
- (a) such incidental, consequential and supplementary amendments as appear to the Secretary of State to be necessary or expedient;

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- (b) such amendments relating to the revocation of the licence as the Secretary of State thinks fit; and
 - (c) such other amendments (if any) as may be agreed between the Secretary of State and the holder of the licence.
- (3) Such a scheme may—
- (a) make such transitional provision as appears to the Secretary of State to be necessary or expedient; and
 - (b) make different provisions for different cases or classes of cases determined by, or in accordance with, the provisions of the scheme.
- (4) As soon as practicable after making a scheme under this paragraph, the Secretary of State shall publish, as respects each different case or class of case, the text on the commencement of section 81(2) of each gas licence to which the scheme relates.
- (5) Any text so published shall be treated as authoritative unless the contrary is shown.

Effect of licensing schemes

- 20 (1) On the day on which a scheme under this Part of this Schedule comes into operation, the licences to which it relates shall have effect as provided for by the scheme.
- (2) The modification under paragraph 17(2), 18(2) or 19(2) of part of what would otherwise be a standard condition of—
- (a) a licence to be treated as granted by virtue of a scheme under paragraph 13, 14 or 15; or
 - (b) a licence to which a scheme under paragraph 16, 18 or 19 relates,
- shall not prevent any other part of the condition which is not so modified being regarded as a standard condition for the purposes of Part I of the 1989 Act or Part I of the 1986 Act, as the case may be.

Provision of information by licence holders

- 21 (1) It shall be the duty of each holder of a licence under the 1986 Act to provide the Secretary of State with all such information and other assistance as he may require for the purposes of or in connection with the exercise of any function conferred on him by paragraph 19 in relation to such licences.
- (2) It shall be the duty of each holder of a licence under the 1989 Act to provide the Secretary of State with all such information and other assistance as he may require for the purposes of or in connection with the exercise of any function conferred on him by this Part of this Schedule in relation to such licences.

Consultation by Secretary of State

- 22 The Secretary of State shall not exercise any function conferred on him by this Part of this Schedule except after consultation with—
- (a) the Authority; and
 - (b) such holders of licences under the 1986 Act or such holders of licences under the 1989 Act as he considers appropriate.

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