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STATUTORY INSTRUMENTS

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**2003 No. 419**

**The Energy (Northern Ireland) Order 2003**

**PART III**

**OBJECTIVES OF REGULATION OF ELECTRICITY AND GAS**

*Electricity*

**The principal objective and general duties of the Department and the Authority in relation to electricity**

**12.**—(1) The principal objective of the Department and the Authority in carrying out their respective electricity functions is to protect the interests of consumers of electricity supplied by authorised suppliers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission [<sup>F1</sup>, distribution] or supply of electricity.

[<sup>F2</sup>(1A) The interests of consumers include their interests in the fulfilment by the Authority, when carrying out its functions as designated regulatory authority for Northern Ireland, of the objectives set out in Article 36(a) to (h) of the Electricity Directive.]

(2) The Department and the Authority shall carry out those functions in the manner which it considers is best calculated to further the principal objective, having regard to—

- (a) the need to secure that all reasonable demands [<sup>F3</sup>in Northern Ireland or Ireland] 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 Part II of the Electricity Order or this Order [<sup>F4</sup>].
- (c) <sup>F5</sup>.....

(3) In performing that duty, the Department or the Authority shall have regard to [<sup>F6</sup>the need to protect] 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 Department and the Authority may, in carrying out any electricity functions, have regard to the interests of consumers in relation to gas [<sup>F7</sup>and in relation to water or sewerage services] .

(5) Subject to paragraph (2), the Department and the Authority shall carry out their respective electricity functions in the manner which it considers is best calculated—

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- (a) to promote the efficient use of electricity and efficiency and economy on the part of persons authorised by licences or exemptions to supply [<sup>F8</sup>, distribute] or participate in the transmission of electricity;
- (b) to protect the public from dangers arising from the generation, transmission [<sup>F9</sup>, distribution] or supply of electricity;
- [<sup>F10</sup>(c) to secure a diverse, viable and environmentally sustainable long#term energy supply;]
- (d) to promote research into, and the development and use of, new techniques by or on behalf of persons authorised by a licence to generate, supply [<sup>F11</sup>, distribute] or participate in the transmission of electricity; and
- (e) to secure the establishment and maintenance of machinery for promoting the health and safety of persons employed in the generation, transmission [<sup>F12</sup>, distribution] or supply of electricity;

and shall have regard, in carrying out those functions, to the effect on the environment of activities connected with the generation, transmission [<sup>F13</sup>, distribution] or supply of electricity.

[<sup>F10</sup>(6) In carrying out their respective electricity functions the Department or the Authority shall not discriminate between persons whose activities consist of or include generating, supplying [<sup>F14</sup>, distributing] or transmitting electricity as regards either rights or obligations.

(7) In this Article—

“electricity functions” means functions under Part II of the Electricity Order and functions under this Order relating to electricity; and

“environmental sustainability” includes the need to guard against climate change.]

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| <b>F1</b>  | Words in art. 12(1) inserted (15.4.2011) by <a href="#">Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 (S.R. 2011/155)</a> , <b>reg. 34(b)(i)</b>  |
| <b>F2</b>  | Art. 12(1A) inserted (15.4.2011) by <a href="#">Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 (S.R. 2011/155)</a> , <b>reg. 39</b>  |
| <b>F3</b>  | Words in art. 12(2)(a) inserted (20.6.2007) by <a href="#">Electricity (Single Wholesale Market) (Northern Ireland) Order 2007 (S.I. 2007/913 (N.I. 7))</a> , arts. 1(3), 12, <b>Sch. 4 para. 9</b> ; S.R. 2007/303, <b>art. 2</b> , Sch.  |
| <b>F4</b>  | Words in art. 12(2)(b) substituted (1.11.2007) by <a href="#">Electricity Regulations (Northern Ireland) 2007 (S.R. 2007/321)</a> , regs. 1(2), 61, <b>Sch. 3 para. 1</b> (with transitional provisions in Pt. IV)   |
| <b>F5</b>  | Art. 12(2)(c) repealed (1.11.2007) by <a href="#">Electricity Regulations (Northern Ireland) 2007 (S.R. 2007/321)</a> , regs. 1(2), 61, <b>Sch. 3 para. 1</b> (with transitional provisions in Pt. IV)   |
| <b>F6</b>  | Words in art. 12(3) inserted (15.4.2011) by <a href="#">Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 (S.R. 2011/155)</a> , <b>reg. 3</b>   |
| <b>F7</b>  | Words in art. 12(4) added (1.4.2007) by <a href="#">Water and Sewerage Services (Northern Ireland) Order 2006 (S.I. 2006/3336 (N.I. 21))</a> , arts. 1(2), 308(1), <b>Sch. 12 para. 48(14)</b> (with arts. 8(8), 121(3), 307); S.R. 2007/194, <b>art. 2(2)</b> , Sch. 1 Pt. II (subject to art. 3, Sch. 2) |
| <b>F8</b>  | Words in art. 12(5)(a) inserted (15.4.2011) by <a href="#">Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 (S.R. 2011/155)</a> , <b>reg. 34(b)(ii)</b>  |
| <b>F9</b>  | Words in art. 12(5)(b) inserted (15.4.2011) by <a href="#">Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 (S.R. 2011/155)</a> , <b>reg. 34(b)(i)</b>   |
| <b>F10</b> | SR 2005/335  |
| <b>F11</b> | Words in art. 12(5)(d) inserted (15.4.2011) by <a href="#">Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 (S.R. 2011/155)</a> , <b>reg. 34(b)(ii)</b>  |
| <b>F12</b> | Words in art. 12(5)(e) inserted (15.4.2011) by <a href="#">Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 (S.R. 2011/155)</a> , <b>reg. 34(b)(i)</b>   |
| <b>F13</b> | Words in art. 12(5) inserted (15.4.2011) by <a href="#">Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 (S.R. 2011/155)</a> , <b>reg. 34(b)(i)</b>  |

**F14** Words in art. 12(6) inserted (15.4.2011) by [Gas and Electricity \(Internal Markets\) Regulations \(Northern Ireland\) 2011 \(S.R. 2011/155\)](#), **reg. 34(b)(iii)**

### Exceptions from the general duties

**13.**—(1) Article 12 does not apply in relation to functions of the Department under—

- (a) Article 39, 40, 58, 59 or 60 of the Electricity Order; or
- (b) Article 61.

[<sup>F15</sup>(1A) Article 12 does not apply in relation to the carrying out of functions of the Department and the Authority to which Article 9 of the SEM Order applies.

(1B) For the purposes of Article 9 of the SEM Order, the interests of Northern Ireland consumers include their interests in the fulfilment by the Authority when carrying out functions to which that Article applies, of the objectives set out in Article 36(a) to (h) of the Electricity Directive.]

(2) Article 12 does 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—
  - (i) Article 46(3) of the Electricity Order; or
  - (ii) Article 8 [<sup>F16</sup>and Article 8A].

(3) The Authority may nevertheless, when exercising any function under Article 46 (3) of the Electricity Order, have regard to any matter in respect of which a duty is imposed by Article 12 if it is a matter to which the Office of Fair Trading could have regard when exercising that function.

(4) The duties imposed by Article 12 do not affect the obligation of the Authority or the Department to perform or comply with any other duty or requirement (whether arising under this Order or another statutory provision, by virtue of any Community obligation or otherwise).

**F15** Art. 13(1A)(1B) substituted (12.4.2013) for art. 13(1A) by [Gas and Electricity \(Internal Markets\) Regulations \(Northern Ireland\) 2013 \(S.R. 2013/92\)](#), **reg. 5**

**F16** Words in art. 13(2)(b) inserted (15.4.2011) by [Gas and Electricity \(Internal Markets\) Regulations \(Northern Ireland\) 2011 \(S.R. 2011/155\)](#), **reg. 40**

## Gas

### The principal objective and general duties of the Department and the Authority in relation to gas

**14.**—[<sup>F17</sup>(1) The principal objective of the Department and the Authority in carrying out their respective gas functions is to promote the development and maintenance of an efficient, economic and co-ordinated gas industry in Northern Ireland, and to do so in a way that is consistent with the fulfilment by the Authority, pursuant to Article 40 of the Gas Directive, of the objectives set out in paragraphs (a) to (h) of that Article.]

(2) The Department and the Authority shall carry out those functions in the manner which it considers is best calculated to further the principal objective, having regard to—

- [<sup>F18</sup>(a) the need to ensure a high level of protection of the interests of consumers of gas;]
- (b) the need to secure that licence holders are able to finance the activities which are the subject of obligations imposed by or under Part II of the Gas Order or this Order;

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- (c) the need to secure that the prices charged in connection with the conveyance of gas through designated pipe-lines (within the meaning of Article 59) are in accordance with a common tariff which does not distinguish (whether directly or indirectly) between different parts of Northern Ireland or the extent of use of any pipe-line; and
  - (d) the need to protect the interests of gas licence holders in respect of the prices at which, and the other terms on which, any services are provided by one gas licence holder to another.
- (3) In performing that duty, the Department or the Authority shall have regard to <sup>[F19]</sup>the need to protect] the interests of—
- (a) individuals who are disabled or chronically sick;
  - (b) individuals of pensionable age; and
  - (c) individuals with low incomes;

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 Department and the Authority may, in carrying out any gas functions, have regard to the interests of consumers in relation to electricity <sup>[F20]</sup>and in relation to water or sewerage services] .

(5) Subject to paragraph (2), the Department and the Authority shall carry out their respective gas functions in the manner which it considers is best calculated—

- (a) to promote the efficient use of gas;
- (b) to protect the public from dangers arising from the conveyance, storage, supply or use of gas;
- <sup>[F21]</sup>(c) to secure a diverse, viable and environmentally sustainable long-term energy supply; and]
- (d) to facilitate competition between persons whose activities consist of or include storing, supplying or participating in the conveyance of gas;

and shall have regard, in carrying out those functions, to the effect on the environment of activities connected with the conveyance, storage or supply of gas.

<sup>[F22]</sup>(5A) In carrying out their respective gas functions the Department or the Authority shall not discriminate between persons whose activities consist of or include storing, supplying or participating in the conveyance of gas as regards either rights or obligations.]

- (6) In this Article “gas functions” means—
- (a) functions under Part II of the Gas Order; and
  - (b) functions under this Order <sup>[F23]</sup>or the Energy Act (Northern Ireland) 2011] relating to gas.

<sup>[F24]</sup>(7) For the purposes of paragraph (5)(c) environmental sustainability includes the need to guard against climate change.]

**F17** Art. 14(1) substituted (15.4.2011) by Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 (S.R. 2011/155), **reg. 41**

**F18** Art. 14(2)(a) substituted (1.10.2006) by Gas Order 1996 (Amendment) Regulations (Northern Ireland) 2006 (S.R. 2006/358), **reg. 13(1)**

**F19** Words in art. 14(3) inserted (15.4.2011) by Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 (S.R. 2011/155), **reg. 4**

**F20** Words in art. 14(4) added (1.4.2007) by Water and Sewerage Services (Northern Ireland) Order 2006 (S.I. 2006/3336 (N.I. 21)), arts. 1(2), 308(1), **Sch. 12 para. 48(15)** (with arts. 8(8), 121(3), 307); S.R. 2007/194, **art. 2(2)**, Sch. 1 Pt. II (subject to art. 3, Sch. 2)

**F21** Art. 14(5)(c) substituted (1.10.2006) by Gas Order 1996 (Amendment) Regulations (Northern Ireland) 2006 (S.R. 2006/358), **reg. 13(2)**

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- F22** Art. 14(5A) inserted (1.10.2006) by Gas Order 1996 (Amendment) Regulations (Northern Ireland) 2006 (S.R. 2006/358), **reg. 13(3)**
- F23** Words in art. 14(6)(b) inserted (21.3.2011) by Energy Act (Northern Ireland) 2011 (c. 6), **ss. 9(2), 36(1)**; S.R. 2011/95, **art. 2**
- F24** Art. 14(7) added (1.10.2006) by Gas Order 1996 (Amendment) Regulations (Northern Ireland) 2006 (S.R. 2006/358), **reg. 13(4)**

**Modifications etc. (not altering text)**

- C1** Art. 14 applied (1.10.2006) by Gas Order 1996 (Amendment) Regulations (Northern Ireland) 2006 (S.R. 2006/358), **reg. 16**

**Exceptions from the general duties**

- 15.—(1) Article 14 does not apply in relation to functions of the Department under—
- (a) Article 40 of the Gas Order; or
  - (b) Article 61.
- (2) Article 14 does not apply in relation to anything done by the Authority in the exercise of functions under—
- (a) Article 23(3) of the Gas Order; or
  - (b) Article 8 [<sup>F25</sup>and Article 8A].
- (3) The Authority may nevertheless, when exercising any function under Article 23(3) of the Gas Order, have regard to any matter in respect of which a duty is imposed by Article 14 if it is a matter to which the Office of Fair Trading could have regard when exercising that function.
- (4) The duties imposed by Article 14 do not affect the obligation of the Authority or the Department to perform or comply with any other duty or requirement (whether arising under this Order or another statutory provision, by virtue of any Community obligation or otherwise).

- F25** Words in art. 15(2)(b) inserted (15.4.2011) by Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 (S.R. 2011/155), **reg. 42**

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