
EXPLANATORY NOTE

(This note is not part of the Order)

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

Article 2 of the Order brings into force on 20th December 2000 those provisions of the Act listed in the Schedule to the Order for the purposes specified therein. These provisions relate principally to the functions of the Gas and Electricity Markets Authority (“the Authority”), which came into being on 1st November 2000, and its objectives and duties under the Gas Act 1986 (c. 44) (“the Gas Act”) and the Electricity Act 1989 (c. 29) (“the Electricity Act”).

Article 2 commences section 3(1) of the Act which transfers to the Authority the functions of the Director General of Gas Supply under the Gas Act and the Director General of Electricity Supply under the Electricity Act.

Article 2 also commences sections 9 to 16 of the Act which lay down the principal objective of the Secretary of State and the Authority under the Gas Act and the Electricity Act. They are required to carry out their respective functions under the two Acts in the manner which they consider best calculated to further the principal objective, having regard to certain specified matters and interests. These sections also provide for guidance on social and environmental matters and consultation on health and safety issues.

Further, article 2 also commences, with transitional modifications, certain provisions of Schedule 4 to the Act. These provisions, which are for a transitional period to be incorporated into the Electricity Act as Schedule 6A, provide for deemed contracts to exist in certain instances where there is neither an express contract nor a tariff arrangement.

Article 2 also commences for certain purposes sections 59(1) (which inserts provisions into the Electricity Act) and 95(1) (which inserts provisions into the Gas Act) of the Act, thereby enabling the Authority to consult upon and to prepare and publish a statement of policy with respect to the imposition of financial penalties and the determination of their amount and the Secretary of State to make an order determining turnover and ultimately for financial penalties to be imposed.

Further, certain minor, consequential and transitional provisions and repeals are commenced by article 2.