
EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under section 184 of the Energy Act 2004. It establishes a scheme for offsetting the costs of distributing electricity in the area of Northern Scotland which is described in Schedule 1 to the Order and shown on the deposited maps numbered 1-10. The first of these maps, Map 1, is annexed to this Note and delineates the area as a whole. Maps 2-10 set out the boundaries in more detail. The deposited maps are all available for inspection during normal office hours at the Department of Trade and Industry (reference number, QBBD/002/00267P), 1 Victoria Street, London SW1H 0ET and at the office of the Gas and Electricity Markets Authority, 9 Millbank, London, SW1P 3GE.

The detail of the scheme is contained in the modifications to licence conditions which appear in Schedules 2 to 9.

Article 6 modifies the conditions of licences issued to electricity suppliers, and these modifications can be found at Schedule 2. These modifications require all electricity suppliers in Great Britain to pay to the electricity transmission system operator a sum which is calculated on the basis of the number of kilowatt hours of electricity supplied.

Article 8 modifies the conditions of licences issued to electricity transmitters, although the effect of the amendments is that they will only apply to the operator of the electricity transmission system in Great Britain. These modifications can be found at Schedules 6, 7, 8 and 9. The effect of these modifications is to impose on the Great Britain system operator an obligation to issue a statement specifying the sums which are due to be paid by electricity suppliers, and an obligation to pass the sums collected from electricity suppliers to electricity distributors in the area specified in Schedule 1.

Article 7 modifies the conditions of licences issued to electricity distributors although the effect of the modifications is that they will currently only apply to one electricity distributor which operates in the area specified in Schedule 1. These modifications can be found at Schedules 3, 4 and 5. The effect of these modifications is to require the electricity distributor to pass sums received from the transmission system operator to electricity suppliers supplying customers in the area specified in Schedule 1.

A Regulatory Impact Assessment is available and can be obtained from the Energy Markets Unit, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.

The licences modified by this Order may be inspected at the Registry of the Office of Gas and Electricity Markets, 9 Millbank, London SW1P 3GE.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Annex to the Explanatory Note

