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## EXPLANATORY NOTE

*(This note is not part of the Rules)*

These Rules set out the procedure for the conduct of energy supply company administration proceedings in England and Wales. Energy supply company administration is a special insolvency regime specifically created for the companies that supply gas and electricity in Great Britain. The framework for the energy supply company administration regime is set out in Chapter 5 of Part 2 of the Energy Act 2011 (c. 16) (the “2011 Act”). The 2011 Act applies (with modifications) much of Chapter 3 of Part 3 of the Energy Act 2004 (c. 20), which provides for a special insolvency regime for energy companies that run and operate gas and electricity networks in Great Britain.

Only energy supply companies as defined in section 94(5) of the 2011 Act may enter energy supply company administration. These are companies that hold a licence granted under section 7A(1)(a) or (b) of the Gas Act 1986 to supply gas, or a licence granted under section 6(1) (d) of the Electricity Act 1989 to supply electricity.

The energy supply company administration process is commenced by an application to court for an energy administration order, referred to as an “esc administration order” in the Rules as defined in section 94(1) of the 2011 Act. Such an application can be made by either the Secretary of State or, with the consent of the Secretary of State, by the Gas and Electricity Markets Authority.

An insolvency practitioner appointed to manage the affairs, business and property of the energy supply company is defined in section 94(2) of the 2011 Act as an energy administrator.

These Rules are based upon the provisions of the existing Insolvency Rules 1986 (S.I. 1986/1925) and the insolvency regime for energy companies that run and operate gas and electricity networks in Great Britain (the Energy Administration Rules 2005, S.I. 2005/2483) but are a stand-alone set of rules applicable only to energy supply company administration.

Part 1 of these Rules contains the construction and interpretation provisions.

Part 2 of these Rules sets out the procedure to be followed to initiate energy supply company administration proceedings, including the information required for an energy supply company administration order application, how much and to whom notice of such an application needs to be given and who may appear at a hearing of the energy supply company administration application.

Part 3 of these Rules details the initial steps to be taken in energy supply company administration proceedings. These include the notification and advertisement of an energy administrator's appointment and the preparation of a statement of the energy supply company's affairs. Part 3 also sets out the information that must be given to creditors in the energy administrator's proposals.

Part 4 of these Rules governs the conduct of creditors' and energy supply company meetings called by an energy administrator during energy supply company administration proceedings.

Part 5 of these Rules contains provisions relating to an application to court for an order for authority to dispose of property of the company in energy supply company administration which is subject to a security or goods in the possession of the energy supply company under a hire purchase agreement.

Part 6 of these Rules details the priority of the expenses of an energy supply company administration and how the energy administrator may claim for pre-energy supply company administration costs.

Part 7 of these Rules contains provisions relating to distributions to creditors of the company in energy supply company administration. In particular, this Part details the procedure to be followed to prove a debt in the energy supply company administration proceedings as well as the way in which such debts will be quantified.

Part 8 of these Rules contains details of how the remuneration of an energy administrator will be fixed by the court.

**Status:** Point in time view as at 07/06/2013.

**Changes to legislation:** There are currently no known outstanding effects for the The Energy Supply Company Administration Rules 2013. (See end of Document for details)

Part 9 of these Rules sets out the arrangements for ending an energy supply company administration. There are specific provisions detailing the ending of an energy supply company administration by court order, as well as the process by which an energy supply company administration moves into either a creditors' voluntary liquidation or dissolution of the energy supply company.

Part 10 of these Rules sets out the requirements and procedures for replacing an energy administrator. It includes provisions relating to the resignation of an energy administrator, the removal of an energy administrator from office by court order and the energy administrator's duties on vacating office.

Part 11 of these Rules contains general provisions detailing the court procedure and practice for energy supply company administration proceedings. In particular this Part sets out the general requirements for court applications made during an energy supply company administration, the cost assessment procedure for energy supply company administration proceedings and the appeals process to be used in energy supply company administration proceedings.

Part 12 of these Rules contains provisions for the use of proxies and energy supply company representatives at creditors' or members' meetings held during an energy supply company administration, including the rights of inspection of such proxies and the procedure to be followed where a proxy-holder has a financial interest in the outcome of a resolution to be voted on at the meeting.

Part 13 of these Rules sets out the provision for the examination of persons where an application to court has been made by an energy administrator under section 236 of the Insolvency Act 1986 (c. 45). Section 236 of the Insolvency Act 1986 allows an energy administrator to apply to court for an order requiring certain persons to appear before the court to be questioned by the energy administrator about the company in energy supply company administration.

Part 14 of these Rules contains miscellaneous provisions, including provisions relating to the punishment of contraventions of these Rules.

Part 15 of these Rules contains provisions of general effect including provisions relating to the giving of notices, the supply of documents, electronic submission of forms, use of websites by the energy administrator, content of notices and meetings.

Part 16 of these Rules contains further interpretation and application provisions.

Schedule 1 to these Rules contains the forms that are to be used in energy supply company administration proceedings. The forms in this Schedule are based upon the forms contained in Schedule 4 to the Insolvency Rules 1986 and the forms contained in Schedule 1 to the Energy Administration Rules 2005, but have been modified for the purposes of energy supply company administration.

Schedule 2 to these Rules contains specific details of the punishment of offences under these Rules.

A full impact assessment of the effect that this instrument will have on the costs of business is available from Dawn Armstrong, Department of Energy and Climate Change, 3 Whitehall Place, London SW1A 2HD. A copy has been placed in the library of each House of Parliament.

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