2002 No. 93

ELECTRICITY

The Electricity (Connection Charges) Regulations 2002

Made - - - - -	*17th January 2002*
Laid before Parliament	*21st January 2002*
Coming into force - -	*11th February 2002*

The Secretary of State in Exercise of the powers conferred on her by sections 19(2) and (3)(**a**), 60 and 64(1)(**b**) of the Electricity Act 1989 and after consultation with the Gas and Electricity Markets Authority(**c**), hereby makes the following Regulations:—

Citation and commencement

1. These Regulations may be cited as the Electricity (Connection Charges) Regulations 2002 and shall come into force on 11th February 2002.

Interpretation

2.—(1) In these Regulations—

"administrative expenses" means the expenses reasonably incurred by an electricity distributor in discharging his obligations under these Regulations;

"domestic premises" means premises used wholly or mainly for domestic purposes;

"eligible person" shall be construed in accordance with regulation 3;

"initial contributor" means a person—

(a) in relation to whose premises or distribution system any electric line or electrical plant was first provided for the purpose of making a connection; and

(b) who made a payment in respect of the relevant expenses;

"Old Regulations" means the Electricity (Connection Charges) Regulations 1990(**d**);

"prescribed period" shall be construed in accordance with regulation 4;

"public electricity supplier" means a person who was authorised by a licence under section 6(1)(c)(**e**) prior to 1st October 2001;

"relevant expenses" means any expenses reasonably incurred by an electricity distributor or a public electricity supplier in first providing any electric line or electrical plant which is subsequently used for the purpose of making a connection to the premises or distribution system of any person other than the initial contributor, and the reference in the foregoing to any expenses reasonably incurred in providing any electric line or electrical plant includes a reference to the capitalised value of any expenses likely to be so incurred in continuing to provide it; and

(**a**) Section 19 of the Electricity Act 1989 (c. 29) was amended by section 46 of the Utilities Act 2000 (c. 27).
(**b**) See the definition of "prescribed". The definition was amended by section 108 of and paragraphs 24, 38(1) and (6) of Schedule 6 to the Utilities Act 2000.
(**c**) The Gas and Electricity Markets Authority was established under section 1(1) of the Utilities Act 2000.
(**d**) S.I. 1990/527.
(**e**) Section 6 was substituted by section 30 of the Utilities Act 2000 on 1st October 2001.

"relevant time" means the time at which a person requires a connection to be made in pursuance of section 16(1)(**a**) where compliance with that requirement involves the use of any electric line or electrical plant which has already been provided for the purpose of making a connection in pursuance of section 16(1).

(2) In these Regulations—

(a) any reference to a numbered section is a reference to the section bearing that number in the Electricity Act 1989;

(b) any reference to a numbered regulation is a reference to the regulation bearing that number in these Regulations; and

(c) except where otherwise provided, any reference to a numbered paragraph is a reference to the paragraph bearing that number in the regulation in which the reference occurs.

Meaning of "eligible person"

3.—(1) In these Regulations—

"eligible person" means any person who at the relevant time owns or occupies the relevant premises, and is—

(a) an initial contributor;

(b) a person who has been required to make a contribution to an electricity distributor or a public electricity supplier in accordance with these Regulations or the Old Regulations; or

(c) a person to whom any right to receive a payment in accordance with these Regulations or the Old Regulations has been legally assigned.

(2) In paragraph (1) "relevant premises" means the domestic premises owned or occupied by a person at the time when he became either—

(a) an initial contributor; or

(b) a person required to make a contribution to an electricity distributor or a public electricity supplier in accordance with these Regulations or the Old Regulations,

in respect of the connection to those premises.

Prescribed period

4. The prescribed period for the purposes of these Regulations is five years after the provision of any electric line or electrical plant for the purpose of making a connection to the premises or distribution system of an initial contributor.

Entitlement to recover amount in respect of expenses

5. Subject to regulation 6, an electricity distributor may require a person requiring a connection under section 16(1) at any time after the coming into force of these Regulations to pay to the electricity distributor such an amount in respect of the relevant expenses as may be reasonable in all the circumstances if—

(a) the connection is required within the prescribed period;

(b) an initial contributor has made a payment to the electricity distributor or a public electricity supplier in respect of the relevant expenses;

(c) the electricity distributor or the public electricity supplier as the case may be has not recovered the relevant expenses in full; and

(d) the electricity distributor has made available to the person requesting the connection such information (if any) as may have been reasonably requested by that person for the purpose of ascertaining—

(i) the amount of the relevant expenses;

(ii) the date of the first provision of the electric line or electrical plant; and

(iii) the amounts paid in respect of the relevant expenses by the initial contributor or by persons previously required to make a payment under these Regulations or the Old Regulations.

(**a**) Section 16(1) was substituted by section 44 of the Utilities Act 2000.

Obligation to recover amount in respect of expenses

6.—(1) Subject to paragraphs (2) to (4), an electricity distributor shall exercise his rights under regulation 5 if within the prescribed period—

(a) any electric line or electrical plant first provided for the purpose of making a connection to domestic premises is subsequently used for the purpose of making a further connection to domestic premises; and

(b) the relevant expenses have been wholly or mainly defrayed by the initial contributor or by that contributor and any other person previously required to make a payment in accordance with these Regulations or the Old Regulations.

(2) Subject to paragraphs (3) and (4), the electricity distributor shall exercise his rights under regulation 5 in the manner which he considers is best calculated to secure the recovery of an amount which is not more than the proportion of the relevant expenses which is appropriate having regard to the maximum power required by the person requiring the further connection.

(3) Where the electricity distributor exercises his rights under regulation 5 in discharge of the obligation imposed on him by this regulation, regulation 5 shall be read and construed as if sub-paragraph (c) thereof had been omitted.

(4) The obligation imposed by this regulation shall not apply in any case where—

(a) the amount which would be applied in making payments to eligible persons in accordance with regulation 7, after deduction in accordance with that regulation of the administrative expenses of the electricity distributor, is insufficient to provide a payment of £200 or more to at least one eligible person; or

(b) at the relevant time there are no eligible persons.

Payments to eligible persons

7.—(1) Where an electricity distributor has in discharge of the obligation imposed on him by regulation 6 recovered an amount, that amount shall, subject to paragraphs (2) to (4), be applied in making payments to eligible persons.

(2) The electricity distributor may deduct his administrative expenses from the amount mentioned in paragraph (1) before he makes any payments to eligible persons.

(3) Where payments fall to be made to two or more eligible persons in respect of the same relevant expenses in accordance with paragraph (1), each of those payments shall bear the same proportion to the aggregate of those payments as the proportion which each payment made by or in relation to each such eligible person bears to the aggregate of the payments made by or in respect of those eligible persons.

(4) The electricity distributor shall not be required by this regulation to make a payment to an eligible person if the amount of that payment would, but for this paragraph, be less than £200.

(5) Payments to eligible persons in accordance with this regulation shall be made as soon as practicable after the electricity distributor has recovered the amount out of which those payments are to be made.

Provision of information to eligible persons

8. Whenever an electricity distributor intends to use any electric line or electrical plant for the purpose of making a further connection in any circumstances where regulation 6 applies, he shall inform any eligible persons of that fact and shall also give them the following information—

(a) the amount which the electricity distributor calculates would be recoverable in accordance with that regulation; and

(b) the estimated amount of his administrative expenses.

Revocation

9. The Old Regulations are revoked.

Brian Wilson
Minister of State for Industry and Energy
Department of Trade and Industry

17th January 2002

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations revoke and re-enact the Electricity (Connection Charges) Regulations 1990 with amendments. They provide for an electricity distributor to recover from subsequent users of electric lines and electrical plant first provided for the purpose of giving a connection to the premises or distribution system of another person an amount in respect of the expenses incurred in first providing the line or plant. In the case of connections to further domestic premises they also provide for amounts so recovered to be applied in making refunds to persons who have previously been required to pay amounts in respect of such expenses.

Apart from minor and drafting amendments the changes that have been made in the Order reflect amendments to section 19 of the Electricity Act 1989 made by section 46 of the Utilities Act 2000. These amendments came into force on 1st October 2001 along with other amendments which resulted in the separation of electricity supply and distribution, the abolition of public electricity suppliers, distribution becoming a licensable activity for the first time and the statutory bar on persons holding a supply and distribution licence at the same time taking effect.

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