

Review of Standard Licence Conditions 14 and 15 of the Electricity Generation Licence

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Overview:

Ofgem is conducting a review of Standard Licence Conditions (SLCs) 14 and 15 in the electricity generation licence. These conditions enable licensees to seek the approval of the Secretary of State to compulsorily purchase land and to exercise other powers in relation to land (such as the granting of wayleaves).

We are inviting views as to whether these conditions should be given effect across all electricity generation licences.

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Deadline for Response: 22 January 2007

Target Audience: This document will be of interest to generation licence holders, those groups and individuals who have concerns about the ability of generation licensees to use compulsory purchase powers, and other interested parties.

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Context

A standard licence condition (SLC) is a condition that is standard in its provisions across all electricity generation licences. However, while SLCs are a part of all licences, they are not necessarily always "turned on"¹.

This is the case with SLC 14 (relating to the compulsory acquisition of land) and SLC 15 (relating to other powers in relation to land). As a consequence, some generators have SLC 14 and/or SLC 15 in effect in their electricity generation licences, whilst others do not.

Since 2004, three companies have applied for either one or both of SLCs 14 and 15 to be given effect.² We made directions giving effect to the conditions that were the subject of those requests for a period of five years.

Further requests from CRE Energy Ltd, Prenergy Ltd, Great Gabbard Offshore Winds Limited, London Array Limited and Port Talbot Power Limited for both SLCs 14 and 15 to be given effect have also been received by the Authority.³ We have yet to make a decision in respect of these requests. The request from CRE Energy Ltd was subject to consultation which closed on 17 February 2006.

We think that it is an appropriate time to conduct a review of SLC 14 and SLC 15 in order to consider and potentially address any inconsistencies in the way SLCs 14 and 15 are applied across electricity generation licence holders.

This consultation assesses the application of SLC 14 and SLC 15 and proposes three ways forward.

Associated Documents

Related Consultations and Decisions

- The request of British Energy Plc ("BE") for paragraphs 5 to 7 of Standard Licence Condition 14: "Compulsory Acquisition of Land etc" to be given effect in the electricity generation licence of British Energy Generation Ltd ("BEG") - 19 November 2004. This is available at:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/9352_25804.pdf
- The Authority's Decision in relation to the request of British Energy Plc for paragraphs 5 to 7 of Standard Licence Condition 14 - 9 February 2005. This is

¹ Note that the phrases "turning on", "switching on" and "giving effect" are used interchangeably in this document as are "turning off", "switching off" and "removing from effect".

² These are British Energy Generation Limited, Thanet Offshore Wind Limited, and the Green Renewable Energy Company Limited, on 6 August 2004, 18 May 2005, and 8 June 2005 respectively.

³ On 23 December 2005, 6 February 2006, 24 May 2006, 2 October 2006 and 9 October 2006 respectively.

available at:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/10146_3005a.pdf

- Request from Thanet Offshore Wind Limited for a Direction under Standard Condition 14 ("Compulsory Acquisition of Land etc") of the Electricity Generation Licence - 23 August 2005. This is available at:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/12191_190_05.pdf
- Request from the Green Renewable Energy Company Ltd for a Direction under Standard Condition 14 ('Compulsory Acquisition of Land etc') and a Direction under Standard Condition 15 ('Other Powers etc') of the Electricity Generation Licence - 6 September 2005. This is available at:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/12262_19805.pdf
- Decision in relation to the request from Thanet Offshore Wind Limited for a Direction under Standard Condition 14 ("Compulsory Acquisition of Land etc") of the Electricity Generation Licence - 28 October 2005. This is available at:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/12710_237_05.pdf
- Decision in relation to the request from the Green Renewable Energy Company Ltd for a Direction under Standard Condition 14 ("Compulsory Acquisition of Land etc") and a Direction under Standard Condition 15 ("Other Powers etc") of the Electricity Generation Licence - 28 October 2005. This is available at:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/12708_236_05.pdf
- Request from CRE Energy Limited for a Direction under Standard Condition 14 ("Compulsory Acquisition of Land etc") and a Direction under Standard Condition 15 ("Other Powers etc") of the Electricity Generation Licence - 4 January 2006. This is available at:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13428_0306.pdf

E-Public Register

- The licences of each generator can be found on the E-Public Register on Ofgem's website. These indicate whether that generator has SLC 14 and SLC 15 in effect. The list of electricity generation licence holders can be found at:
<http://195.12.224.140/index.php?pk=folder97274>
- SLC 14 (consolidated) "Compulsory Acquisition of Land etc" is available on the E-Public Register on the Ofgem website. This can be found at:
http://195.12.224.140/document_fetch.php?documentid=4470
- SLC 15 (consolidated) "Other Powers etc" is available on the E-Public Register on the Ofgem website. This can be found at:
http://195.12.224.140/document_fetch.php?documentid=4471

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Summary

Following a number of requests to 'switch on' SLCs 14 and 15 in some electricity generation licences, we are conducting a review of these conditions. This review is being carried out for the purpose of providing greater consistency in the application of these conditions and in order to decide whether or not these conditions should be in effect in electricity generation licences. In conducting this review, we must, amongst other things, have regard to our principal objective to protect consumers, where appropriate by promoting effective competition, and our wider statutory duties.⁴ Ofgem is also committed to the principles of better regulation and to running our operations as efficiently and effectively as we can.

Background

SLCs 14 and 15 relate to the compulsory acquisition of land and other powers in relation to land (including, for example, the granting of wayleaves). Ofgem has an "enabling" role: that is, we can direct that the conditions are either put in effect or removed from effect in a particular licence where we have had regard to our principal objective and wider statutory duties.⁵

Once SLC 14 is in effect in a licence, the licence holder may, under specific circumstances, apply to the Secretary of State for a compulsory purchase order in respect of a specific piece of land. Similarly, once SLC 15 is in effect in a licence, the licence holder may seek to obtain the necessary consents for other powers in relation to a specific piece of land.

To be clear, Ofgem **does not** have the ability to make a decision in respect of whether the land in question can be compulsorily purchased. Any such decision falls to the Secretary of State.⁶ That is, any decision that we take to 'switch on' the relevant provisions of SLC 14, for example, will only give that licence holder the ability to then seek permission from the Secretary of State to compulsorily acquire any specific piece of land. Nor do the licence conditions provide rights over land without the licence holder first giving the necessary notices and gaining the necessary consents.⁷

Currently, some licence holders have SLCs 14 and/or 15 in effect and some do not.⁸ As a result of the historic application of these conditions and changes in company

⁴ Details of Ofgem's statutory duties and responsibilities can be found in Appendix 4.

⁵ The background to these conditions, and how the Authority gives effect to them, is provided in Appendix 2. Consolidated versions of both SLC 14 and SLC 15 can be found on Ofgem's website. See the Associated Documents section of this document for the direct links.

⁶ See Schedule 3 of the Electricity Act 1989. However, to be clear where the land in question belongs to another licence holder, the Authority's consent to the Secretary of State's authorisation must be sought.

⁷ Further information is available on the Department of Trade and Industry (DTI) website. The DTI is the government department working to create the conditions for business success and to help the UK respond to the challenge of globalisation. Of particular relevance is the "electricity development consents" page which can be found at: <http://www.dti.gov.uk/energy/markets/electricity-development-consents/page22743.html>.

⁸ There are currently 14 electricity generation licence holders with SLC 14 in effect and 31 electricity generation licence holders with SLC 15 in effect. For the remainder of electricity generation licences these conditions are not in effect. Source: The Electronic Public Register (e-Public Register). This is available on

ownership, there is little consistency as to why some generators have one or both of these SLCs in effect.

In recent years, we have had requests from eight generators to switch on one or both of these conditions in their licences. We have already considered three of these requests. There were only a small number of responses received to our consultations on each of them, and we issued directions to give effect to SLC 14 and/or SLC 15, as appropriate, for these three generators.⁹ Earlier this year we consulted on a fourth request by CRE Energy Ltd and received a total of 47 responses.¹⁰ We have not carried out a consultation on four further requests received from Prenergy Ltd, Great Gabbard Offshore Winds Limited, London Array Limited and Port Talbot Power Limited.¹¹

As a result of these requests, we have decided to carry out this review. This document therefore considers whether there should be greater consistency in the application of these licence conditions across all electricity generation licences, including in the licences of those parties that have submitted applications to us for consideration.

Possible ways forward

We consider that there are three possible ways forward. These are:

1. improve consistency by giving effect to SLC 14 and SLC 15 in all electricity generation licences;
2. improve consistency by removing SLC 14 and SLC 15 from effect in all electricity generation licences; or
3. maintaining the current approach of considering each application on a case by case basis.

We discuss the details of each option in chapter 1.

Ofgem's preliminary view

Having evaluated the possible ways forward and having regard to our statutory duties, our preliminary view is that we should give effect to SLCs 14 and 15 in all licences (i.e. Option One). We consider this approach will reduce existing inconsistencies in the application of these licence conditions where there is no objective justification for licence holders to be treated differently in this respect. We also consider this option will improve efficiency in our administration of these activities.

Ofgem's website. Information on which generators have the conditions in effect can be obtained from the individual electricity generation licences available at <http://62.173.69.60/index.php?pk=folder97274>

⁹ The three generators are British Energy Plc, Thanet Offshore Wind Limited, and Green Renewable Energy Company. Please see the Associated Documents section of this document to find the relevant consultation documents and decision letters.

¹⁰ A summary of issues raised and our response to these is contained in Appendix 3. The non confidential responses are available on the Ofgem website - www.ofgem.gov.uk.

¹¹ We intend that these five requests will be considered as part of this review, and to make a decision in respect of these licence holders in accordance with the outcome of this review.

1. Review options

Chapter Summary

We consider there are three possible outcomes to this review and have discussed each in this chapter. Having considered these options, our preliminary view is that we should give effect to SLC 14 and SLC 15 in all electricity generation licences.

Question 1: Are there any options not identified and discussed here?

Question 2: Do you agree with our preliminary view that SLCs 14 and 15 should be given effect in all electricity generation licences?

Options

1.1. We believe there are three potential outcomes from this review. These are to:

1. improve consistency by giving effect to the relevant paragraphs of SLC 14 and 15 in all electricity generation licences;
2. improve consistency by removing from effect the relevant paragraphs of SLC 14 and 15 in all electricity generation licences; and
3. maintain the current approach of considering each application on a case by case basis.

Option 1: Giving effect to SLC 14 and SLC 15 for all generators

1.2. Under this approach, SLC 14 and SLC 15 would be "turned on" in the licences of all relevant licensees. This would establish consistency across the application of these licence conditions across all licensees. This approach would also be consistent with our view that there is no objective justification for one electricity generation licence holder to be denied similar powers as compared with another licence holder in respect of these licence conditions.

1.3. We also note that, under this option, there would no longer be a requirement for Ofgem to consider applications to activate SLC 14 and 15 on a case by case basis. This would have consequential benefits in terms of improved efficiency, through the reduction of regulatory burden.

Option 2: Removing SLC 14 and SLC 15 from effect for all generators

1.4. Under Option 2, SLC 14 and SLC 15 would be "turned off" in the licences of all relevant licensees. This would achieve the same benefits of consistency as outlined in option 1. However, switching off SLCs 14 and 15 across all electricity generation licences would remove the ability for all licensed generators to apply, under very specific circumstances, to the Secretary of State for a compulsory purchase order

or to obtain the necessary consents for other powers in relation to a specific piece of land. We do not believe that a decision to disapply the relevant SLCs that enable licensees to apply for these rights would be consistent with our statutory duties.

1.5. Further, this approach would not remove the possibility of individual generators requesting that SLC 14 and/or SLC 15 be given effect in their generation licence, which would restore the current, inconsistent approach.

Option 3: Maintaining the current case-by-case consideration of all applications

1.6. Finally, under Option 3 (the status quo), licence holders would continue to be able to ask the Authority to bring into effect the provisions of the relevant paragraphs of SLCs 14 and 15. This option would maintain the current inconsistent status of the application of these conditions amongst generation licensees. As we have outlined in option 1 above, we do not consider there are any valid or objective justifications to maintain this inconsistency. We also do not consider that this approach is in line with the principles of better regulation.

Ofgem's preliminary view

1.7. Our favoured approach is Option 1, on the basis that this approach will reduce existing undue inconsistencies in the application of these licence conditions. We do not consider there is any reason why some licensees should have rights conferred to them by SLCs 14 and 15, while others do not. We also think that this approach will improve the efficiency of our administration of these activities.

Way forward

1.8. We are keen to understand the views of interested parties on this issue (including whether any other options should be considered). We will carefully consider all the responses received to this consultation in making a decision with regard to the future application of SLCs 14 and 15.

1.9. Decisions in relation to the requests from CRE Energy Limited, Prenergy Limited, Great Gabbard Offshore Winds Limited, London Array Limited and Port Talbot Power Limited seeking that the provisions of paragraphs 5 to 7 of SLC 14 and paragraphs 5 to 8 of SLC 15 be given effect in their licences will be made at the same time, and in accordance with, the outcome of this review.

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Appendix 1 - Consultation response and questions

1.1. Ofgem would like to hear the views of interested parties in relation to any of the issues set out in this document.

1.2. We would especially welcome responses to the specific questions which we have set out at the beginning of each chapter heading and which are replicated below.

1.3. Responses should be received by 22 January 2007 and should be sent to:

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1.4. Unless marked confidential, all responses will be published by placing them in Ofgem's library and on its website www.ofgem.gov.uk. Respondents may request that their response is kept confidential. Ofgem shall respect this request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

1.5. Respondents who wish to have their responses remain confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. It would be helpful if responses could be submitted both electronically and in writing. Respondents are asked to put any confidential material in the appendices to their responses.

1.6. If you wish to discuss any aspect of this paper, Lisa Martin (tel 020 7901 7123), lisa.martin@ofgem.gov.uk would be pleased to help.

1.7. Ofgem will carefully consider responses received to this consultation to help inform its final decision. Following this Ofgem will make its final decision in respect of SLCs 14 and 15.

CHAPTER: One

Questions: There are no questions in relation to this chapter.

CHAPTER: Two

Question 1: Are there any options not identified and discussed here?

Question 2: Do you agree with our preliminary view that SLCs 14 and 15 should be given effect in all electricity generation licences?

Appendix 2 - Background to SLC 14 and SLC 15

Appendix Summary

This appendix provides further background to SLCs 14 and 15. SLC 14 refers to and sets out the purposes for which Schedule 3 of the Electricity Act 1989 shall have effect. SLC 15 refers to and sets out the purposes for which Schedule 4 of the Electricity Act 1989 shall have effect.

SLC 14

1.1. Paragraphs 5 to 7 of SLC 14 set out the purposes for which the powers and rights conferred under Schedule 3 of the Electricity Act 1989 shall have effect.

1.2. Schedule 3 provides for the Secretary of State to authorise a licence holder to purchase compulsorily any land required for any purpose connected with carrying on the activities which it is authorised by its licence to carry on.

1.3. The purposes referred to in SLC 14 (in paragraph 6 specifically) are:

- (a) the construction or extension of a generating station;
- (b) activities connected with the construction or extension of a generating station or connected with the operation of a generating station; and
- (c) the installation, maintenance, removal or replacement of electric lines, and electrical plant associated with them, connecting a generating station with:
 - i. a transmission system; or
 - ii. a distribution system.

1.4. For the purpose of clarification, the Authority **does not** have the ability to take a decision in respect of whether the land in question can be compulsorily purchased. Any such decisions fall to the Secretary of State (although where the land in question belongs to another licence holder, the Authority's consent to the Secretary of State's authorisation must be sought under paragraph 2(1) of Schedule 3).

1.5. Paragraphs 1 and 2 of SLC 14 specify how paragraphs 5 to 7 can be given effect. Paragraph 1 of SLC 14 relates to the provisions of paragraphs 5 to 7 of SLC 14 being brought into effect by the Secretary of State.¹² Paragraph 2 of SLC 14 sets out that the Authority may issue a direction that the provisions of paragraphs 5 to 7 of SLC 14 shall have effect for a period specified in the direction. This period may be extended by a further direction of the Authority.

¹² Paragraph 1 of SLC 14 sets out that where the Secretary of State provides by a scheme made under Schedule 7 to the Utilities Act 2000 for SLC 14 to have effect within an electricity generation licence, the provisions contained in paragraphs 5 to 7 will apply to the licensee from the date the scheme takes effect until such date as may be specified in the scheme. The last day for the Secretary of State to exercise the scheme-making power was the day before section 30 of the Utilities Act 2000 came into force i.e. 30th September 2001.

SLC 15

1.6. Paragraphs 5 to 8 of SLC 15 detail the activities that the licensee is enabled to carry out by the effect of the powers and rights conferred under Schedule 4 of the Electricity Act 1989.

1.7. Schedule 4 gives powers to licence holders, subject to the necessary consents and giving of notices, to execute certain kinds of work for any purpose connected with the carrying on of the activities which they are authorised by their licence to carry on, specifically:

(a) the installation under, over, in, along, or across any street and from time to time inspecting, maintaining, adjusting, repairing, altering, replacing and removing:

- i. any electric lines or electrical plant; and
- ii. any structures for housing or covering such lines of plant;

(b) any works requisite for or incidental to the purposes of any works falling in (a) above including for those purposes:

- i. opening or breaking up any street or sewers, drains or tunnels within or under any street;
- ii. tunnelling or boring under any street; and
- iii. removing or using all earth and materials in or under any street.

1.8. In particular, paragraph 6 of Schedule 4 relates to the acquisition of wayleaves by the licensee; it enables the Secretary of State to grant the necessary wayleave, if this has not been done by the owner or occupier of the land.

1.9. Paragraphs 1 and 2 of SLC 15 specify how paragraphs 5 to 8 can be given effect. Paragraph 1 of SLC 15 relates to the provisions of paragraphs 5 to 8 being brought into effect by the Secretary of State.¹³ Paragraph 2 of SLC 15 sets out that the Authority may issue a direction that the provisions of paragraphs 5 to 8 of SLC 15 shall have effect for a period specified in the direction. This period may be extended by a further direction of the Authority.

¹³ Paragraph 1 of SLC 15 sets out that where the Secretary of State provides by a scheme made under Schedule 7 to the Utilities Act 2000 for SLC 15 to have effect within an electricity generation licence, the provisions contained in paragraphs 5 to 8 shall apply to the licensee from the date the scheme takes effect until such date as may be specified in the scheme. The last day for the Secretary of State to exercise the scheme-making power was the day before section 30 of the Utilities Act 2000 came into force i.e. 30th September 2001.

Appendix 3 - CRE consultation

Appendix Summary

This appendix provides a summary of issues raised in response to Ofgem's consultation on CRE Energy's request to give effect to SLCs 14 and 15 in its generation licence. It also provides Ofgem's response to those issues. Ofgem received a total of 47 responses to this consultation.

The granting of compulsory acquisition rights

1.1. Many responses to the consultation were concerned that Ofgem was minded to grant actual compulsory purchase rights.

1.2. As discussed earlier and for the purposes of removing doubt, a decision by the Authority to give effect to SLC 14 and/or SLC 15 would not amount to the granting of compulsory acquisition rights. It is the Secretary of State that has the power to grant such rights.

Private companies and national interest

1.3. There was concern raised that private companies may profit from the ability to compulsorily acquire land and that such powers should be reserved only for cases in the national interest.

1.4. These concerns may be valid in an application for compulsory acquisition, however we reiterate that actual acquisition is not being reviewed here. Rather, with regard to compulsory purchase, it is the ability to apply to the Secretary of State that is being reviewed. Concerns relating to private companies profiting from compulsory purchase, and reserving compulsory purchase for issues of national interest, could be validly expressed to the Secretary of State in any instance where an application occurs.

Discrimination between generators

1.5. Certain respondents to the CRE Consultation expressed the view that, arguably, there could be objective justification for distinguishing between types of generators. Thus Ofgem should not feel the need to be consistent. The reasons put forward for this view are:

- a distinction could be made between those generator types where there is a multiplicity of choice of site (e.g. windfarms), and those where the choice is more limited (e.g. nuclear). As such, compulsory acquisition should not be required by those generation types that have significant choice and for which there are currently many applications; and

- those intermittent or "less reliable" generators that may be encouraged to invest results in a need for new transmission and network investment that is ultimately a cost to the consumer.

1.6. We note that an electricity generation licence holder is not restricted to investing in any particular generation type; and we do not believe that there is an objective reason for differentiating between licence holders.

1.7. Further, we believe that, because investment in renewables is a desired outcome for the government's renewable targets,¹⁴ any impact on the transmission network will occur to a certain extent whether or not SLCs 14 and 15 are in effect. This reflects the nature of an industry moving toward a greater contribution by renewables.

Land negotiations

1.8. Concern was also raised that electricity generation licence holders' negotiations with landowners will be skewed in favour of generators by a decision to give effect to SLCs 14 and 15.

1.9. We note that the current ad-hoc approach already favours certain generators. Further, the threat of applying to Ofgem for SLCs 14 and 15 to have effect, and to the Secretary of State for certain rights, exists in any event.

¹⁴ See Secretary of State's Social and Environmental Guidance to the Authority dated 23 February 2004.

Appendix 4 - The Authority's Powers and Duties

1.1. Ofgem is the Office of Gas and Electricity Markets which supports the Gas and Electricity Markets Authority ("the Authority"), the regulator of the gas and electricity industries in Great Britain. This Appendix summarises the primary powers and duties of the Authority. It is not comprehensive and is not a substitute to reference to the relevant legal instruments (including, but not limited to, those referred to below).

1.2. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002 and the Energy Act 2004, as well as arising from directly effective European Community legislation. References to the Gas Act and the Electricity Act in this Appendix are to Part 1 of each of those Acts¹⁵.

1.3. Duties and functions relating to gas are set out in the Gas Act and those relating to electricity are set out in the Electricity Act. This Appendix must be read accordingly¹⁶.

1.4. The Authority's principal objective when carrying out certain of its functions under each of the Gas Act and the Electricity Act is to protect the interests of consumers, present and future, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas conveyed through pipes, and the generation, transmission, distribution or supply of electricity or the provision or use of electricity interconnectors.

1.5. The Authority must when carrying out those functions have regard to:

- The need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met;
- The need to secure that all reasonable demands for electricity are met;
- The need to secure that licence holders are able to finance the activities which are the subject of obligations on them¹⁷; and
- The interests of individuals who are disabled or chronically sick, of pensionable age, with low incomes, or residing in rural areas.¹⁸

1.6. Subject to the above, the Authority is required to carry out the functions referred to in the manner which it considers is best calculated to:

¹⁵ Entitled "Gas Supply" and "Electricity Supply" respectively.

¹⁶ However, in exercising a function under the Electricity Act the Authority may have regard to the interests of consumers in relation to gas conveyed through pipes and vice versa in the case of it exercising a function under the Gas Act.

¹⁷ Under the Gas Act and the Utilities Act, in the case of Gas Act functions, or the Electricity Act, the Utilities Act and certain parts of the Energy Act in the case of Electricity Act functions.

¹⁸ The Authority may have regard to other descriptions of consumers.

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- Promote efficiency and economy on the part of those licensed¹⁹ under the relevant Act and the efficient use of gas conveyed through pipes and electricity conveyed by distribution systems or transmission systems;
 - Protect the public from dangers arising from the conveyance of gas through pipes or the use of gas conveyed through pipes and from the generation, transmission, distribution or supply of electricity;
 - Contribute to the achievement of sustainable development; and
 - Secure a diverse and viable long-term energy supply.

1.7. In carrying out the functions referred to, the Authority must also have regard, to:

- The effect on the environment of activities connected with the conveyance of gas through pipes or with the generation, transmission, distribution or supply of electricity;
- The principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed and any other principles that appear to it to represent the best regulatory practice; and
- Certain statutory guidance on social and environmental matters issued by the Secretary of State.

1.8. The Authority has powers under the Competition Act to investigate suspected anti-competitive activity and take action for breaches of the prohibitions in the legislation in respect of the gas and electricity sectors in Great Britain and is a designated National Competition Authority under the EC Modernisation Regulation²⁰ and therefore part of the European Competition Network. The Authority also has concurrent powers with the Office of Fair Trading in respect of market investigation references to the Competition Commission.

¹⁹ Or persons authorised by exemptions to carry on any activity.

²⁰ Council Regulation (EC) 1/2003

Appendix 5 - Feedback Questionnaire

1.1. Ofgem considers that consultation is at the heart of good policy development. We are keen to consider any comments or complaints about the manner in which this consultation has been conducted. In any case we would be keen to get your answers to the following questions:

1. Do you have any comments about the overall process, which was adopted for this consultation?
2. Do you have any comments about the overall tone and content of the report?
3. Was the report easy to read and understand, could it have been better written?
4. To what extent did the report's conclusions provide a balanced view?
5. To what extent did the report make reasoned recommendations for improvement?
6. Please add any further comments?

1.2. Please send your comments to:

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