STATUTORY INSTRUMENTS

2018 No. 254

ELECTRICITY

The Electricity (Connection Offer Expenses) Regulations 2018

Made - - - -	*27th February 2018*
Laid before Parliament	*28th February 2018*
Coming into force - -	*6th April 2018*

The Secretary of State, in exercise of the powers conferred by sections 16A(4A) to (4C) and 60(3) of the Electricity Act 1989(**1**), after consulting with the Gas and Electricity Markets Authority in accordance with section 16A(4A), makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Electricity (Connection Offer Expenses) Regulations 2018 and come into force on 6th April 2018.

(2) In these Regulations, "the Act" means the Electricity Act 1989.

Requirement to pay connection offer expenses

2.—(1) This regulation applies where on or after 6th April 2018 a person (the "applicant") gives an electricity distributor a notice under section 16A(1) of the Act (the "application") requiring the electricity distributor to offer terms for making a connection to a distribution system.

(2) Subject to paragraph (4), the electricity distributor may, by giving notice in writing to the applicant, require the applicant to pay expenses relating to the application that have been reasonably incurred by the electricity distributor in doing any of the following—

(a) assessing the impacts of the connection on the distribution system;

(b) assessing the impacts of the connection on a transmission system(**2**);

(c) designing the connection, including, in particular—

(i) designing any reinforcement works required to add capacity to the distribution system;

(ii) designing any reinforcement works required to add capacity to a transmission system;

(**1**) 1989 c.29; section 16A was inserted by section 44 of the Utilities Act 2000 (c.27) and subsections (4A) to (4C) were added by section 98 of the Energy Act 2008 (c.32).

(**2**) *"Transmission system"* is defined in section 4(4) of the Electricity Act 1989 for the purposes of Part 1 of that Act.

(iii) designing any required extension of the distribution system;

(iv) designing any required extension of a transmission system;

(d) processing the application including, but not limited to, preparing the information to be included in the notice under this paragraph and the notice given under section 16A(5) of the Act.

(3) A notice under paragraph (2) must—

(a) specify the amount to be paid by the applicant;

(b) give sufficient information to enable the applicant to understand how the amount has been determined;

(c) specify when payment must be made and how payment may be made; and

(d) include a statement of the effect of section 23 of the Act(**3**).

(4) The electricity distributor may not require the applicant to pay any expenses in relation to an activity referred to in paragraph (2)(a) to (d) unless before incurring those expenses, the electricity distributor has informed the applicant in writing that the applicant may be required to pay expenses of that kind.

Review

3.—(1) The Secretary of State must from time to time—

(a) carry out a review of the regulatory provision contained in these Regulations; and

(b) publish a report setting out the conclusions of the review.

(2) The first report must be published before 6th April 2023.

(3) Subsequent reports must be published at intervals not exceeding 5 years.

(4) Section 30(4) of the Small Business, Enterprise and Employment Act 2015(**4**) requires that a report published under this regulation must, in particular—

(a) set out the objectives intended to be achieved by the regulatory provision referred to in paragraph (1)(a);

(b) assess the extent to which those objectives are achieved;

(c) assess whether those objectives remain appropriate; and

(d) if those objectives remain appropriate, assess the extent to which they could be achieved in another way which involves less onerous regulatory provision.

(5) In this regulation, "regulatory provision" has the same meaning as in sections 28 to 32 of the Small Business, Enterprise and Employment Act 2015 (see section 32 of that Act).

(**3**) Section 23 was amended by paragraph 26 of Schedule 6 to the Utilities Act 2000 (c. 27), by section 52(6) of the Infrastructure Act 2015 (c. 7), and The Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014. Following the transfer of the functions of the Director General of Electricity Supply to the Gas and Electricity Markets Authority, section 3(2) of the Utilities Act 2000 provides that a reference to the Director in an enactment is to have effect as if it were a reference to the Authority.

(**4**) 2015 c.26.