STATUTORY INSTRUMENTS

2017 No. 106

ELECTRICITY

The Electricity (Connection Charges) Regulations 2017

Made - - - -	*6th February 2017*
Laid before Parliament	*7th February 2017*
Coming into force - -	*6th April 2017*

The Secretary of State has consulted the Gas and Electricity Markets Authority in accordance with paragraph 3(1) of Schedule 5B to the Electricity Act 1989(**1**).

In exercise of the powers conferred by sections 19(3A), 60(3) and 64(1) of, and Schedule 5B to, the Electricity Act 1989(**2**), the Secretary of State makes the following Regulations:

PART 1

Introduction

Citation and commencement

1. These Regulations may be cited as the Electricity (Connection Charges) Regulations 2017 and come into force on 6th April 2017.

Interpretation

2. In these Regulations—

"the Act" means the Electricity Act 1989;

"administrative expenses" means the expenses reasonably incurred by a relevant electricity distributor(**3**) in discharging its obligations under these Regulations;

"eligible person" has the meaning given in regulation 5;

"HV connection" means a connection to a distribution system, where the nominal voltage of the distribution system at the point of connection is more than 1kV but not more than 22kV;

(**1**) 1989 c. 29. Schedule 5B was inserted by the Infrastructure Act 2015 (c. 7), section 52.
(**2**) Section 19 was amended by the Utilities Act 2000 (c. 27), section 46 and by the Infrastructure Act 2015, section 52. The definition of "prescribed" in section 64(1) was amended by the Utilities Act 2000, Schedule 6, Part II, paragraph 38(6); there are other amendments to section 64(1) which are not relevant.
(**3**) "Relevant electricity distributor" is defined in paragraph 4(1) of Schedule 5B to the Act.

"independent connection provider" means a person, other than an electricity distributor, who provides electric line or electrical plant for the purpose of making a first connection(**4**) or a second connection(**5**);

"initial contributor", in relation to a first connection, means a person who has—

(a) obtained the first connection; and

(b) made a payment to an electricity distributor or to an independent connection provider in respect of first connection expenses(**6**);

"kV" means kilovolts;

"LV connection" means a connection to a distribution system, where the nominal voltage of the distribution system at the point of connection is not more than 1kV;

"net first connection expenses", in relation to a second connection, means the first connection expenses, excluding—

(a) if the second connection is a LV connection, any expenses which were incurred in providing electric line or electrical plant at a nominal voltage of more than 22kV for reinforcement works for the purpose of making the first connection; or

(b) if the second connection is a HV connection, any expenses which were incurred in providing electric line or electrical plant at a nominal voltage of 132kV for reinforcement works for the purpose of making the first connection;

"reinforcement works" means works that add capacity to an existing distribution system;

"subsequent contributor", in relation to a second connection, means a person who has—

(a) obtained the second connection; and

(b) received a demand for a reimbursement payment under regulation 7.

(2) References to a person obtaining, or who has obtained, a first connection or a second connection are to a person who has—

(a) required that connection under section 16(1) of the Act(**7**); or

(b) otherwise entered into an arrangement with an electricity distributor or an independent connection provider for the making of the connection.

PART 2

Reimbursement payments

Application of this Part

3. This Part applies in cases where a first connection is made on or after 6th April 2017.

Prescribed period

4. For the purpose of condition D in paragraph 1(5) of Schedule 5B to the Act, the prescribed period is ten years after the first connection was made.

(**4**) By virtue of paragraph 1(2) of Schedule 5B, a first connection is made where any electric line or electrical plant is provided for the purpose of making a connection between premises and a distribution system, or between two distribution systems.

(**5**) By virtue of paragraph 1(4) of Schedule 5B, a second connection is made where any electric line or electric plant provided for the purpose of making a first connection is used for the purpose of making another connection between premises and a distribution system, or between two distribution systems.

(**6**) "First connection expenses" are defined in paragraph 1(6) of Schedule 5B as 'any expenses reasonably incurred by a person in providing any electric line or electric plant for the purpose of making the first connection'.

(**7**) Section 16(1) was amended by the Utilities Act 2000 (c. 27), section 44.

Eligible persons

5.—(1) For the purposes of this Part, where a second connection is made, each of the following persons is an "eligible person" in relation to first connection expenses—

(a) a person who—

(i) is an initial contributor; and

(ii) at the relevant time owns or occupies the premises, or owns the distribution system (as the case may be), to which the first connection was made;

(b) a person who—

(i) has, on a previous occasion when a second connection was made ("the previous connection"), made a payment under these Regulations in respect of the first connection expenses; and

(ii) at the relevant time owns or occupies the premises, or owns the distribution system (as the case may be), to which the previous connection was made;

(c) a person who—

(i) has been assigned a right to receive a reimbursement payment; and

(ii) at the relevant time owns or occupies the premises, or owns the distribution system (as the case may be), to which the first connection was made;

(d) an electricity distributor which has incurred first connection expenses which it has not previously fully recovered from any other person; or

(e) a person other than—

(i) an initial contributor;

(ii) a person who has made a payment under these Regulations; or

(iii) an electricity distributor,

that has made a payment to an electricity distributor or to an independent connection provider in respect of the first connection expenses.

(2) In paragraph (1), "the relevant time" means the time at which the second connection is made.

Requirements where a second connection is to be made

6.—(1) This regulation applies where—

(a) a second connection is to be made;

(b) upon that second connection being made, conditions A to D in paragraph 1 of Schedule 5B to the Act will be met; and

(c) the first connection expenses were met in whole or in part by the initial contributor or persons who have previously made payments under these Regulations.

(2) The relevant electricity distributor must take reasonable steps to ascertain whether there are any persons who will be eligible persons, and, if so, the name and address of each of those persons.

(3) If it appears to the relevant electricity distributor that there are any such persons, the relevant electricity distributor must as soon as reasonably practicable give notice in writing to the person obtaining the second connection stating—

(a) that upon the second connection being made the person may be liable to pay a reimbursement payment; and

(b) the amount, or an estimate of the amount, of that payment.

Demanding a reimbursement payment

7.—(1) This regulation applies where—

(a) a second connection is made;

(b) conditions A to D in paragraph 1 of Schedule 5B to the Act are met;

(c) the first connection expenses were met in whole or in part by the initial contributor or by persons who have previously made payments under these Regulations; and

(d) the relevant electricity distributor has given the person obtaining the second connection a notice under regulation 6(3).

(2) Subject to paragraph (5), the relevant electricity distributor must demand a reimbursement payment from the person obtaining the second connection.

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

(a) be for an amount equal to the appropriate proportion of the net first connection expenses; and

(b) be given in writing and specify the time for payment.

(4) For the purposes of paragraph (3), the appropriate proportion of the net first connection expenses is the proportion of those expenses which appears to the relevant electricity distributor to be reasonable having regard to all the circumstances, including in particular the maximum capacity required by the person obtaining the second connection.

(5) A relevant electricity distributor is not required to demand a reimbursement payment in any case where—

(a) the amount of the reimbursement payment would, after deduction of administrative expenses under regulation 9, leave less than £300 remaining for payment to eligible persons; or

(b) all the persons identified by the relevant electricity distributor in accordance with regulation 6(2), other than the relevant electricity distributor if it is an eligible person itself, have notified the relevant electricity distributor in writing that they do not wish to receive a reimbursement payment.

(6) Where the relevant electricity distributor estimates the amount of net first connection expenses under regulation 10(3), the references to the net first connection expenses in paragraphs (3) and (4) are to be treated as references to the amount of net first connection expenses so estimated.

Obligation to make a reimbursement payment

8.—(1) A subsequent contributor must, subject to paragraphs (2) and (3), pay the amount demanded under regulation 7 to the relevant electricity distributor within the time specified in the demand.

(2) If the subsequent contributor makes a request for information under regulation 11, the subsequent contributor is not required to comply with the demand until the relevant electricity distributor has—

(a) provided such information as the subsequent contributor has reasonably requested; or

(b) notified the subsequent contributor that it does not hold the information.

(3) If a dispute about the demand is referred to the Authority in accordance with section 23(**8**) of the Act, the subsequent contributor is not required to comply with the demand unless ordered to do so by the Authority or by a person appointed by the Authority to determine the dispute.

(**8**) Section 23 has been amended by the Utilities Act 2000 (c. 27), section 108 and Schedule 6, Part II, paragraphs 24 and 26, the Infrastructure Act 2015 (c. 7), section 52(6), and S.I. 2014/631.