



**Response by Energia to the Utility
Regulator Third Energy Package
Consultation**

***Third Energy Package Consultation on Further
Technical Modifications to Gas and Electricity
Licences***

18 April 2013

Energia welcomes the opportunity to respond to this consultation on further proposed gas and electricity licence modifications considered by the Utility Regulator to be necessary for implementation of the Third Energy Package. Energia recognises the important role of the Third Energy Package in European energy policy and supports the overall objective of creating fully competitive, liberalised internal markets in both electricity and gas across all Member States.

It is wholly appropriate that the proposed licence modifications be consulted upon and that only modifications necessary for compliance with the Third Energy Package be progressed with the agreement of licence holders, duly taking into account and incorporating changes required based on constructive comments received.

We strongly caution against 'gold-plating' Third Energy Package requirements in a hasty manner via licence modifications and otherwise without taking into account licensee concerns and comments in a bid to 'demonstrate' compliance and would refer to the HM Government's Transposition Guidelines published in April 2011 which clarifies government policy in respect of this.

We refer to Chapter 2 of the consultation paper and the proposal therein to modify the 'accounts condition' of all gas and electricity licences to demonstrate compliance with Articles 30 and 31 of the Gas Directive and the Electricity Directive as follows:

The proposed new paragraph reads as follows;

Without prejudice to any other provision of this Condition, the Licensee shall, on request, give the Authority and/or the Department (as the case may be) access to the Licensee's accounting records, policies and statements referred to in this Condition.

The above proposed provision is not needed and is inappropriately drafted.

Existing provisions of Energia's electricity and gas supply licences already enable the Utility Regulator to ask for any information it requires to perform its various statutory functions. No separate specific right to accounts is required - the proposed modification represents an unnecessary duplication and Energia does not support it.

Also, in relation to the proposed wording there exists considerable ambiguity as to what precisely 'access' means. The licence should clarify what is required by the legislation and what should be provided for here is the giving of information and/or copy documents. The word 'access' is very broad and could for example include the Utility Regulator directly accessing Energia's accounting system which is clearly beyond what is intended by the relevant legislation.