



GAS REGULATION (AMENDMENT) BILL 2020

EXPLANATORY NOTES

These notes are circulated for the information of Members with the approval of the Member in charge of the Bill, Hon R K Harmer MHK

INTRODUCTION

1. These explanatory notes relate to the Gas Regulation (Amendment) Bill 2020 (the 'Bill'). They have been prepared by the Cabinet Office to inform the reader of the Bill.
2. These notes provide an overview of the sections of the Bill and are not meant to be a comprehensive description of the Bill.

FINANCIAL IMPLICATIONS

3. It is not anticipated that the resulting Act will involve any significant change to Government income or expenditure.

EUROPEAN CONVENTION ON HUMAN RIGHTS

4. In the opinion of the Member moving the legislation, the provisions of the Gas Regulation (Amendment) Bill 2020 are compatible with the Convention rights.

BACKGROUND

5. There is an action within the Programme for Government (9.8) for the Cabinet Office to lead on negotiations with Manx Gas to establish a new regulatory agreement, with Tynwald voting in June 2020¹ to proceed with a negotiated agreement with Manx Gas along with the introduction of regulations to cover the public supply of gas for customers.
6. In October 2020 the Council of Ministers agreed that legislation be enacted to assign the functions of the independent regulator of the gas market to the Communications Commission.

SUMMARY OF PURPOSE AND SCOPE

7. In summary, the Bill:

¹ [Tynwald Sitting June 2020 \(Item 13\)](#)

- Repeals and replaces section 6 of the Gas Regulation Act 1995, the effect of which is to limit the power of a public gas supplier in respect of the fixing of tariffs. The new section 6 proposes to empower the Communications Commission, by regulations, to set the parameters within which the tariffs may be fixed. Currently, there is no provision for a third party to set parameters.
- Makes express provision for parameters set by agreement between the Cabinet Office and a public gas supplier to be regarded as sufficient and therefore obviating the need for parameters to be set by regulations.
- Re-enacts provisions that permit a public gas supplier to enter into a special agreement with particular customers in specified circumstances and/or to include in the tariff rent or a standing charge.

COMMENTARY ON CLAUSES

8. **Clause 1** of the Bill provides for the short title of the Act, should the Bill be passed.
9. **Clause 2** deals with issues of interpretation of the Bill.
10. **Clause 3** repeals and replaces section 6 of the Gas Regulation Act 1995, with the effect described above.