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SECRETARY OF STATE FOR ENERGY

THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

01 211 6402

The Lord Hailsham of St Marylebone
Lord Chancellor
House of Lords
LONDON
SW1A 0PW

25 June 1986

GAS BILL: COMMENCEMENT

As you know, the House of Lords Committee Stage of the Gas Bill has now been completed, and we are on course for obtaining Royal Assent before the Summer Recess.

We aim to float British Gas before the end of the year; but in order to achieve a successful flotation through an intensive advertising and marketing campaign and to set in place at an early date the new regulatory arrangements we shall need to dispense with the usual two month period between Royal Assent and the Bill's coming into effect. We would hope to appoint formally the Director of OFGAS during the week beginning 11 August which means commencing Clause 1 about 2 weeks after Royal Assent. The setting up of the new regulatory system and the vesting of all BGC's assets and liabilities in the successor company would need to follow quite quickly (and certainly by the end of August) in order to maintain momentum towards flotation in late Autumn.

The two-month delay is of course designed to allow those likely to be affected by the legislation to become familiar with it. The appointment of the Director will have no practical effect until the regulatory provisions are commenced in late August, and this should be about a month after Royal Assent. I believe there will be real advantage for gas consumers in bringing the new arrangements into play as early as possible. We have taken care to consult widely in the gas industry about our proposals, and I am confident that private gas suppliers, and others concerned including trade associations and consumer organisations, will be well aware of the consequences of the new arrangements.

I hope therefore that you and colleagues will see no difficulty in dispensing with part of the normal 2 month period.

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I am copying this letter to Members of E(A), the Lord Privy Seal, Members of L Committee, and the First Parliamentary Counsel. I am also copying this to the Lords Chief Whip, who now has responsibility for supervision of printing of the Bill so that sufficient priority can be given to ensure the text is publicly available as early in August as possible, and to Lord Belstead.

A handwritten signature in dark ink, appearing to read "Peter Walker", with a large, stylized flourish extending upwards and to the left.

PETER WALKER

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FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.



HOUSE OF LORDS,
LONDON SW1A 0PW

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26 June 1986

My dear Peter:

GAS BILL: COMMENCEMENT

Thank you for your letter of 25th June 1986 seeking agreement to cutting the normal period of two months between Royal Assent and Commencement to one of two weeks.

Whilst I appreciate your need to maintain momentum towards flotation and whilst I have not been directly involved in your consultations, I would have thought that this proposal is potentially controversial, particularly amongst some of our supporters in the Lords.

A defeat on an amendment would have the effect of postponing the Bill, not accelerating it.

I am copying this reply to John Biffen, Bertie Denham, John Belstead and the other members of E(A) and L Committees and to Sir George Engle and Sir Robert Armstrong.

Yrs:

The Right Honourable
Peter Walker, M.B.E., M.P.,
Secretary of State for Energy.

NAT. IND. PT 12.



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LONDON, WC2A 2LL

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26 June 1986

The Rt Hon Peter Walker MBE MP
Secretary of State for Energy
Department of Energy
Thames House South
Millbank
LONDON S W 1

2 PPS

TF

NBM

Dear Peter.

GAS BILL : COMMENCEMENT

I have seen a copy of your letter of 25 June to
Quintin Hailsham.

File with DEN.

I see no difficulty in dispensing with part of
the normal 2 month period between Royal Assent and
commencement as you propose.

I am copying this to recipients of yours.

Yours Genu.

Michael.

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NAT. IND: Gao & elec. Pt 12



FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.



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HOUSE OF LORDS,
LONDON SW1A 0PW

The Right Honourable
Peter Walker, M.B.E., M.P.,
Secretary of State for Energy,
Thames House South,
Millbank,
London, SW1P 4QJ.

3 July 1986

NRBM

Dear Peter,

Gas Bill - Commencement

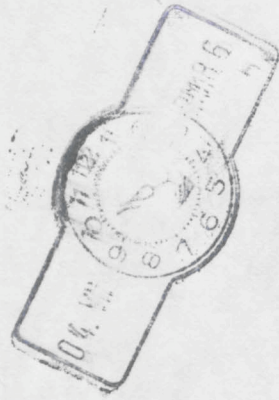
Since I wrote to you on 26th June 1986 in reply to your letter of 25th June about early commencement of the Gas Bill several colleagues, including the Attorney General, have written to me supporting your proposal. I am content to accept that general view.

I am copying this letter to John Biffen, Bertie Denham, John Belstead and the other members of E(A) and L Committees and to Sir George Engle and to Sir Robert Armstrong.

Yrs :

LORD HAILSHAM OF ST. MARYLEBONE CH, F.R.S., D.C.L.

NAT. IND: Gas & elec: Pt 12





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Secretary of State for Trade and Industry

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1 July 1986

The Rt Hon The Lord Hailsham
of St Marylebone CH
Lord Chancellor
House of Lords
London SW1A 0PW

Den Quinlan

GAS BILL: COMMENCEMENT

Peter Walker wrote to you on 25 June. I strongly support his proposal to dispense with the usual two months period between Royal Assent and the coming into effect of the Gas Bill.

I am responsible for the various Gas Consumer Councils which the Bill will abolish and the new Gas Consumers' Council which will be set up in their place. Since the latter will be considerably more streamlined than its predecessors and the opportunity is being taken to shake out less effective staff, many of the existing staff are not being recruited to the new body. Staff in this category are already leaving and the morale and effectiveness of the remainder will not be high. The positive presentation of the privatisation exercise as a whole could be put in jeopardy by a prolonged hiatus during which gas consumers were not being well served.

For this reason, I am keen to effect the transition to the new regime no later than late August, as Peter Walker suggests.

I am sending copies of this letter to the recipients of Peter's.

Paul
PAUL CHANNON

Paul
17 86
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BOARD OF TRADE
BICENTENARY

NAT IND : Gas : Pt 12

