

# Electricity companies in the United Kingdom - a brief chronology

Policy Research, 30 June 2003

## MOST RECENT UPDATES

(More details in main section)

### **30 June 2003**

LE Group changed its name to EDF Energy.

TXU Energi renamed Powergen.

### **22 May 2003**

Scottish and Southern Energy announced that it had agreed terms for the purchase of Midlands Electricity, owner of Aquila Networks, subject to a transaction with bondholders. Completion hoped for by end of August 2003.

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## CHRONOLOGY

### 1988

- 25 February 1988      White Paper: *Privatising Electricity: the Government's proposals for the privatisation of the electricity supply industry in England and Wales* (Cm322).
- 2 March 1988          White Paper: *Privatisation of the Scottish Electricity Industry* (Cm327).
- 30 November 1988      *Electricity Bill* presented to Parliament.

### 1989

- 24 July 1989          Magnox nuclear power stations withdrawn from the privatisation
- 27 July 1989          *Electricity Act 1989* received Royal Assent.
- 9 November 1989      The remaining nuclear power stations (advanced gas-cooled reactors, AGRs) withdrawn from the privatisation.

### 1990

- 30 March 1990          Vesting Day - Electricity Association.
- 31 March 1990          Vesting Day - Regional Electricity Companies, National Power, PowerGen, Nuclear Electric, National Grid Company, Hydro Electric, ScottishPower, and Scottish Nuclear.  
Electricity Pool of England Wales opened for trading.  
Office of Electricity Regulation assumed full responsibilities.  
Electricity Consultative Councils replaced by Electricity Consumer Committees.
- 11 December 1990      Regional Electricity Companies floated.

**1991**

- 12 March 1991            60% of National Power and PowerGen floated.
- 20 March 1991            White Paper: *Privatisation of Northern Ireland Electricity* (Cm1429).
- 18 June 1991             Hydro Electric and ScottishPower floated.

**1992**

- 11 February 1992        *Electricity (Northern Ireland) Order 1992* (S.I. 1992/231 (N.I. 1) ).
- 1 April 1992             Vesting Day - Northern Ireland Electricity.  
Vesting Day - Northern Ireland power stations: Ballylumford Power, Belfast West Power, Coolkeeragh Power, and Kilroot Power  
Trade sale: of Ballylumford Power to British Gas subsidiary Premier Power; Coolkeeragh Power to management / employee buyout.  
Office of Electricity Regulation, Northern Ireland, assumed full responsibilities.  
Northern Ireland Consumer Committee for Electricity replaced the General Consumer Committee.
- 31 May 1992             Kilroot Power and Belfast West Power sold to NIGEN - a joint venture between AES (USA) and Tractebel (Belgium).

**1993**

- 21 June 1993            Northern Ireland Electricity floated.

**1994**

- 14 December 1994      Trafalgar House bid for Northern Electric. Bid lapsed 10 March 1995.

**1995**

- 6 March 1995            Second tranche (40%) of National Power and PowerGen floated.
- 10 March 1995            Trafalgar House bid for Northern Electric lapsed.
- 31 March 1995            Government's 'golden share' in the RECs ended.
- 9 May 1995              White paper: *The prospects for nuclear power in the UK: conclusions of the Government's nuclear review* (Cm2860).
- 17 July 1995             Southern Company (USA) - through Southern Electric International (now called Southern Energy Inc., bid for South Western Electricity. Takeover completed 18 September 1995.
- 24 July 1995             ScottishPower bid for Manweb. Takeover completed 12 October 1995.
- 31 July 1995             Hanson made agreed bid for Eastern Group (Eastern Electricity). Takeover completed 18 September 1995.
- 8 September 1995        North West Water bid for NORWEB. Takeover completed 8 November 1995.
- 18 September 1995      PowerGen made agreed bid for Midlands Electricity. Bid referred to MMC. Government blocked bid 24 April 1996.
- 18 September 1995      Southern Company takeover of South Western Electricity completed. Hanson takeover of Eastern Group completed.
- 2 October 1995            National Power made agreed bid for Southern Electric. Bid referred to MMC. Government blocked bid 24 April 1996.

- 12 October 1995 ScottishPower takeover of Manweb completed.
- 6 November 1995 Central and South West Corp. (CSW) (USA) - through Central and South West (UK) made agreed bid for SEEBOARD. Takeover completed 11 January 1996. (In the USA: 22 December 1997, CSW announced merger with American Electric Power, 50% owner of Yorkshire Electricity since 1 April 1997).
- 8 November 1995 North West Water takeover of NORWEB completed.
- 20 November 1995 National Grid's Pumped Storage Business incorporated as First Hydro.
- 4 December 1995 Welsh Water Group bid for SWALEC (South Wales Electricity). Takeover completed 29 January 1996.
- 11 December 1995 National Grid Group (National Grid Company until 17/11/95) floated after a number of RECs demerged their shareholdings in the company.
- 18 December 1995 Edison Mission Energy (USA) bought First Hydro in a trade sale.

**1996**

- 11 January 1996 Central and South West Corp. takeover of SEEBOARD completed.
- 29 January 1996 Welsh Water Group takeover of SWALEC completed.
- 21 March 1996 Hyder formed as parent of SWALEC and Dwr Cymru Welsh Water.
- 31 March 1996 Vesting Day - British Energy and its operating subsidiaries, Nuclear Electric Ltd and Scottish Nuclear Ltd.  
Nuclear Electric plc changed name to and vested as Magnox Electric plc.
- 1 April 1996 United Utilities formed as parent of NORWEB and North West Water.
- 24 April 1996 Government blocked National Power's takeover of Southern Electric and PowerGen's takeover of Midlands Electricity.
- 7 May 1996 General Public Utilities (now GPU Inc) and Cinergy (both USA) - through Avon Energy Partners, made agreed bid for Midlands Electricity.
- 7 June 1996 Avon Energy Partners takeover of Midlands Electricity completed.
- 1 July 1996 Southern Company sold 25% of its holding in SWEB to Power Markets Development Company (now called PP&L Global Inc.), a subsidiary of PP&L Resources (USA).
- 15 July 1996 British Energy floated.
- 28 October 1996 CalEnergy and Peter Kiewit (both USA) - through CE Electric UK, bid for Northern Electric. Takeover completed 24 December 1996.
- 13 November 1996 Dominion Resources (USA) - through DR Investments (UK), made agreed bid for East Midlands Electricity. Takeover completed 13 January 1997.
- 3 December 1996 The Government sold virtually all residual shareholdings in British Energy, ScottishPower, Hydro-Electric, National Grid, Northern Ireland Electricity, National Power and PowerGen.
- 18 December 1996 Entergy Corporation (USA)- through Entergy Power (UK), made agreed bid for London Electricity. Takeover completed 7 February 1997.
- 24 December 1996 CE Electric UK bid for Northern Electric completed.

**1997**

- 13 January 1997 DR Investments (UK) takeover of East Midlands Electricity completed.
- 7 February 1997 Entergy Power (UK) takeover of London Electricity completed.
- 24 February 1997 American Electric Power (AEP) and Public Service Company of Colorado (both USA) - through Yorkshire Holdings, made agreed bid for Yorkshire Electricity. Takeover completed 1 April 1997. (PS Colorado merged with Southwestern Public Service Company 1 August 1997, to form New Century Energies; New Century Energies announced merger with Northern States Power Co. on 25 March 1999. AEP announced a merger with Central and South West Corp, CSW, owner of SEEBOARD on 22 December 1997).  
The Energy Group (Eastern Electricity's parent) demerged from Hanson and shares commenced trading on London Stock Exchange.
- 1 April 1997 Yorkshire Holdings takeover of Yorkshire Electricity completed.
- 13 June 1997 PacifiCorp (USA) - through PacifiCorp Acquisitions, made agreed bid for The Energy Group.
- 1 August 1997 PacifiCorp bid for The Energy Group referred to the MMC. Bid lapsed.  
In the USA: Public Service Company of Colorado (50% owner of Yorkshire Electricity) merged with Southwestern Public Service Company to form New Century Energies.
- 19 December 1997 Government cleared PacifiCorp bid for The Energy Group.
- 22 December 1997 In the USA: American Electric Power (AEP) (50% owner of Yorkshire Electricity) and Central and South West Corp. (CSW) (owner of SEEBOARD) announced their intention to merge.

**1998**

- 2 January 1998 CalEnergy purchased Peter Kiewit's share in Northern Electric.
- 30 January 1998 The Government's shareholding in Magnox Electric was transferred to British Nuclear Fuels plc (BNFL). Magnox Electric became a wholly-owned subsidiary of BNFL, to be known as BNFL Magnox Generation. Full integration took place 30 January 1999.
- 3 February 1998 PacifiCorp announced new bid for The Energy Group.
- 9 February 1998 Viridian Group was quoted on London and Dublin Stock Exchanges as the holding company for Northern Ireland Electricity.
- 2 March 1998 Texas Utilities Company (USA), through TU Acquisitions PLC, bid for The Energy Group. PacifiCorp raised its offer for The Energy Group.
- 3 March 1998 Texas Utilities raised its offer for The Energy Group.
- 25 March 1998 The Government published the Green Paper *A fair deal for consumers: modernising the framework for utility regulation*.
- 30 April 1998 PacifiCorp withdrew its bid for The Energy Group.
- 18 June 1998 Southern Company sold an additional 26% share of SWEB to PP&L Resources. PP&L now owns 51% of SWEB.
- 23 June 1998 British Energy announced the planned merger of its operating divisions Nuclear Electric and Scottish Nuclear. Completed 1 January 1999.
- 29 June 1998 PowerGen announced plans to purchase East Midlands Electricity from Dominion Resources.

27 July 1998	PowerGen takeover of East Midlands Electricity completed.
3 August 1998	Eneryg announced its intention to sell London Electricity. Sale to Electricité de France completed 31 December 1998.
12 August 1998	In the USA, CalEnergy (owner of Northern Electric), announced its intention to merge with MidAmerican Energy Co. The new group will be called MidAmerican Energy Holdings Company.
1 September 1998	Scottish Hydro-Electric and Southern Electric announced their intention to merge to form Scottish and Southern Energy. Texas Utilities takeover of The Energy Group completed.
22 November 1998	Electricité de France announced an unconditional offer to buy London Electricity.
25 November 1998	Midlands Electricity announced the sale of its supply business to National Power.
14 December 1998	Scottish and Southern Energy merger completed.
31 December 1998	Electricité de France purchase of London Electricity completed.

**1999**

1 January 1999	The roles of the Office of Electricity Regulation and the Office of Gas Supply merged. Nuclear Electric and Scottish Nuclear, previously operating subsidiaries of British Energy, merged to form a single division - British Energy Generation Ltd.
30 January 1999	Full integration of Magnox Generation and BNFL. Magnox Generation is now one of BNFL's five Business Groups.
12 March 1999	In the USA, CalEnergy (owner of Northern Electric) merged with MidAmerican Energy Co. to form MidAmerican Energy Holdings Company.
11 June 1999	London Electricity confirmed that it had bought SWEB's supply business, subject to regulatory approval.
23 June 1999	Hyder announced it had agreed to sell Swalec's supply business to British Energy.
30 June 1999	National Power's acquisition of Midlands Electricity's supply business completed.
6 July 1999	Midlands Electricity announced that one of its two American owners, GPU, had bought out the 50% share held by the other owner, Cinergy.
23 September 1999	The Government approved British Energy's acquisition of Swalec's electricity and gas supply business.
30 September 1999	London Electricity acquisition of SWEB supply business completed.
1 October 1999	SWEB changed its name to Western Power Distribution. London Electricity is using the SWEB brand for electricity and gas supply in the region.
25 October 1999	In the USA, Berkshire Hathaway (75%), and other buyers, bought MidAmerican Energy Holdings (owner of Northern Electric). Completed 14 March 2000.
9 November 1999	Eastern Group (parent of Eastern Electricity, and itself owned by TXU of the USA) changed its name to TXU Europe Group plc and will be known as TXU Europe. (Eastern Generation is now TXU Europe Power and Eastern Power and Energy Trading will be TXU Europe Energy Trading by January 2000).
21 November 1999	National Power announced it is to split into two independent businesses - UK energy (to be called npower), and international. npower is to sell Killingholme to NRG Energy, and Eggborough to British Energy.

15 December 1999 London Electricity and Eastern Electricity, the distribution arm of TXU Europe Group, announced their intention to set up a joint venture to operate their distribution networks. The new operator, 24seven, launched on 3 April 2000.

**2000**

20 January 2000 *Utilities Bill* introduced in House of Commons.

17 February 2000 British Energy takeover of SWALEC supply business completed. SWALEC's distribution business, still owned by Hyder, was renamed Infracore. The registered name changed from South Wales Electricity plc to British Energy Retail Markets Limited.

1 March 2000 United Utilities, owner of Norweb, announced its intention to sell the Norweb Energi electricity and gas supply business.

14 March 2000 In the USA, the purchase of MidAmerican Energy Holdings (owner of Northern Electric) was completed. MidAmerican is now a privately owned company.

20 March 2000 Midlands Electricity changed its name to GPU Power UK.

30 March 2000 Electricité de France announced its intention to float London Electricity.

3 April 2000 24seven Utility Services Ltd. launched - the joint venture of TXU Europe's and London Electricity's distribution businesses.

18 April 2000 Hyder, the owner of Infracore, agreed to a takeover by Nomura, a Japanese investment bank. The offer is being tabled through St David Capital, a company set up for the bid. Offer price was 260p per share.

31 May 2000 Western Power Distribution bid for Hyder. Offer price was 300p per share.

7 June 2000 Nomura's bid for Hyder was cleared by the DTI.

15 June 2000 In the USA, American Electric Power (50% owner of Yorkshire Electricity) and Central and South West Corp (owner of SEEBOARD) completed their merger. The new company is called American Electric Power (AEP).

25 July 2000 National Power announced it is to split into two companies: Innogy, the UK business including the npower brand name, and International Power, the international business.

28 July 2000 *Utilities Act 2000* received royal assent.

1 August 2000 Nomura made a second bid for Hyder at 320p per share. The board of Hyder recommended the offer. Western Power Distribution later offered 340p per share. Hyder board withdrew its recommendation of the Nomura bid.

2 August 2000 The DTI cleared Western Power Distribution bid for Hyder.

3 August 2000 TXU Europe purchased Norweb Energi, Norweb's supply business, and power purchase agreements. Norweb's customer service business, Vertex, will manage TXU Europe's customer service operations. TXU Europe and North West Water will form a marketing alliance.

7 August 2000 British Energy sold Swalec to Scottish and Southern Energy. Hyder board recommended the Western Power Distribution offer.

8 August 2000 In the USA, GPU Inc. (owner of GPU Power UK, formerly Midlands Electricity), announced its merger with FirstEnergy Corp, subject to regulatory approval (expected within 12 months).

9 August 2000	Nomura raised its bid for Hyder to 360p per share. The government redeemed its golden share in National Power at the request of the company. The government still holds golden shares in Powergen, National Grid, British Energy, Northern Ireland Electricity, ScottishPower and Scottish and Southern Energy.
10 August 2000	The Takeover Panel ordered sealed bids for Hyder by 1.00pm on 11 <sup>th</sup> August.
11 August 2000	In the sealed bids for Hyder - Nomura's offer remained at 360p, while Western Power Distribution offered 375p. Under the rules devised by the Takeover Panel, WPD was allowed to lower its offer to 365p per share. Nomura appealed against the validity of the procedure on the grounds that a deadline was missed.
15 August 2000	ELEXON Ltd took over the responsibility for the Electricity Pool and the introduction of the Balancing and Settlement Code which will support the New Electricity Trading Arrangements.
16 August 2000	The Takeover panel rejected Nomura's appeal regarding the sealed bids for Hyder, allowing WPD's bid to proceed.
17 August 2000	Nomura announced it would not challenge the Takeover Panel's decision to allow Western Power Distribution's bid to stand.
21 August 2000	In the USA, New Century Energies (50% owner of Yorkshire Electricity) and Northern States Power completed their merger to form Xcel Energy.
29 August 2000	Nomura's bid for Hyder lapsed.
15 September 2000	Western Power Distribution's bid for Hyder became wholly unconditional. Infracore distribution area to be rebranded as Western Power Distribution in early 2001.
2 October 2000	National Power divided into Innogy Holdings and International Power. In the USA, Southern Company sold 19.7% of Southern Energy, owner of Western Power Distribution and Hyder. It is intended to sell the remaining share in April 2000.
Nov 2000 - Mar 2001	London Electricity structure changing: LE Group is the new group name (to be officially launched 1 April 2001); London Electricity is a supply brand.
22 December 2000	The government redeemed its golden share in Powergen at the request of the company. The government still holds golden shares in National Grid, British Energy, Northern Ireland Electricity, ScottishPower and Scottish and Southern Energy.

## **2001**

2001	During the year, the electricity companies separated their distribution and supply businesses into distinct companies, as called for by the Utilities Act. For details of distribution and supply company names, please see <i>Who Owns Whom in the UK Electricity Industry</i> .
19 January 2001	Powergen confirmed it is in takeover talks with E.ON (Germany). In the USA, Southern Energy (49% owner of Western Power Distribution) was renamed Mirant Corporation.
27 February 2001	Innogy announced the purchase of 94.75% of Yorkshire Power Group, the holding company for Yorkshire Electricity Group. Xcel Energy retains a 5.25% share. Board and regulatory approval 2 April 2001.
1 April 2001	Norweb Distribution changed name to United Utilities.

- 2 April 2001 Innogy announced Board and regulatory approval for its acquisition of 94.75% of Yorkshire Power Group.
- 9 April 2001 E.ON (Germany) made agreed offer for Powergen, subject to regulatory approvals (completed 1 July 2002).
- 6 August 2001 It was announced that Northern Electric will acquire Yorkshire Electricity's distribution assets, currently owned by Innogy, and in return Innogy will acquire Northern Electric's electricity and gas supply customer base and its metering business. Completed 21 September 2001.
- 15 August 2001 TXU Europe announced it will relaunch its supply business brands, Eastern Energy and Norweb Energi, as TXU Energi, with effect from September.
- September 2001 TXU relaunched its supply business brands, Eastern Energy and Norweb Energi as TXU Energi.
- 21 September 2001 Northern Electric acquired Yorkshire Electricity's distribution assets from Innogy in exchange for Northern Electric's electricity and gas supply customer base and its metering business.
- 18 October 2001 UtilitiCorp United (USA) offered to buy Midlands Electricity and its subsidiaries (including GPU Power UK) from GPU Inc. This is subject to regulatory and shareholder approval. (In the USA, First Energy acquired GPU Inc, completed 29 October, effective 7 November 2001).
- 19 November 2001 LE Group confirmed it is to buy TXU's distribution business, subject to regulatory approval. Completed 18 Jan 2002.

**2002**

- 7 January 2002 National Grid introduced a new holding company, (called New National Grid for an interim period, then renamed National Grid Group plc), upon completion of its acquisition of Niagara Mohawk Inc (USA) - (completed 31 January 2002)
- 18 January 2002 LE Group purchase of TXU Europe's distribution business completed. The new company is called EPN Distribution Limited, trading as EPN. TXU's 50% share in 24 Seven Utilities Service Ltd was also sold to LE Group.
- 18 March 2002 Utilicorp United (USA), who will be acquiring Midlands Electricity, changed its name to Aquila, Inc. It was also announced that Aquila will be purchasing a 79.9% share of Avon Energy Partners Holdings - the holding company for Midlands Electricity - from FirstEnergy Corp (USA). FirstEnergy Corp is acquiring GPU Inc (USA) - the current owners of Midlands Electricity. Aquila and FirstEnergy will each have a 50% voting interest in Avon Energy Partners.
- 22 March 2002 RWE AG (Germany) agreed takeover of Innogy Holdings announced. Completion expected June / July 2002.
- 22 April 2002 National Grid and Lattice announced that they had unanimously agreed the terms of a recommended merger of equals to create National Grid Transco. Subject to shareholder and regulatory approval in UK and US. Merger completed 22 October 2002.
- 8 May 2002 Aquila Inc (USA) completed the acquisition of a 79.9% stake in Avon Energy Partners (the holding company for Midlands Electricity plc, which is the parent for GPU Power UK), from FirstEnergy (USA). First Energy retained a 20.1% share. GPU Power UK renamed Aquila Networks. Aquila Sterling later became the new holding company.
- 27 May 2002 RWE announced it had completed the acquisition of Innogy.



18 June 2002	American Electric Power (AEP) (USA) agreed to sell SEEBOARD to LE Group (owned by Electricite de France). Completed 29 2002.
1 July 2002	E.ON AG (Germany) completed its acquisition of Powergen plc.
3 July 2002	In France, Jean-Pierre Raffarin, the French Prime Minister, announced that the legal status of state-owned Electricité de France (owners of LE Group) would be changed to allow limited privatisation of the utility.
29 July 2002	LE Group acquisition of SEEBOARD completed.
7 August 2002	Aquila announced that it would seek a buyer for its 79.9% of the share in Aquila Sterling, the holding company for Midlands Electricity plc, operating as Aquila Networks. FirstEnergy has also announced its intention to sell the remaining 20.1% interest in Aquila Sterling.
6 September 2002	Mirant (USA) sold its 49% stake in Western Power Distribution to PPL Corp (USA), which now owns 100% of WPD.
14 October 2002	TXU announced that TXU Europe will be offering for sale all or portions of its business.
22 October 2002	Powergen bought TXU's retail and generation businesses in the UK, subject to regulatory approval. TXU's continental operations, and other parts of the UK business, are still owned by TXU Europe. National Grid Group and Lattice completed their merger to form National Grid Transco.
1 April 2003	The Energy (Northern Ireland) Order 2003 came into force, replacing the Electricity (Northern Ireland) Order 1992 and the Gas (Northern Ireland) Order 1996. Northern Ireland Authority for Energy Regulation took over the function and powers of the Director General of Electricity Supply and Director General of Gas for Northern Ireland, and the support duties of the Office for the Regulation of Electricity and Gas. Douglas McIlldoon was appointed as full time executive chairman of the Authority. There are also five part-time non-executive members. The energy group of the General Consumer Council took over the role of the Northern Ireland Consumer Committee for Electricity.
22 May 2003	Scottish and Southern Energy announced that it had agreed terms for the purchase of Aquila Sterling, holding company for Midlands Electricity and its subsidiaries including Aquila Networks. The acquisition is subject to agreement with bondholders and it is hoped the transaction will completed by end of August 2003.
30 June 2003	LE Group changed its name to EDF Energy. The retail brands are London Energy, SWEB Energy and Seeboard Energy. Network name EDF Energy. Generation name EDF Energy. TXU Energi renamed Powergen.

### **WHO OWNS WHOM?**

A summary of electricity company ownership is given in [Who owns whom in the UK electricity industry](#).

**OTHER CHRONOLOGIES AVAILABLE**

- Reed Business Publishing's annual *Electricity Supply Handbook* reviews developments in the electricity industry. The 1991 edition contains a chronology on the early part of the privatisation process and independent power projects.

Tel: 020 8652 3113.

- The Library at the Office of Electricity Regulation (Offer) produced two chronologies.

*Privatisation of the electricity supply industry in the UK: a chronology*, October 1994, traces the main events in the privatisation process from 1982 to vesting day in March 1990, focusing on the political and legislative process.

*Regulation of the electricity supply industry in the UK: a chronology*, October 1997, outlines the main events in the regulation of the UK electricity industry from vesting day in March 1990 to December 1996.

The Office of Gas and Electricity Markets (Ofgem) has succeeded Offer, and can be contacted on 020 7901 7000. E-mail [library@ofgem.gov.uk](mailto:library@ofgem.gov.uk).

**Policy Research  
Electricity Association**

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